

SRIVASTAVA KUMAR & CO.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of **Spectra Punj Lloyd Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Spectra Punj Lloyd Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

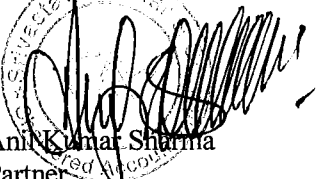
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder
 - e. on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;



- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.
 - ii. the Company does not have any long-term contracts including derivative contracts, for which provision is required for any foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the company.

for Srivastava Kumar & Co.
Chartered Accountants
Firm Registration No: 011204N


Anil Kumar Sharma
Partner
Membership No. 097850

Place: Gurgaon
Date : May 12, 2017

Annexure - A to the Auditors' Report

Referred to in paragraph 1 under the heading report on other legal and regulatory requirements of the Auditors' Report of even date

Re: Spectra Punj Lloyd Limited

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

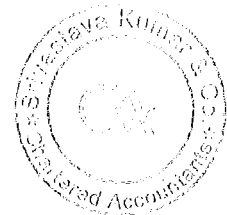
(c) The title deeds of immovable properties are held in the name of the company.
- ii. (a) The inventory has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable

(b) In our opinion, the procedure of physical verification of inventory, followed by the management, is reasonable and adequate in relation to the size of the company and nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies between physical inventory and the book records, as observed on verification, which were not material in relation to the size of the company, have been properly dealt with in the books of accounts
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the service rendered by the Company.



- vii. (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities. No such statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions/ banks. The company did not have any outstanding dues in respect of debenture during the year.
- ix. According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.
- x. According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.
- xi. According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- xiv. According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

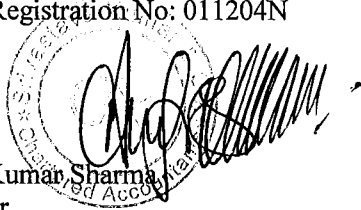


- xv. According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

for Srivastava Kumar & Co.

Chartered Accountants

Firm Registration No: 011204N



Anil Kumar Sharma

Partner

Membership No. 097850

Place: Gurgaon

Date : May 12, 2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Spectra Punj Lloyd Limited** ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

for Srivastava Kumar & Co.

Chartered Accountants

Firm Registration Number: 011204N

Anil Kumar Sharma

Partner

Membership Number 097850

Place: Gurgaon

Date : May 12, 2017

Spectra Punj Lloyd Limited
Standalone Balance Sheet as at March 31, 2017
 (All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
Non-current assets				
Property Plant and Equipments	3	162,561	249,257	342,659
Deferred tax assets (net)	4	24,428,873	24,428,873	24,018,898
Others	5	29,214,801	28,252,096	24,851,259
Current assets				
Inventories		5,906,505	6,391,323	1,370,403
Financial Assets				
Trade receivables	7	42,525,846	28,291,581	22,984,559
Cash and bank balances	8	2,526,578	3,587,518	2,944,364
Loans	6	414,780,000	404,040,000	386,040,000
Other current assets	9	245,755,478	201,696,396	159,351,807
Others	5	11,872,283	11,446,389	10,240,438
Total Assets		777,172,925	708,383,434	632,144,387
Equity and liabilities				
Shareholder's fund				
Equity Share Capital	10	50,000,000	50,000,000	50,000,000
Other Equity				
Retained Earnings	11	(17,971,732)	(12,809,437)	(11,478,719)
Total Equity		32,028,268	37,190,563	38,521,281
Current liabilities				
Financial Liabilities				
Borrowings	12	303,153,000	310,035,000	313,700,000
Trade payables		437,805,420	356,105,540	274,323,515
Non Financial Liability				
Other current liability	13	4,186,237	5,052,331	5,599,591
Total Liabilities		745,144,657	671,192,871	593,623,106
Total equity and liabilities		777,172,925	708,383,434	632,144,387
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements

This is the balance sheet referred to in our report of even date


For **Srivastava Kumar & Co**
 Chartered Accountants
 Firm Registration No. 011204N


per **Anil Kumar Sharma**
 Partner
 Membership No. : 097850

Place: New Delhi
 Date: May 12, 2017


 Company Secretary

For and on behalf of the Board of Directors of
Spectra Punj Lloyd Limited


 Director
 DIN 03227629


 Director
 DIN 07430294

Spectra Punj Lloyd Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2017
 (All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	14	42,464,937	39,315,176
Other income	15	50,254,007	50,924,983
Total income (I)		92,718,944	90,240,159
Expenses			
Cost of components and spares consumed		7,416,581	61,010
Employee benefits expense	16	5,686,661	4,487,356
Other expenses	17	47,708,042	50,058,697
Total expenses (II)		60,811,284	54,607,063
Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		31,907,660	35,633,096
Depreciation and amortization expense	3	86,695	93,403
Finance costs	18	36,983,260	37,280,387
Profit/ (loss) before tax		(5,162,295)	(1,740,694)
Tax expenses			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax Charge/(credit)		-	(409,976)
Total tax expense		-	(409,976)
Profit/ (loss) for the year		(5,162,295)	(1,330,718)
Earnings per equity share [nominal value per share Rs. 10 each (previous year Rs. 10 each)]			
Basic and diluted earning per share (in Rs.)	19	(1.03)	(0.27)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

This is the statement of profit & loss referred to in our report of even date

For Srivastava Kumar & Co
 Chartered Accountants
 Firm Registration No: 011204N

per Anil Kumar Sharma
 Partner
 Membership No. : 097850

Place: New Delhi
 Date: May 12, 2017

For and on behalf of the Board of Directors of
 Spectra Punj Lloyd Limited

Company Secretary

Director

DIN 03227629

Director

DIN 07430294

Spectra Punj Lloyd Limited
Standalone Cash flow statements for the year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities		
Profit/ (loss) before tax	(5,162,295)	(1,740,694)
Non-cash adjustment to reconcile Profit/(loss) before tax to net cash flows		
Depreciation and amortization	86,695	93,403
Profit on sale of fixed assets	(633,587)	(2,969,973)
Bad debts written off	452,459	-
Provision for Expected Credit Loss	-	470,808
Interest expense	36,901,384	37,280,044
Interest income	(49,620,420)	(47,516,033)
Operating profit before working capital changes	(17,975,764)	(14,382,445)
Movement in working capital:		
Increase in trade payables	81,699,882	81,782,025
Increase/ (Decrease) in provisions	-	-
Increase/ (Decrease) in other current liability	(866,094)	(547,260)
Decrease/ (increase) in trade receivables	(14,686,724)	(5,777,830)
Decrease/ (increase) in inventories	484,818	(5,020,920)
Decrease/ (increase) in loans	(10,740,000)	(18,000,000)
Decrease/ (increase) in other loans and advances	(425,894)	(1,205,951)
Cash generated from operations	37,490,224	36,847,618
Direct taxes paid (net of refunds)	(962,705)	(3,400,838)
Net cash flow from operating activities (A)	36,527,519	33,446,780
Cash flow from investing activities		
Proceeds from sale of fixed assets	633,587	2,969,973
Decrease/ (increase) in margin money deposits	-	-
Interest received	5,561,338	5,171,444
Net cash flow from investing activities (B)	6,194,925	8,141,417
Cash flow used in from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	(6,882,000)	(3,665,000)
Interest paid	(36,901,384)	(37,280,044)
Net cash flow used in financing activities (C)	(43,783,384)	(40,945,044)
Net increase in cash and cash equivalents (A+B+C)	(1,060,940)	643,153
Cash and cash equivalents at the beginning of the year	3,510,533	2,867,379
Cash and cash equivalents at the end of the year	2,449,593	3,510,533
Components of cash and cash equivalents		
Cash on hand	133,354	69,911
Balances with banks:		
On current accounts	2,316,239	3,440,622
Total cash and cash equivalents (also refer note 11)	2,449,593	3,510,533

This is the cash flow statement referred to in our report of even date

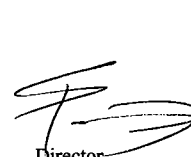
For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No. 011204N

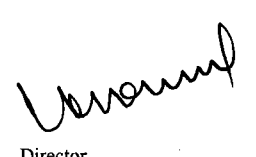
per Anil Kumar Sharma
Partner
Membership No. 097850

Place: New Delhi
Date: May 12, 2017


Company Secretary

For and on behalf of the Board of Directors of
Spectra Punj Lloyd Limited


Director
DIN 03227629


Director
DIN 07430294

Spectra Punj Lloyd Limited
 (All amounts in INR, unless otherwise stated)
Standalone statement of Changes in Equity for the year ended March 31, 2017
 (All amounts in INR, unless otherwise stated)

Equity share of Rs. 10 each issued, subscribed and fully paid

	Numbers	Amount
At 1, April 2015	5,000,000	50,000,000
At 31, March 2016	5,000,000	50,000,000
At 31, March 2017	5,000,000	50,000,000

Other Equity

For the year ended March 31, 2016

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at April 01, 2015	6,328,000	(17,806,719)	-	(11,478,719)
Profit for the year	-	(1,330,718)	-	(1,330,718)
Add: Exchange difference during the year on net investment in non-integral operations	-	-	-	-
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	6,328,000	(19,137,437)	-	(12,809,437)
As at March 31, 2016	6,328,000	(19,137,437)	-	(12,809,437)

For the year ended March 31, 2017

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at March 31, 2016	6,328,000	(19,137,437)	-	(12,809,437)
Profit for the year	-	(5,162,295)	-	(5,162,295)
Add: Exchange difference during the year on net investment in non-integral operations	-	-	-	-
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	6,328,000	(24,299,732)	-	(17,971,732)
As at March 31, 2017	6,328,000	(24,299,732)	-	(17,971,732)



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

1. Corporate information

Spectra Punj Lloyd Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of Punj Lloyd Limited and is primarily engaged in the business of giving equipments on hire basis.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS). For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2016 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis, except for the fowling assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities measured at fair value.

2.1. Summary of significant accounting policies

(a) Use of estimates:

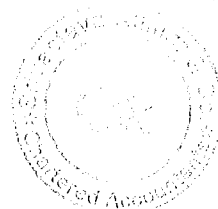
The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Property, Plant and Equipments

Plant and Equipments are stated at cost, net off accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the Purchase Price. The Company considered the previous GAAP carrying cost of plant and equipments as deemed cost, as the fair value of these assets does not differ materially from its carrying cost.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

(c) Depreciation on Property, Plant and Equipments

Depreciation on tangible assets is calculated on a straight line basis, at the rates prescribed under Schedule II to the Companies Act, 2013, which are based on the estimated useful life of the assets.

Individual assets costing upto Rs. 5,000 are depreciated @ 100%.

(d) Financial Instruments

A financial instrument is any contract that gives raise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial instruments: Initial Recongnization

All the financial asset are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial assets. Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Financial instruments: Subsequent measurement

All equity investments are measured at fair value. For the purpose of subsequent measurement, Equity Investments are measured at fair value through other comprehensive income (FVTOCI) category.

Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss.

Financial instruments: Derecognition

All financial asset is primarily derecognized when right to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flow from the asset or the company has transferred control of the asset.

Impairment of financial assets

Recognition of impairment loss:

Trade receivables and advances (*other than from Group Companies*):

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables and advances (*other than from Group Companies*).

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses separate provision matrices to determine impairment loss allowance on portfolio of its trade receivables and advances (*other than Group Companies*).



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

1. Provision matrix for trade receivables (*other than Group Companies*):

The Company estimates the ECL on contractually due trade receivables for completed projects, based on following provision matrix, on a cumulative basis. The company does not evaluate trade receivables for impairment on its on-going projects.

	Upto 3 Years	Upto 4 Years	Upto 5 Years	Upto 6 Years	Beyond 6 Years
Default rate	0%	10%	35%	65%	100%
Other criteria	(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses. (ii) The trade receivables against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.				

The above matrix is based on historically observed default rates over their expected life and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.

Provision matrix for (*non-trade*) advances (*other than Group Companies*):

	Upto 5 Yrs	Upto 6 Years	Upto 7 Years	Beyond 7 Years
Default rate	0%	20%	50%	100%
Other criteria	(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses. (ii) The advances against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.			

The above matrix is based on historically observed default rates and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.

Trade receivables and advances (*from Group Companies*):

Trade receivables and advance from group companies are assessed in conjunction with fair valuation of Company's investment therein. Where, futuristic intent or fair valuation cast a doubt on recoverability of the amounts receivables, the same are provided for in the statement of profit and loss.



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

2. Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company first determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Accounting and presentation of ECL:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

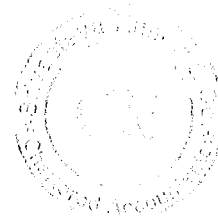
- *Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Financial liabilities are classified at initial recognition at fair value. Interest bearing loans are subsequently measured at amortized cost using the EIR method, gain and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process. The EIR amortization is included as finance cost in the statement of profit and loss. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.. The following specific recognition criteria must also be met before revenue is recognized:

- i. Revenues from hiring contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government hence, it is excluded from revenue.
- ii. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in other income in the statement of Profit and Loss..
- iii. Revenue from sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The Company collects value added taxes (VAT) on behalf of the Government. Hence, they are excluded from revenue.



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

(h) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Foreign currency transaction

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company.

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(j) Employee benefits

- i. The Company makes contribution to statutory provident fund and pension funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity and accumulated leave balance payable to the employees is provided on actual basis as at the close of the accounting year.



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

(k) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

Deferred tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deduction temporary differences and the carry forward of unused tax credits and unused tax loss can be utilized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to all or part of deferred tax assets to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

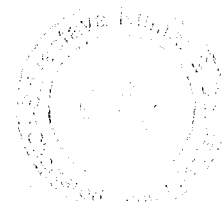
Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(m) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

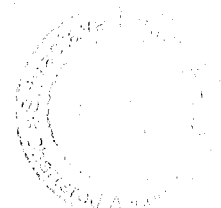
(o) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(p) Contingent liabilities & Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;



Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2017

c) present obligation, where a reliable estimate cannot be made.

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

(q) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the same is considered as twelve months.

(r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.



3 Property, Plant and Equipments

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Total
Gross block at cost				
At April 01, 2015	114,272,189	488,068	4,585,818	119,346,075
Additions during the year	-	-	-	-
Disposals	12,692,908	-	-	12,692,908
At March 31, 2016	101,579,281	488,068	4,585,818	106,653,167
Additions during the year	-	-	-	-
Disposals	3,997,053	-	-	3,997,053
At March 31, 2017	97,582,228	488,068	4,585,818	102,656,114
Accumulated Depreciation				
At April 01, 2015	114,082,678	334,920	4,585,818	119,003,416
Charge for the year	68,532	24,870	-	93,403
Disposals	12,692,908	-	-	12,692,908
At March 31, 2016	101,458,302	359,790	4,585,818	106,403,911
Charge for the year	67,816	18,879	-	86,695
Disposals	3,997,053	-	-	3,997,053
At March 31, 2017	97,529,065	378,669	4,585,818	102,493,552
Net block				
At March 31, 2016	120,979	128,278	-	249,257
At March 31, 2017	53,162	109,399	-	162,561

4 Deferred tax assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Impact of difference between tax depreciation and depreciation as per books	(21,540)	(21,540)	(33,032)
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	3,121,988	3,121,988	3,094,385
Unabsorbed losses/carried forward losses	21,328,425	21,328,425	20,957,545
Deferred tax asset	24,428,873	24,428,873	24,018,898

5 Others

Particulars	Long-term			Short-term		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance recoverable in cash or kind or for value to be received						
Unsecured, considered good	-	-	-	5,442,033	5,159,669	5,140,527
	-	-	-	5,442,033	5,159,669	5,140,527
Other loans and advances						
Advance income-tax (net of provision for taxation)	26,173,879	25,211,174	21,810,336	-	-	-
Loans to employees	-	-	-	862,030	887,981	863,429
Balances with statutory / government authorities	-	-	-	3,555,085	3,478,641	2,280,828
Value added tax / Sales tax recoverable	-	-	-	1,966,421	1,801,275	1,747,162
Minimum alternate tax credit entitlement	3,040,923	3,040,923	3,040,923	-	-	-
Prepaid expenses	-	-	-	46,714	118,323	208,492
	29,214,801	28,252,096	24,851,259	6,430,250	6,286,720	5,099,911
	29,214,801	28,252,096	24,851,259	11,872,283	11,446,389	10,240,438

6 Financial Assets: Loans

Particulars	Long-term			Short-term		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security deposits						
Unsecured, considered good	-	-	-	40,000	40,000	40,000
	-	-	-	40,000	40,000	40,000
Loans and advances to related parties						
Unsecured, considered good	-	-	-	414,740,000	404,000,000	386,000,000
Less: Expected Credit Loss	-	-	-	-	-	-
	-	-	-	414,740,000	404,000,000	386,000,000
	-	-	-	414,780,000	404,040,000	386,040,000



7 Financial Assets : Trade receivables

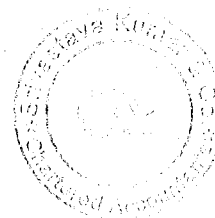
Particulars	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good	63,349,111	49,114,846	43,337,016
	<u>63,349,111</u>	<u>49,114,846</u>	<u>43,337,016</u>
Less: Expected Credit Loss	(20,823,265)	(20,823,265)	(20,352,457)
	<u>42,525,846</u>	<u>28,291,581</u>	<u>22,984,559</u>

8 Financial Assets : Cash and bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash and cash equivalents			
Cash on hand	133,354	69,911	4,099
Balances with banks:			
On current accounts	2,316,239	3,440,622	2,863,280
	<u>2,449,593</u>	<u>3,510,533</u>	<u>2,867,379</u>
Other bank balances			
Margin money deposits	76,985	76,985	76,985
	<u>76,985</u>	<u>76,985</u>	<u>76,985</u>
	<u>2,526,578</u>	<u>3,587,518</u>	<u>2,944,364</u>

9 Financial Assets : Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest receivable	245,755,478	201,696,396	159,351,807
Less: Provision for ECL			
	<u>245,755,478</u>	<u>201,696,396</u>	<u>159,351,807</u>



10 Equity

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Authorised shares			
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	50,000,000	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares			
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	50,000,000	50,000,000	50,000,000
	50,000,000	50,000,000	50,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
	At the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company and its nominees are as below:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Punj Lloyd Limited	50,000,000	50,000,000	50,000,000
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each			

(d) Details of shareholders holding more than 5% of the equity share capital of the Company:

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Nos.	% of Holding	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	5,000,000	100%	5,000,000	100%	5,000,000	100%

(e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

11 Other Equity

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
General reserve	6,328,000	6,328,000	6,328,000
Surplus/(deficit) in the statement of profit and loss			
Balance as per last financial statements	(19,137,437)	(17,806,719)	(8,006,058)
(Loss)/profit for the year	(5,162,295)	(1,330,718)	(9,800,661)
Net deficit in the statement of profit and loss	(24,299,732)	(19,137,437)	(17,806,719)
Total reserves and surplus	(17,971,732)	(12,809,437)	(11,478,719)

12 Financial Liabilities - Borrowings

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
12% Loan from Punj Lloyd Limited repayable on demand (unsecured)	303,153,000	310,035,000	313,700,000
The above amount includes	303,153,000	310,035,000	313,700,000
Unsecured borrowings	303,153,000	310,035,000	313,700,000
	303,153,000	310,035,000	313,700,000

13 Non Financial Liabilities: Other Liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Other Liabilities			
Others	4,186,237	5,052,331	5,599,591
Tax deducted at source payable	4,186,237	5,052,331	5,599,591
	4,186,237	361,157,871	279,923,106



Spectra Puni Lloyd Limited
Notes to standalone financial statements for the year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

14 Revenue from operations

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Sale of products	-	-
Income from hire charges	42,464,937	39,315,176
	<u>42,464,937</u>	<u>39,315,176</u>

15 Other income

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Interest income on others	49,620,420	47,516,033
Profit on sale of fixed assets (net)	633,587	2,969,973
Income others	-	256,770
Exchange differences (net)	-	182,207
	<u>50,254,007</u>	<u>50,924,983</u>

16 Employee benefit expenses

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	5,412,595	4,307,090
Contribution to provident fund	274,066	178,516
Staff welfare expenses	-	1,750
	<u>5,686,661</u>	<u>4,487,356</u>

17 Other expenses

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Freight and cartage	709,897	468,438
Rent	-	331,426
Hire charges	-	8,407,659
Rates and taxes	59,586	107,844
Insurance	159,606	354,055
Repairs and maintenance:		
Plant and machinery	45,152,847	39,054,546
Payment to auditors (refer details below)	100,000	100,620
Consultancy and professional charges	319,457	121,019
Bad debts written off	452,459	-
Provision for Expected Credit Loss	-	470,808
Miscellaneous expenses	754,191	642,282
	<u>47,708,042</u>	<u>50,058,697</u>
Payment to auditors:		
As auditors:		
Audit fee	100,000	100,620
	<u>100,000</u>	<u>100,620</u>

18 Finance costs

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Interest expense	36,901,384	37,280,044
Bank charges	81,876	343
	<u>36,983,260</u>	<u>37,280,387</u>

19 Earnings per share

Basic and diluted earnings	March 31, 2017	March 31, 2016
	a) Calculation of weighted average number of equity shares of Rs. 10 each	
Number of equity shares at the beginning of the year	5,000,000	5,000,000
Equity shares at the end of the year	5,000,000	5,000,000
Weighted average number of equity shares outstanding during the year	5,000,000	5,000,000
b) Net (loss)/ profit after tax available for equity share holders (Rs.)	(5,162,295)	(1,330,718)
c) Basic and diluted (loss)/earnings per share	(1.03)	(0.27)
d) Nominal value of share (Rs.)	10	10



20 Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment i.e. hiring of equipment. Therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

Geographical Segment

The Company's operations are within India and does not operate in any other Country and hence there are no geographical segments.

21 Related party disclosures

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not

Holding company Punj Lloyd Limited

Related parties with whom transactions have taken place during the year

Holding company Punj Lloyd Limited

Fellow subsidiaries Punj Lloyd Upstream Limited

Punj Lloyd Aviation Limited

Indraprastha Renewables Private Limited

Key Managerial Personnel

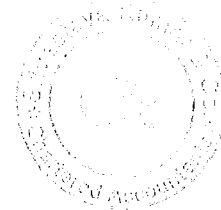
Shiv Punj Director

Rahul Maheshwari Director

Chandra Kishore Thakur Director

Related party transactions

Particulars	Holding company		Fellow subsidiaries		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
INCOME						
Income from hire charges						
Punj Lloyd Limited	-	1,161,267	-	-	-	1,161,267
Interest Income						
Punj Lloyd Upstream Limited	-	-	47,479,034	46,737,043	47,479,034	46,737,043
Punj Lloyd Aviation Limited	-	-	1,462,693	312,500	1,462,693	312,500
Indraprastha Renewables Private Limited	-	-	12,808	-	12,808	-
EXPENSES						
Hire Charges						
Punj Lloyd Limited	-	8,387,819	-	-	-	8,387,819
Rent						
Punj Lloyd Limited	-	330,600	-	-	-	330,600
Repair charges						
Punj Lloyd Limited	42,526,020	37,483,603	-	-	42,526,020	37,483,603
Interest						
Punj Lloyd Limited	36,901,384	37,280,044	-	-	36,901,384	37,280,044
Balance outstanding as at end of the year						
Receivable/(payable)						
Punj Lloyd Limited	(717,202,066)	(641,971,190)	-	-	(717,202,066)	(641,971,190)
Punj Lloyd Upstream Limited	-	-	642,121,277	594,900,146	642,121,277	594,900,146
Punj Lloyd Aviation Limited	-	-	15,862,674	10,796,250	15,862,674	10,796,250
Indraprastha Renewables Private Limited	-	-	2,511,527	-	2,511,527	-



22 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2017.

23 Cost of components and spares consumed

These comprise miscellaneous items meant for execution of contracts. Since these items are of different nature and specifications, it is not practicable to disclose the quantitative information in respect thereof.

24 Imported and indigenous components and spares consumed

Particulars	Amount		Percentage	
	2016-17	2015-16	2016-17	2015-16
Imported	-	-	-	-
Indigenous	7,416,581	61,010	100	100
	7,416,581	61,010	100	100

25 Disclosure of specified bank notes (NBS), as required in Part I in Division II in Schedule III.

Cash transactions from 8th November 2016 to 30th December 2016

Particulars	SBNs 1000		SBNs 500		Other	Total
	Nos.	Amount	Nos.	Amount		
Closing Cash in hand as on 08.11.2016	-	-	-	-	-	-
Closing Cash in hand as on 8th November 2016	8	8,000	68	34,000	114	42,114
(+) Permitted receipts	-	-	-	-	200,000	200,000
(-) Permitted payments	-	-	-	-	-	-
(-) Amount deposited in Banks	(8)	(8,000)	(68)	(34,000)	-	(42,000)
Closing Cash in hand as on 30.12.2016	-	-	-	-	200,114	200,114

26 Fair Value

Set out below, is a comparison by class of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair value

Description	Carrying Value			Fair Value		
	Mar-17	Mar-16	Mar-15	Mar-17	Mar-16	Mar-15
Financial Assets						
Loans	414,740,000	404,000,000	386,000,000	414,740,000	404,000,000	386,000,000
Total	414,740,000	404,000,000	386,000,000	414,740,000	404,000,000	386,000,000

The management assessed that cash and cash equivalents, trade payables, borrowings and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods are assumptions were used to estimate the fair value.

Trade receivables and loans and advances recoverable from related parties are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

27 Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Companies assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017

Assets for which fair values are disclosed	Total	Fair value measurement using		
		Quoted price in active market	observable inputs	Significant Unobservable inputs
As at March 31, 2017				
Loans	414,740,000	-	-	414,740,000
As at March 31, 2016				
Loans	404,000,000	-	-	404,000,000



28 Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance or risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

The management reviews and agrees policies for managing each of these risks, which are summarized below.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract, leading to financial loss. The company is exposed to credit risk mainly from its operating activities i.e trade receivable.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Trade receivable : Customer credit risk is managed with the Companies established policy, procedures and control relating to customer credit risk management, such as the outstands from customer receivables are regularly monitored. As at March 31, 2017 the Company has only one customers having outstanding of Rs. 1 crore or more.

The Company does not hold collateral as security against these receivables, however it evaluates the concentration of risk with respect to trade receivables as low, as the customers operate in largely independent market.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in the market price. The only financial instruments affected by market risk is bank borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2017 the Company has only one borrowing at floating interest rate.

29 Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholders value.

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	Mar-17	Mar-16	Mar-15]
Borrowings	303,153,000	310,035,000	313,700,000
Trade payables	437,805,420	356,105,540	274,323,515
Other Payables	4,186,237	5,052,331	5,599,591
Less:			
Cash and cash equivalents	<u>(2,526,578)</u>	<u>(3,587,518)</u>	<u>(2,944,364)</u>
Net Debts	<u>742,618,079</u>	<u>667,605,353</u>	<u>590,678,742</u>
Equity	<u>32,028,268</u>	<u>37,190,563</u>	<u>38,521,281</u>
Capital & net debts	<u>774,646,347</u>	<u>704,795,916</u>	<u>629,200,023</u>
Gearing Ratio	96%	95%	94%

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company policy is to keep the gearing ration between 80% and 100%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.



30 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. For period up to end including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under sect 133 of the companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's data of transition to Ind AS. Following are the principal adjustments made by the Company in restating its Indian GAAP financial statement, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

The Company has carried out the previous GAAP cost as deemed cost at the date of transition. The Company believes revaluation of these property, plant & equipments are not necessary, as the deemed cost will not materially differ from fair value of these PPE.

The estimates as at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP except impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

Reconciliation of equity as at April 1, 2015 - Transition to Ind AS

	As At April 1, 2015			As At March 31, 2016		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
(All amounts in INR, unless otherwise stated)						
Assets						
Non-current assets						
Property Plant and Equipments	342,659	-	342,659	249,257	-	249,257
Deferred tax assets (net)	24,018,898	-	24,018,898	24,428,874	(1)	24,428,873
Others	24,851,258	-	24,851,259	28,252,096	-	28,252,096
Total non current assets	49,212,815		49,212,816	52,930,227		52,930,226
Current assets						
Inventories	1,370,403	-	1,370,403	6,391,323	-	6,391,323
Financial Assets						
Trade receivables	33,837,016	(10,852,457)	22,984,559	39,614,846	(11,323,265)	28,291,581
Cash and bank balances	2,944,364	-	2,944,364	3,587,518	-	3,587,518
Loans and advances	386,040,000	-	386,040,000	404,040,000	-	404,040,000
Other Current Assets	159,351,807	-	159,351,807	201,696,395	1	201,696,396
Others	10,240,438	-	10,240,438	11,446,389	-	11,446,389
Total Current Assets	593,784,028	(10,852,457)	582,931,571	666,776,471	(11,323,264)	655,453,207
Total Assets	642,996,843	(10,852,457)	632,144,387	719,706,698	(11,323,264)	708,383,434
Equity and liabilities						
Equity						
Share capital	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Other Equity	(626,263)	(10,852,456)	(11,478,719)	(1,486,172)	(11,323,265)	(12,809,437)
Equity attributable to equity holders of the parent	49,373,737	(10,852,456)	38,521,281	48,513,828	(11,323,265)	37,190,563
Current liabilities						
Financial Liabilities						
Borrowings	313,700,000	-	313,700,000	310,035,000	-	310,035,000
Trade payables	274,323,515	-	274,323,515	356,105,539	0	356,105,540
Other current liabilities	5,599,591	-	5,599,591	5,052,331	-	5,052,331
	593,623,106	-	593,623,106	671,192,870	0	671,192,871
Total Equity and Liabilities	642,996,843	(10,852,456)	632,144,387	719,706,698	(11,323,265)	708,383,434



Group reconciliation of profit for the year ended March 31, 2016

	Year ended March 31, 2016		
	Indian GAAP	Adjustments	Ind AS
Income			
Revenue from operations	39,315,176	-	39,315,176
Other income	50,924,983	-	50,924,983
Total income (I)	90,240,159		90,240,159
Expenses			
Cost of components and spares consumed	61,010	-	61,010
Employee benefits expense	4,487,356	-	4,487,356
Other expenses	49,587,889	470,808	50,058,697
Total expenses (II)	54,136,255	470,808	54,607,063
Earning before interest, tax, depreciation and	36,103,904		35,633,096
Depreciation	93,403	-	93,403
Finance costs	37,280,387	-	37,280,387
Profit/ (loss) before tax	(1,269,886)		(1,740,694)
Tax expenses			
Current tax	-	-	-
MAT credit entitlement	-	-	-
Deferred tax credit	(409,976)	-	(409,976)
Total tax expenses	(409,976)		(409,976)
Profit/ (loss) for the year	(859,910)	(470,808)	(1,330,718)
Other Comprehensive Income			
	-	-	-
Total comprehensive income for the year (net of taxes)	(859,910)	(470,808)	(1,330,718)

Trade Receivables under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its trade receivable by Rs.20,352,457/- on April 1, 2015, which has been adjusted in retained earnings. The impact of Rs.470,808 for the year ended on March 31, 2016 has been recognized in the statement of profit and loss.

As per our report of even date

For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N

per Anil Kumar Sharma
Partner
Membership No. : 097850

Place: New Delhi
Date: May 12, 2017

For and on behalf of the Board of Directors of
Spectra Punj Lloyd Limited

Company Secretary

Director
DIN 03227629

Director
DIN 07430294