

# **SRIVASTAVA KUMAR & COMPANY**

CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Spectra Punj Lloyd Limited

### **Opinion**

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 2019, 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").

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, 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

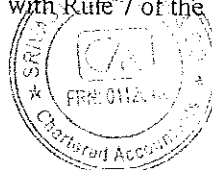
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2 (a) (iii) in the financial statements, which indicates that the Company incurred a net loss of Rs. 76,17,59,706/- during the year ended March 31, 2019 and, as of that date; the Company's current liabilities exceeded its total assets by Rs. 73,19,33,508/-. As stated in said note these events or conditions, along with other matters as indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance 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 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

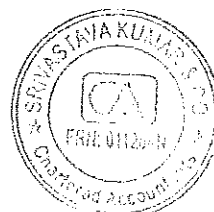
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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 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, to the extent applicable.
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, 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 Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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.

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



Place: New Delhi  
Date : May 27, 2019

**Annexure - A to the Auditors' Report**

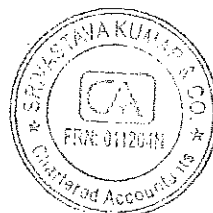
Referred to in paragraph 1 under the heading report on other legal and regulatory requirements of the Auditors' Report of even date

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.
- 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.

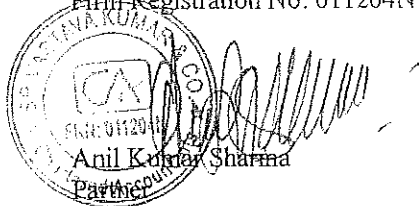


- vii. (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, GST and Income Tax and any other Statutory dues, 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 statutory dues outstanding on account of any dispute.
- viii. The company has not borrowed any loans from financial institutions/ banks. The company did not have any outstanding dues in respect of debentures 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) and term loans during the year.
- 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: New Delhi  
Date : May 27, 2019

## **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, 2019, 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**

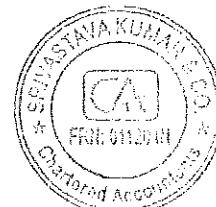
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.

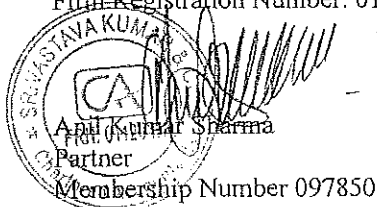
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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, 2019, 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




Place: New Delhi  
Date : May 27, 2019

Spectra Punj Lloyd Limited  
 Standalone Balance Sheet as at March 31, 2019  
 (All amounts in INR, unless otherwise stated)

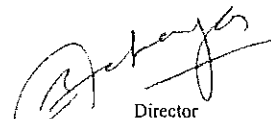
	Notes	As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property Plant and Equipments	3	113,612	130,562
Trade receivables	7	29,478,447	38,095,913
Deferred tax assets (net)	4	-	24,428,873
Others	5	3,040,923	3,040,923
<b>Current assets</b>			
Inventories		452,875	4,742,533
<b>Financial Assets</b>			
Trade receivables	7	-	-
Cash and bank balances	8	2,277,657	3,570,939
Loans	6	40,000	436,290,000
Other current assets	9	-	291,661,211
Current tax receivable (net)		32,044,648	31,733,016
Others	5	9,941,726	11,217,770
<b>Total Assets</b>		<b>77,389,887</b>	<b>844,911,739</b>
<b>Equity and liabilities</b>			
<b>Shareholder's fund</b>			
Equity Share Capital	10	50,000,000	50,000,000
Other Equity			
Retained Earnings	11	(781,933,508)	(20,173,802)
<b>Total Equity</b>		<b>(731,933,508)</b>	<b>29,826,198</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	12	298,348,000	299,348,000
Trade payables - MSME		-	-
Trade payables - Others		510,583,882	514,428,763
<b>Non Financial Liability</b>			
Other current liability	13	391,513	1,308,778
<b>Total Liabilities</b>		<b>809,323,395</b>	<b>815,085,541</b>
<b>Total equity and liabilities</b>		<b>77,389,887</b>	<b>844,911,739</b>
Summary of significant accounting policies	2		

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, Partner  
 Membership No. : 097850

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

  
 Director  
 DIN-07968913

  
 Director  
 DIN 07345645

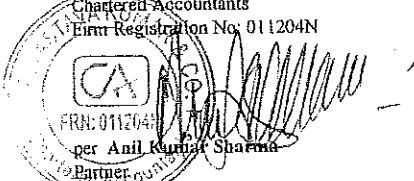
Place: New Delhi  
 Date: May 27, 2019

Spectra Punj Lloyd Limited  
 Standalone Statement of Profit and Loss for the year ended March 31, 2019  
 (All amounts in INR, unless otherwise stated)

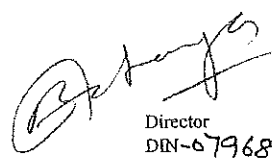
	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	14	8,331,469	34,097,083
Other income	15	3,926,178	51,692,687
<b>Total income (I)</b>		<b>12,257,647</b>	<b>85,789,770</b>
<b>Expenses</b>			
Cost of components and spares consumed		4,342,819	5,755,029
Employee benefits expense	16	1,026,115	5,451,651
Other expenses	17	744,194,807	40,676,680
<b>Total expenses (II)</b>		<b>749,563,741</b>	<b>51,883,360</b>
<b>Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)</b>		<b>(737,306,095)</b>	<b>33,906,410</b>
Depreciation and amortization expense	3	16,950	31,999
Finance costs	18	7,788	36,076,482
<b>Profit/ (loss) before tax</b>		<b>(737,330,833)</b>	<b>(2,202,070)</b>
<b>Tax expenses</b>			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax Charge/(credit)		24,428,873	-
<b>Total tax expense</b>		<b>24,428,873</b>	<b>-</b>
<b>Profit/ (loss) for the year</b>		<b>(761,759,706)</b>	<b>(2,202,070)</b>
<b>Earnings per equity share [nominal value per share Rs. 10 each (previous year Rs. 10 each)]</b>			
Basic and diluted earning per share (in Rs.)	19	(152.35)	(0.44)
Summary of significant accounting policies	2		


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

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

  
 Director  
 DIN-67968913

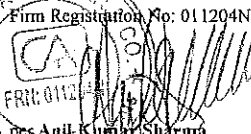
  
 Director  
 DIN 07345645

Place: New Delhi  
 Date: May 27, 2019

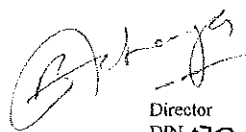
Spectra Punj Lloyd Limited  
 Standalone Cash flow statements for the year ended March 31, 2019  
 (All amounts in INR, unless otherwise stated)


	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities:</b>		
Profit/ (loss) before tax	(737,330,833)	(2,202,070)
Non-cash adjustment to reconcile Profit/(loss) before tax to net cash flows		
Depreciation and amortization	16,950	31,999
Profit on sale of fixed assets	(2,378,147)	(617,510)
Bad debts written off	742,561,211	-
Provision for Expected Credit Loss	871,178	11,353
Interest expense	-	36,075,778
Interest income	-	(51,006,370)
<b>Operating profit before working capital changes</b>	<b>3,740,360</b>	<b>(17,706,321)</b>
Movement in working capital:		
Increase/ (Decrease) in trade payables	(3,844,881)	76,623,343
Increase/ (Decrease) in provisions	-	-
Increase/ (Decrease) in other current liability	(917,265)	(2,877,459)
Decrease/ (increase) in trade receivables	(734,814,923)	4,418,080
Decrease/ (increase) in inventories	4,289,658	1,163,972
Decrease/ (increase) in loans	436,250,000	(21,510,000)
Decrease/ (increase) in other loans and advances	1,276,044	654,513
<b>Cash generated from operations</b>	<b>(294,021,007)</b>	<b>40,766,129</b>
Direct taxes paid (net of refunds)	(311,632)	(5,559,137)
<b>Net cash flow from operating activities (A)</b>	<b>(294,332,639)</b>	<b>35,206,992</b>
<b>Cash flow from investing activities:</b>		
Proceeds from sale of fixed assets	2,378,147	617,510
Decrease/ (increase) in margin money deposits	-	-
Interest received	291,661,211	5,100,637
<b>Net cash flow from investing activities (B)</b>	<b>294,039,358</b>	<b>5,718,147</b>
<b>Cash flow used in from financing activities:</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	(1,000,000)	(3,805,000)
Interest paid	-	(36,075,778)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,000,000)</b>	<b>(39,880,778)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(1,293,281)</b>	<b>1,044,361</b>
Cash and cash equivalents at the beginning of the year	3,493,954	2,449,593
<b>Cash and cash equivalents at the end of the year</b>	<b>2,200,672</b>	<b>3,493,954</b>
Components of cash and cash equivalents		
Cash on hand	27,744	92,644
Balances with banks:		
On current accounts	2,172,928	3,401,310
<b>Total cash and cash equivalents (also refer note 8)</b>	<b>2,200,672</b>	<b>3,493,954</b>

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

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

  
 Director  
 DIN-07968913

  
 Director  
 DIN-07345645

Place: New Delhi  
 Date: May 27, 2019

Spectra Punj Lloyd Limited  
Standaloue notes to financial statements for the year ended March 31, 2019

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.

These financial statements are approved for issue by the Company's Board of Directors on May 27, 2019.

Pursuant to an order dated March 08, 2019 of the National Company Law Tribunal (NCLT), Principal Bench, New Delhi, India, Corporate Insolvency Resolution Process (CIRP) has been initiated for Punj Lloyd Limited (The Holding Company) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). An Interim Resolution Professional (IRP) and thereafter Resolution Professional (RP) have been appointed for carrying out the CIRP of Punj Lloyd Limited. Upon initiation of CIRP, the powers of the Board of Directors of Punj Lloyd Limited have been suspended and shall be exercised by the IRP/ RP.

2. Summary of significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Basis of measurement

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) As at March 31, 2019, the Company has incurred losses of Rs. 76,17,59,706/- and does not have any projects to be executed. Further, Corporate Insolvency Resolution Process has been initiated for the ultimate Holding Company (Punj Lloyd Limited) under the Indian Insolvency and Bankruptcy Code 2016 (IBC) with effect from March 08, 2019.

The present conditions indicate that a material uncertainty exists that cast significant doubt on the Company ability to continue as a going concern. However, the Company is hopeful to generate sustainable cash flows through its new projects which would enable the company to discharge its short term and long term liabilities and continue as a going concern and hence the financials statements of the company have been prepared on a going concern basis.



Spectra Punj Lloyd Limited  
Standalone notes to financial statements for the year ended March 31, 2019

(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.

(c) Depreciation on Property, Plant and Equipments

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

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

(d) Financial Instruments

Financial Instruments (assets and liabilities) are recognized when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in statement of profit and loss.

**Financial assets**

(1) Subsequent measurement

Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets.



Spectra Punj Lloyd Limited  
Standalone notes to financial statements for the year ended March 31, 2019

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.
- **Fair value through other comprehensive income (FVTOCI):** The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.
- **Fair value through profit and loss (FVTPL):** FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

**(2) Impairment of financial assets**

The Company applies Ind AS 109 for recognizing impairment losses using Expected Credit Loss (ECL) model. Impairment is recognized for all financial assets subsequent to initial recognition, other than financial assets in FVTPL category. The impairment losses and reversals are recognized in statement of profit and loss.

**(3) De-recognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

**Financial liabilities**

**(a) Subsequent measurement**

There are two measurement categories into which the Company classifies its financial liabilities.

- **Amortised cost:** After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
- **Financial liabilities at FVTPL:** Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge



Spectra Punj Lloyd Limited  
Standalone notes to financial statements for the year ended March 31, 2019

relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

(b) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(e) Fair value measurement

The fair value of a financial asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Where fair value is based on quoted prices from active market.

Level 2 – Where fair value is based on significant direct or indirect observable market inputs.

Level 3 – Where fair value is based on one or more significant input that is not based on observable market data.

For financial assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers is required between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances or (b) at the end of each reporting period.

(f) 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





Spectra Punj Lloyd Limited  
Standalone notes to financial statements for the year ended March 31, 2019

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.

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.

**(g) 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.

**(h) Revenue recognition**

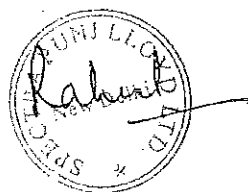
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of taxes or duties collected on behalf of third parties. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company and specific criteria, as described below, are met for each of the Company's activities.

- Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.

**(i) 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.



Spectra Punj Lloyd Limited  
Standalone notes to financial statements for the year ended March 31, 2019

(j) Inventories

- i) Stock in trade (Equipments), Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.
- ii) Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Foreign currency transaction

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company. The overseas branches of the Company separately determines the functional currency and items included in the financial statements of each branch are measured using the functional currency.

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

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in OCI until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

(l) 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



## Spectra Punj Lloyd Limited

Standalone notes to financial statements for the year ended March 31, 2019

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.

### (m) 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.

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.



Spectra Punj Lloyd Limited  
Standalone notes to financial statements for the year ended March 31, 2019

(n) 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.

(o) 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 recognised 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.

(p) 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Functional Currency

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

(r) Segment Information

Identification of segments

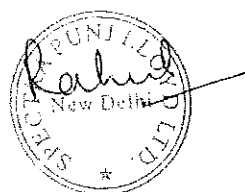
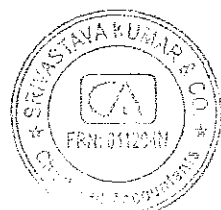
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the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



Spectra Punj Lloyd Limited  
 Standalone statement of Changes in Equity for the year ended March 31, 2019  
 (All amounts in INR, unless otherwise stated)

	Numbers	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At 31, March 2018	5,000,000	50,000,000
At 31, March 2019	5,000,000	50,000,000

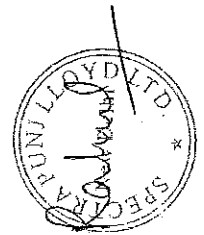
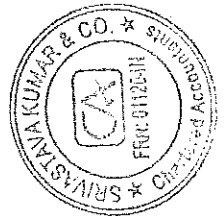
Other Equity

For the year ended March 31, 2018

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at April 01, 2017	6,328,000	(24,299,732)	-	(17,971,732)
Profit for the year	-	(2,202,070)	-	(2,202,070)
Add: Exchange difference during the year on net investment in non-integral operations	-	-	-	-
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	6,328,000	(26,501,802)	-	(20,173,802)
As at March 31, 2018	6,328,000	(26,501,802)	-	(20,173,802)

For the year ended March 31, 2019

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at March 31, 2018	6,328,000	(26,501,802)	-	(20,173,802)
Profit for the year	-	(761,759,706)	-	(761,759,706)
Add: Exchange difference during the year on net investment in non-integral operations	-	-	-	-
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	6,328,000	(788,261,508)	-	(781,933,508)
As at March 31, 2019	6,328,000	(788,261,508)	-	(781,933,508)



Spectra Punt Lloyd Limited  
Notes to standalone financial statements for the year ended March 31, 2019  
(All amounts in INR, unless otherwise stated)

3 Property, Plant and Equipments

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Total
Gross block at cost				
At April 01, 2017	97,582,228	488,068	4,585,818	102,656,114
Additions during the year	-	-	-	-
Disposals	6,099,910	-	1,087,613	7,187,523
At March 31, 2018	91,482,318	488,068	3,498,205	95,468,591
Additions during the year	-	-	-	-
Disposals	29,158,041	-	1,493,800	30,651,841
At March 31, 2019	62,324,277	488,068	2,004,405	64,816,750
Accumulated Depreciation				
At April 01, 2017	97,529,065	378,669	4,585,818	102,493,552
Charge for the year	19,432	12,567	-	31,999
Disposals	6,099,910	-	1,087,613	7,187,523
At March 31, 2018	91,448,588	391,236	3,498,205	95,338,029
Charge for the year	4,724	12,226	-	16,950
Disposals	29,158,041	-	1,493,800	30,651,841
At March 31, 2019	62,295,271	403,462	2,004,405	64,703,138
Net block				
At March 31, 2018	33,730	96,832	-	130,562
At March 31, 2019	29,006	84,606	-	113,612

4 Deferred tax assets

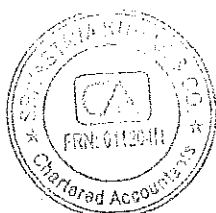
Particulars	As at March 31, 2019	As at March 31, 2018
Impact of difference between tax depreciation and depreciation as per books	-	(21,540)
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	-	3,121,988
Unabsorbed losses/carried forward losses	-	21,328,425
Deferred tax asset	-	24,428,873

5 Others

Particulars	Long-term		Short-term	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Advance recoverable in cash or kind or for value to be received				
Unsecured, considered good	-	-	5,216,998	4,725,076
Other loans and advances				
Loans to employees	-	-	398,665	856,926
Balances with statutory / government authorities	-	-	1,853,700	3,663,405
Value added tax / Sales tax recoverable	-	-	1,972,363	1,972,363
Minimum alternate tax credit entitlement	3,040,923	3,040,923	-	-
Prepaid expenses	-	-	-	-
	3,040,923	3,040,923	4,724,727	6,492,693
	3,040,923	3,040,923	9,941,726	11,217,770

6 Financial Assets: Loans

Particulars	Long-term		Short-term	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security deposits				
Unsecured, considered good	-	-	40,000	40,000
Loans and advances to related parties				
Unsecured, considered good	-	-	450,900,000	436,250,000
Less: Provision for ECL/ Doubtful debts	-	-	(450,900,000)	-
	-	-	-	436,250,000
	-	-	40,000	436,290,000



7 Financial Assets : Trade receivables

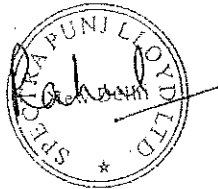
Particulars	Current		Non current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	-	-	51,184,743	58,931,031
	-	-	51,184,743	58,931,031
Less: Expected Credit Loss	-	-	(21,706,296)	(20,835,118)
	-	-	29,478,447	38,095,913

8 Financial Assets : Cash and bank balances

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on hand	27,744	92,644
Balances with banks:		
On current accounts	2,172,928	3,401,310
	2,200,672	3,493,954
Other bank balances		
Margin money deposits	76,985	76,985
	76,985	76,985
	2,277,657	3,570,939

9 Financial Assets : Other current assets

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest receivable	291,661,211	291,661,211
Less: Provision for ECL/ Doubtful debts	(291,661,211)	-
	-	291,661,211



10 Equity

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised shares 5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	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
	<u>50,000,000</u>	<u>50,000,000</u>

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

Equity shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>5,000,000</u>	<u>50,000,000</u>	<u>5,000,000</u>	<u>50,000,000</u>

(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, 2019	As at March 31, 2018
Punj Lloyd Limited 5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	50,000,000	50,000,000

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

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	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 March 31, 2019	As at March 31, 2018
General reserve	6,328,000	6,328,000
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(26,501,802)	(24,299,732)
(Loss)/profit for the year	(761,759,706)	(2,202,070)
Net deficit in the statement of profit and loss	<u>(788,261,508)</u>	<u>(26,501,802)</u>
Total reserves and surplus	<u>(781,933,508)</u>	<u>(20,173,802)</u>

12 Financial Liabilities : Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Loan from Punj Lloyd Limited repayable on demand (unsecured)	298,348,000	299,348,000
The above amount includes	298,348,000	299,348,000
Unsecured borrowings	<u>298,348,000</u>	<u>299,348,000</u>

13 Non Financial Liabilities: Other liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other liabilities		
Others		
Tax deducted at source payable	391,513	1,308,778
	<u>391,513</u>	<u>1,308,778</u>
	<u>391,513</u>	<u>515,737,542</u>





Spectra Punj Lloyd Limited  
Notes to standalone financial statements for the year ended March 31, 2019  
(All amounts in INR, unless otherwise stated)

14 Revenue from operations

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Income from hire charges	8,331,469	34,097,083
	<u>8,331,469</u>	<u>34,097,083</u>

15 Other income

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Interest income on others	-	51,006,370
Profit on sale of fixed assets (net)	2,378,147	617,510
Management income	1,315,600	50,119
Exchange differences (net)	232,431	18,688
	<u>3,926,178</u>	<u>51,692,687</u>

16 Employee benefit expenses

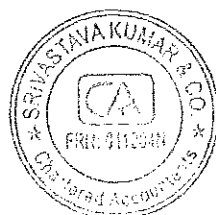
Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	974,344	5,162,072
Contribution to provident fund	46,639	268,994
Staff welfare expenses	5,132	20,585
	<u>1,026,115</u>	<u>5,451,651</u>

17 Other expenses

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Freight and cartage	8,560	847,252
Rates and taxes	16,186	88,674
Diesel expenses	-	5,760,620
Insurance	-	46,714
Repairs and maintenance:		
Plant and machinery	6,626	30,993,775
Payment to auditors (refer details below)	100,000	100,000
Consultancy and professional charges	450,175	1,210,550
Provision for bad and doubtful debts	742,561,211	-
Provision for Expected Credit Loss	871,178	11,853
Miscellaneous expenses	177,871	1,617,242
	<u>744,194,807</u>	<u>40,676,680</u>
Payment to auditors:		
As auditors:		
Audit fee	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

18 Finance costs

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Interest expense	-	36,075,778
Bank charges	7,788	704
	<u>7,788</u>	<u>36,076,482</u>



19 Earnings per share

Basic and diluted earnings		March 31, 2019	March 31, 2018
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.)		(761,759,706)	(2,202,070)
c) Basic and diluted (loss)/earnings per share		(152.35)	(0.44)
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

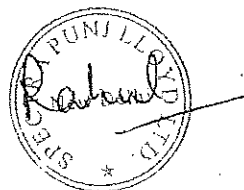
Holding company Punj Lloyd Limited  
 Fellow subsidiaries Punj Lloyd Upstream Limited  
 Punj Lloyd Aviation Limited  
 Indraprastha Renewables Private Limited  
 Yagyi Kalewa Highway Limited

Key Managerial Personnel

Rahul Maheshwari Director  
 Basab Acharya Director  
 Gaurav Kapoor Additional Director

Related party transactions

Particulars	Holding company		Fellow subsidiaries		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>INCOME</b>						
Income from hire charges						
Punj Lloyd Limited	-	-	-	-	-	-
Interest Income						
Punj Lloyd Upstream Limited	-	-	-	47,982,293	-	47,982,293
Punj Lloyd Aviation Limited	-	-	-	2,053,636	-	2,053,636
Indraprastha Renewables Private Limited	-	-	-	970,441	-	970,441
Other Income						
Yagyi Kalewa Highway Limited	-	-	1,315,600	-	1,315,600	-
<b>EXPENSES</b>						
Interest						
Punj Lloyd Limited	-	36,075,778	-	-	-	36,075,778
Balance outstanding as at end of the year						
Receivable/(payable)						
Punj Lloyd Limited	(788,780,542)	(790,757,760)	-	-	(788,780,542)	(790,757,760)
Punj Lloyd Upstream Limited	-	-	-	690,550,341	-	690,550,341
Punj Lloyd Aviation Limited	-	-	-	24,575,946	-	24,575,946
Indraprastha Renewables Private Limited	-	-	-	12,784,924	-	12,784,924



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, 2019.

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	
	2018-19	2017-18	2018-19	2017-18
Imported	-	-	-	-
Indigenous	4,342,819	5,755,029	100	100
	4,342,819	5,755,029	100	100

25 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-19	Mar-18	Mar-19	Mar-18
Financial Assets				
Loans	450,900,000	436,250,000	-	436,250,000
Total	450,900,000	436,250,000	-	436,250,000

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 or assumptions were used to estimate the fair value.

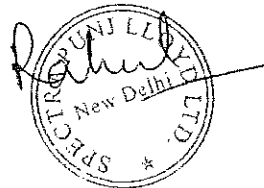
Trade receivables and loans and advances recoverable from related parties are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation,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

26 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, 2019

Assets for which fair values are disclosed	Total	Fair value measurement using		
		Quoted price in active market	Significant observable inputs	Significant Unobservable inputs
As at March 31, 2019				
Loans	-	-	-	-
As at March 31, 2018				
Loans	436,250,000	-	-	436,250,000



## 27 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, 2019 the Company has no 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

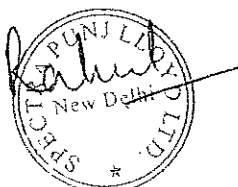
Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2019 the Company has no borrowing at floating interest rate.

## 28 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 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.

	Mar-19	Mar-18
Borrowings	298,348,000	299,348,000
Trade payables	510,583,882	514,428,763
Other Payables	391,513	1,308,778
Less:		
Cash and cash equivalents	(2,277,657)	(3,570,939)
Net Debts	807,045,738	811,514,602
Equity	(731,933,508)	29,826,198
Capital & net debts	75,112,230	841,340,800
Gearing Ratio	1074%	96%



29 There are no contingent liabilities and capital commitments as at March 31, 2019

30 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



Place: New Delhi  
Date: May 27, 2019

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

Director  
DIN-07968913

Director  
DIN 07345645

