SRIVASTAVA KUMAR & CO.

Chartered Accountants

Independent Auditor's Report

To the Members of SPECTRA PUNJ LLOYD LIMITED

Report on the Financial Statements

1) We have audited the accompanying financial statements of **Spectra Punj Lloyd Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3) Our responsibility is to express an opinion on these financial statements based on our audit.

4) 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.

5) 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 financial statements are free from material misstatement.

Srivastava Kumar & Co. Chartered Accountants

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6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

7) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

10) 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 purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Srivastava Kumar & Co. Chartered Accountants

e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Srivastava Kumar & Co.
Firm registration number : 011204N
Chartered Accountants

Srivastava Kumar & Co. * Chartered Accountants

Per M.K.Jain
Partner
M.No. : 088223
Place : New Delhi
Dated : May 09, 2016

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of **Spectra Punj Lloyd Limited** on the financial statements as of and for the year ended March 31, 2016:

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. (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.

Srivastava Kumar & Co. * Chartered Accountants *

vii. 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 intuitions/ banks. The company did not have any outstanding dues in respect of debenture during the year.

viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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

xiii. 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.

xiv. 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.

xv. 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.
Firm registration number : 011204N
Chartered Accountants

Per M.K.Jain
Partner
M.No. : 088223
Place : New Delhi
Dated : May 09, 2016

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Spectra Punj Lloyd Limited

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

i. We have audited the internal financial controls over financial reporting of **Spectra Punj Lloyd Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

iii. 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.

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

v. 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.

Srivastava Kumar & Co. * Chartered Accountants *

Meaning of Internal Financial Controls over Financial Reporting

vi. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

vii. 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

viii. 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, 2016, 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.
Firm registration number : 011204N
Chartered Accountants

Srivastava Kumar & Co. ★ Chartered Accountants ★

Per M.K.Jain
Partner
M.No. : 088223
Place : New Delhi
Dated : May 09, 2016

Spectra Punj Lloyd Limited
Balance Sheet as at March 31, 2016
(All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholder's fund			
Share capital	3	5,00,00,000	5,00,00,000
Reserves and surplus	4	(14,86,172)	(6,26,263)
Current liabilities			
Short-term borrowings	5	31,00,35,000	31,37,00,000
Trade payables	6	35,61,05,539	27,43,23,515
Other current liabilities	6	50,52,331	55,99,591
TOTAL		71,97,06,698	64,29,96,844
Assets			
Non-current assets			
Fixed assets			
Tangible assets	7	2,49,257	3,42,659
Deferred tax assets (net)	8	2,44,28,874	2,40,18,898
Loans and advances	9	2,82,52,096	2,48,51,258
Current assets			
Inventories		63,91,323	13,70,403
Trade receivables	10	3,96,14,846	3,38,37,016
Cash and bank balances	11	35,87,518	29,44,364
Loans and advances	9	41,54,86,388	39,62,80,438
Other current assets	12	20,16,96,396	15,93,51,807
		71,97,06,698	64,29,96,844
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 M.K.Jain
Partner
Membership No. : 088223

Place: New Delhi
Date: May 09, 2016

Company Secretary

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

Director
DIN
(CKT)

Director
DIN

Spectra Punj Lloyd Limited
Statement of Profit and Loss for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	13	3,93,15,176	3,34,83,918
Other income	14	5,09,24,983	6,15,96,649
Total income (I)		9,02,40,159	9,50,80,567
Expenses			
Cost of components and spares consumed		61,010	2,75,780
Employee benefits expense	15	44,87,356	34,40,334
Other expenses	16	4,95,87,889	4,41,91,416
Total expenses (II)		5,41,36,255	4,79,07,530
Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		3,61,03,904	4,71,73,037
Depreciation and amortization expense	7	93,403	93,416
Finance costs	17	3,72,80,387	4,51,66,834
Profit/ (loss) before tax		(12,69,886)	19,12,787
Tax expenses			
Current tax		-	4,06,423
MAT credit entitlement		-	(4,06,423)
Deferred tax Charge/(credit)		(4,09,976)	8,60,991
Total tax expense		(4,09,976)	8,60,991
Profit/ (loss) for the year		(8,59,910)	10,51,796
Earnings per equity share [nominal value per share Rs. 10 each (previous year Rs. 10 each)]			
Basic and diluted earning per share (in Rs.)	18	(0.17)	0.21
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 M.K.Jain
Partner
Membership No. : 088223

Place: New Delhi
Date: May 09, 2016

Company Secretary

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

Director
DIN
(CKT)

Director
DIN

Spectra Punj Lloyd Limited
Cash flow statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
Cash flow from operating activities		
Profit/ (loss) before tax	(12,69,886)	19,12,787
Non-cash adjustment to reconcile Profit/(loss) before tax to net cash flows		
Depreciation and amortization	93,403	93,416
Profit on sale of fixed assets	(29,69,973)	(74,57,954)
Bad debts written off	-	-
Interest expense	3,72,80,044	4,51,04,836
Interest income	(4,75,16,033)	(5,40,40,000)
Operating profit before working capital changes	(1,43,82,445)	(1,43,86,915)
Movement in working capital:		
Increase in trade payables	8,17,82,024	8,23,86,315
Increase/ (Decrease) in provisions	-	-
Increase/ (Decrease) in other current liabilities	(5,47,260)	2,28,437
Decrease/ (increase) in trade receivables	(57,77,830)	(1,21,60,234)
Decrease/ (increase) in inventories	(50,20,920)	(7,47,251)
Decrease/ (increase) in loans and advances	(1,92,05,950)	(18,71,921)
Cash generated from operations	3,68,47,618	5,34,48,431
Direct taxes paid (net of refunds)	(34,00,838)	(61,04,025)
Net cash flow from operating activities (A)	3,34,46,780	4,73,44,406
Cash flow from investing activities		
Proceeds from sale of fixed assets	29,69,973	74,57,954
Decrease/ (increase) in margin money deposits	-	-
Interest received	51,71,444	54,04,000
Net cash flow from investing activities (B)	81,41,417	1,28,61,954
Cash flow used in from financing activities		
Proceeds from short-term borrowings	-	-
Repayment of Short-term borrowings	(36,65,000)	(1,54,00,000)
Interest paid	(3,72,80,044)	(4,51,04,836)
Net cash flow used in financing activities (C)	(4,09,45,044)	(6,05,04,836)
Net increase in cash and cash equivalents (A+B+C)	6,43,153	(2,98,477)
Cash and cash equivalents at the beginning of the year	28,67,379	31,65,856
Cash and cash equivalents at the end of the year	35,10,533	28,67,379
Components of cash and cash equivalents		
Cash on hand	69,911	4,099
Balances with banks:		
On current accounts	34,40,622	28,63,280
Total cash and cash equivalents (also refer note 11)	35,10,533	28,67,379

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 M.K. Jain
Partner
Membership No. : 088223

Place: New Delhi
Date: May 09, 2016

Company Secretary

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

Director
DIN
(CKS)

Director
DIN

Spectra Punj Lloyd Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

3 Share capital

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised shares		
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	5,00,00,000	5,00,00,000
Issued, subscribed and fully paid-up shares		
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000

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

Equity shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,00,000**	**5,00,00,000**	**50,00,000**	**5,00,00,000**

(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:

	As at March 31, 2016	As at March 31, 2015
Punj Lloyd Limited 5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	5,00,00,000	5,00,00,000

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

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	50,00,000	100%	50,00,000	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.

4 Reserve and surplus

Particulars	As at March 31, 2016	As at March 31, 2015
General reserve	63,28,000	63,28,000
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(69,54,263)	(80,06,058)
(Loss)/profit for the year	(8,59,910)	10,51,796
Net deficit in the statement of profit and loss	(78,14,172)	(69,54,263)
Total reserves and surplus	(14,86,172)	(6,26,263)

5 Short-term borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
12% Loan from Punj Lloyd Limited repayable on demand (unsecured)	31,00,35,000	31,37,00,000
	31,00,35,000	31,37,00,000
The above amount includes		
Unsecured borrowings	31,00,35,000	31,37,00,000
	31,00,35,000	31,37,00,000

6 Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables (including acceptances) (also refer note 22 for details of dues to micro and small enterprises)	35,61,05,539	27,43,23,515
Other liabilities		
Others		
Tax deducted at source payable	50,52,331	55,99,591
	50,52,331	55,99,591
	36,11,57,871	27,99,23,107

Srivastava Kumar & Co. * Chartered Accountants *

7 Tangible assets:

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Total
Gross block at cost				
At April 01, 2014	13,94,49,169	4,88,068	56,63,818	14,56,01,055
Disposals	2,51,76,980	-	10,78,000	2,62,54,980
At March 31, 2015	11,42,72,189	4,88,068	45,85,818	11,93,46,075
Disposals	1,26,92,908	-	-	1,26,92,908
At March 31, 2016	10,15,79,281	4,88,068	45,85,818	10,66,53,167
Accumulated Depreciation				
At April 01, 2014	13,91,91,126	3,10,036	56,63,818	14,51,64,980
Charge for the year	68,532	24,883	-	93,416
Disposals	2,51,76,980	-	10,78,000	2,62,54,980
At March 31, 2015	11,40,82,678	3,34,920	45,85,818	11,90,03,416
Charge for the year	68,532	24,870	-	93,403
Disposals	1,26,92,908	-	-	1,26,92,908
At March 31, 2016	10,14,58,302	3,59,790	45,85,818	10,64,03,911
Net block				
At March 31, 2015	1,89,511	1,53,148	-	3,42,659
At March 31, 2016	1,20,979	1,28,278	-	2,49,257

8 Deferred tax assets

Particulars	As at March 31, 2016	As at March 31, 2015
Impact of difference between tax depreciation and depreciation as per books	(21,540)	(33,033)
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	31,21,988	30,94,385
Unabsorbed losses/carried forward losses	2,13,28,425	2,09,57,545
Deferred tax asset	2,44,28,874	2,40,18,898

9 Loans and advances

Particulars	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Security deposits				
Unsecured, considered good	-	-	40,000	40,000
	-	-	40,000	40,000
Loans and advances to related parties				
Unsecured, considered good	-	-	40,40,00,000	38,60,00,000
	-	-	40,40,00,000	38,60,00,000
Advance recoverable in cash or kind or for value to be received				
Unsecured, considered good	-	-	51,59,669	51,40,527
	-	-	51,59,669	51,40,527
Other loans and advances				
Advance income-tax (net of provision for taxation)	2,52,11,174	2,18,10,336	-	-
Loans to employees	-	-	8,87,981	8,63,429
Balances with statutory / government authorities	-	-	34,78,641	22,80,828
Value added tax / Sales tax recoverable	-	-	18,01,275	17,47,162
Minimum alternate tax credit entitlement	30,40,923	30,40,923	-	-
Prepaid expenses	-	-	1,18,823	2,08,492
	2,82,52,096	2,48,51,258	62,86,719	50,99,911
	2,82,52,096	2,48,51,258	41,54,86,388	39,62,80,438

Srivastava Kumar & Co. Chartered Accountants

10 Trade receivables

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3,07,34,628	1,77,92,758
Doubtful Debts	95,00,000	95,00,000
	4,02,34,628	2,72,92,758
Less: Provision for Doubtful Debts	95,00,000	95,00,000
	3,07,34,628	1,77,92,758
Other receivables		
Unsecured, considered good	88,80,218	1,60,44,258
	88,80,218	1,60,44,258
	3,96,14,846	3,38,37,016

11 Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Cash on hand	69,911	4,099
Balances with banks:		
On current accounts	34,40,622	28,63,280
	35,10,533	28,67,379
Other bank balances		
Margin money deposits*	76,985	76,985
	76,985	76,985
	35,87,518	29,44,364

* Margin money deposits with a carrying value of Rs 76,985 (Previous year Rs. 76,985) are subject to first charge to secure the Company's cash credit loans.

12 Other current assets

Particulars	As at March 31, 2016	As at March 31, 2015
Interest receivable	20,16,96,396	15,93,51,807
	20,16,96,396	15,93,51,807

13 Revenue from operations

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of products	-	-
Income from hire charges	3,93,15,176	3,34,83,918
	3,93,15,176	3,34,83,918

14 Other income

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on others	4,75,16,033	5,40,40,000
Profit on sale of fixed assets (net)	29,69,973	74,57,954
Income others	2,56,770	-
Exchange differences (net)	1,82,207	98,695
	5,09,24,983	6,15,96,649

15 Employee benefit expenses

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	43,07,090	32,55,890
Contribution to provident fund	1,78,516	1,54,391
Staff welfare expenses	1,750	30,053
	44,87,356	34,40,334

16 Other expenses

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Freight and cartage	4,68,438	8,59,081
Rent	3,31,426	3,30,600
Hire charges	84,07,659	1,12,77,651
Rates and taxes	1,07,844	2,54,600
Insurance	3,54,055	5,37,875
Repairs and maintenance:		
Plant and machinery	3,90,54,546	3,03,81,115
Payment to auditors (refer details below)	1,00,620	1,00,000
Consultancy and professional charges	1,21,019	1,27,300
Miscellaneous expenses	6,42,282	3,23,194
	4,95,87,889	4,41,91,416

Payment to auditors:		
As auditors:		
Audit fee	1,00,620	1,00,000
	1,00,620	1,00,000

17 Finance costs

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	3,72,80,044	4,51,04,836
Bank charges	343	61,998
	3,72,80,387	4,51,66,834

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18 Earnings per share

Basic and diluted earnings

		March 31, 2016	March 31, 2015
a)	Calculation of weighted average number of equity shares of Rs. 10 each		
	Number of equity shares at the beginning of the year	50,00,000	50,00,000
	Equity shares at the end of the year	50,00,000	50,00,000
	Weighted average number of equity shares outstanding during the year	50,00,000	50,00,000
b)	Net (loss)/ profit after tax available for equity share holders (Rs.)	(8,59,910)	10,51,796
c)	Basic and diluted (loss)/earnings per share	(0.17)	0.21
d)	Nominal value of share (Rs.)	10	10

19 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 Accounting Standard 17 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.

20 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

Key Managerial Personnel

Atul Punj — Director

Shiv Punj — Director

Hardik Hundia — Director

Related party transactions

Particulars	Holding company		Fellow subsidiaries		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
INCOME						
Income from hire charges						
Punj Lloyd Limited	11,61,267	21,41,867	-	-	11,61,267	21,41,867
Interest Income						
Punj Lloyd Upstream Limited	-	-	4,67,37,043	5,40,40,000	4,67,37,043	5,40,40,000
Punj Lloyd Aviation Limited	-	-	3,12,500	-	3,12,500	-
EXPENSES						
Hire Charges						
Punj Lloyd Limited	83,87,819	1,12,77,651	-	-	83,87,819	1,12,77,651
Rent						
Punj Lloyd Limited	3,30,600	3,30,600	-	-	3,30,600	3,30,600
Repair charges						
Punj Lloyd Limited	3,74,83,603	3,01,86,063	-	-	3,74,83,603	3,01,86,063
Interest						
Punj Lloyd Limited	3,72,80,044	4,51,04,836	-	-	3,72,80,044	4,51,04,836
Balance outstanding as at end of the year Receivable/(payable)						
Punj Lloyd Limited	(64,19,71,190)	(56,38,36,875)	-	-	(64,19,71,190)	(56,38,36,875)
Punj Lloyd Upstream Limited	-	-	59,49,00,146	54,53,51,807	59,49,00,146	54,53,51,807
Punj Lloyd Aviation Limited	-	-	1,07,96,250	-	1,07,96,250	-

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21 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, 2016.

22 **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.

23 **Imported and indigenous components and spares consumed**

Particulars	Amount		Percentage	
	2015-16	2014-15	2015-16	2014-15
Imported	-	-	-	-
Indigenous	61,010	2,75,780	100	100
	61,010	2,75,780	100	100

24 **Previous year figures**

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

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

per M.K. Jain
Partner
Membership No. : 088223

Place: New Delhi
Date: May 09, 2016

Company Secretary

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

Director
DIN
(CKT)

Director
DIN

Spectra Punj Lloyd Limited
Notes to Financial statements for the year ended March 31, 2016

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 generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013 (the "Act"). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Company and are consistent with those of previous year.

2.1. Summary of significant accounting policies

(a) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP 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) Tangible fixed assets

Tangible assets 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.

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.

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(c) Depreciation on tangible assets

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) Impairment of tangible 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) net selling price 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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.

(e) 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.

(f) 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. 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 and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

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ii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "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 and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(g) 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.

(h) Foreign currency transaction

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.

(i) 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

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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.

(j) 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 income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred 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 liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

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(k) 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.

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.

(l) 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.

(m) Provisions

A provision is recognized when the Company has a present obligation 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. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n) 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.

(o) Contingent liabilities

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

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

(p) 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.

(q) 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.

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