

# SIDHI SINGRAULI ROAD PROJECT LIMITED

## DIRECTORS' REPORT

To  
The Members of  
**Sidhi Singrauli Road Project Limited**

Your Directors have pleasure in submitting their Sixth Annual Report together with the Audited Accounts of the Company, for the financial year ended March 31, 2018 (the "Period").

### FINANCIAL HIGHLIGHTS

The Company has a loss of Rs. 30.92 Lakhs(Previous Year: Net profit of Rs.105.54 Lakhs), for the Period, which has been carried forward to the Balance Sheet.

### PROJECT STATUS

Your Company had entered into a Concession Agreement dated May 14, 2012, with Madhya Pradesh Road Development Corporation Limited ("MPRDC") to implement the project for four laning of Sidhi Singrauli section of National Highway No. 75E from km. 83/4 to km 195/8 in the State of Madhya Pradesh on design, build, finance, operate and transfer basis (the "Project") awarded to Gammon Infrastructure Projects Limited ("GIPL") by MPRDC.

The total project cost as per the Concession Agreement is Rs. 871.15 Crores and the estimated cost of implementation of the Project is Rs.1094.16 Crores. The Company has tied up the debt portion of the cost of the Project by executing Financing Documents with lead bank Punjab National Bank Limited for Rs.584.06 Crores.

The Engineering, Procurement and Construction (EPC) contract of the Project was awarded to GIPL including the responsibility of maintenance of the existing road during construction for the entire Project at a cost of Rs.975.00 Crores.

Your Company has achieved financial closure and the "appointed date" for the project was notified as September 19, 2013. The EPC contractor had started construction activities and the project has achieved progress of 79%.

The EPC Contractor had applied for Extension of Time (EoT) till February 2018 assuming 100% land for construction would be handed over by end of September 2017. Madhya Pradesh Road Development Corporation Limited (MPRDC) has recommended interim Extension of Time (EoT) till October 2017 to Ministry of Road Transport and Highways for their approval. As the balance land is not yet received, further EoT is expected to be granted as per the recommendation from MPRDC.

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Registered Office : Second Floor, Plot No. 360, Block-B, Sector 19, Dwarka, New Delhi- 110075, INDIA  
CIN : U74999DL2012PLC234738

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954 New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA  
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## DIVIDEND/TRANSFER TO RESERVE(S)

In view of the loss during the year, your Directors have not recommended any dividend for the financial year under review. No amount is transferred to any reserve.

## SHARE CAPITAL

The paid up capital of the Company is Rs.170,41,00,000/- divided into 17,04,10,000 Equity Shares of Rs.10/- each. The Company has not granted any stock option or sweat equity.

## DIRECTORS

Ms. Poonam Sabnis and Mr. Sushil Chandra Tripathi were appointed as an Additional Directors on 09/01/2018 and 22/06/2018 respectively. They holds office up to the date of ensuing Annual General Meeting (AGM) and the notices under Section 160 of the Companies Act, 2013 have been received from the members signifying their intention to propose candidature of Ms. Poonam Sabnis and Mr. Sushil Chandra Tripathi.

In accordance with the provisions of the Companies Act, 2013, Mr. Kaushik Chaudhuri retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Board of Directors presently is comprised of four professional directors namely Mr. Sanjay Chaudhary, Mr. Kaushik Chaudhuri, Ms. Poonam Sabnis and Mr. S.C. Tripathi.

## NUMBER OF MEETINGS OF THE BOARD

During the Period under review, Six (6) Board Meetings were duly convened and held on 20/04/2017, 17/06/2017, 01/09/2017, 13/11/2017, 09/01/2018 and 31/03/2018 and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:

Name of Director(s)	Number of Meetings held	Attended
Mr. Sanjay Chaudhary	6	6
Mr. Kaushik Chaudhuri*	5	5
Ms. Poonam Sabnis#	2	2
Ms. Renuka Nikhil Shitut (resigned w.e.f. 09/01/2018)	4	3

\* appointed w.e.f. 20.04.2017. # appointed w.e.f. 09.01.2018.

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# **SIDHI SINGRAULI ROAD PROJECT LIMITED**

## **COMMITTEES OF THE BOARD**

### **1. AUDIT COMMITTEE (AC)**

The Audit Committee of the Board was constituted to oversee and review the financial reporting system and disclosures in Financial Statement, review of adequacy of internal audit procedures, systems and quality of audits, to recommend the appointment of statutory auditors and discusses with them the internal control system. The composition of the Audit Committee was as follows:

Mr. Kaushik Chaudhuri, Chairman  
Ms. Poonam Sabnis, Member  
Mr. Sanjay Chaudhary, Member

One meeting of the Audit Committee was held during the financial year. This was held on 17<sup>th</sup> June, 2017 and all members of the Committee attended this meeting.

Audit Committee was dissolved pursuant to amendment made vide MCA notification no. 628 dated July 14, 2017 whereby the Company being wholly owned subsidiary of a listed public company, namely, Gammon Infrastructure projects Limited(GIPL), was no longer required to have this Committee.

### **2. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The Nomination and Remuneration (NRC) Committee was constituted comprising of professional directors as its members, namely Mr. Sanjay Chaudhary, Mr. Kaushik Chaudhuri Ms. Poonam Sabnis. No meeting of NRC Committee was held during the year under review.

NRC was dissolved pursuant to amendment made vide MCA notification no. 628 dated July 14, 2017 whereby the Company being wholly owned subsidiary of a listed public company, namely, Gammon Infrastructure projects Limited(GIPL), was no longer required to have this Committee.

## **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business during the year under review.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extracts of Annual Return in Form MGT-9 as per Section 92 (3) of the Companies Act, 2013 is annexed herewith as **Annexure "A"**.

## **SUBSIDIARIES/ASSOCIATES/JOINT VENTURES**

The Company does not have any subsidiary/associate or Joint Venture

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# **SIDHI SINGRAULI ROAD PROJECT LIMITED**

## **KEY MANAGERIAL PERSONNEL**

There was no appointment of any Key Managerial Personnel during the Period under review. Necessary steps are being taken for the appointment of Key Managerial Personnel.

## **DEPOSITS**

During the Period under review, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the under review, the Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies Act, 2013.

## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All the contracts or arrangement during the Period under review with related parties have been in the ordinary course of business and at arm's length basis. Particulars of related party transactions are given in prescribed Form AOC-2 annexed as **Annexure-B**.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and ability confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that Period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

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safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## PARTICULARS OF EMPLOYEES

During the Financial Year / Period or any part of it, the Company has not employed any employee in receipt of remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## AUDITORS

At the Fifth Annual General Meeting of the Company, the shareholders had appointed M/s. Natvarlal Vepari & Co., Chartered Accountants (FRN: 106971W) as the Statutory Auditors of the Company to hold office until the conclusion of the Tenth Annual General Meeting, subject to ratification by shareholders at every subsequent AGM.

Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent AGM. In view of this, the appointment of Auditors is not proposed for ratification at ensuing AGM.

M/s. Natvarlal Vepari & Co., Chartered Accountants (FRN: 106971W) have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

## AUDITORS' REPORT

In the opinion of the Board, the observation made by the Auditor's in their Report are self-explanatory and do not require any further clarification.

## SECRETARIAL AUDIT

Secretarial Audit Report in Form MR-3 issued by Practicing Company is annexed herewith as **Annexure-C**.

The Secretarial Auditors' have qualified their report by stating:

1. The Company has not appointed any KMP, as envisaged in Section 203 of the Companies act, 2013.

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# **SIDHI SINGRAULI ROAD PROJECT LIMITED**

The Board would like to inform that necessary steps are being taken for the appointment of Key Managerial Personnel.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Provisions of the Companies Act, 2013 related to CSR do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard for the Period under review.

## **CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

In view of the nature of business activities currently being carried out by the Company, your Directors have nothing to report with respect to Conservation of Energy and Technology Absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. The Company has neither earned nor spent any foreign exchange during the Period.

## **MATERIAL CHANGES AND COMMITMENTS**

No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted the Whistle Blower Policy in accordance with the provisions of the Companies Act, 2013 for reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct.

## **RISK MANAGEMENT**

The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like Government policies, macro and micro economy factors, Company financials and operations related specific factors, foreign currency rate fluctuations and related matters that may threaten the existence of the Company.

The Board is of the opinion that there are no major risks affecting the existences of the Company.

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# SIDHI SINGRAULI ROAD PROJECT LIMITED

## INTERNAL CONTROLS

The Board is of the opinion that there exist adequate internal controls commensurate with the size and operations of the Company.

## DISCLOSURE ON COST RECORDS

The Company has maintained cost records as required to be made and maintained by the Company under section 148(1) of the Companies Act, 2013.

## DISCLOSURE ON WOMEN AT WORKPLACE

Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 do not apply to the Company as there was no woman employed by the Company.

## INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY

Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements.

## ACKNOWLEDGMENT

The Directors acknowledge with gratitude the co-operation and support received from the Company's Bankers, shareholders and other stakeholders. They wish to place on record their sincere appreciation of the services rendered by all members of staff and employees of the Company.

FOR AND ON BEHALF OF THE BOARD  
SIDHI SINGRAULI ROAD PROJECT LIMITED

  
**Sanjay Chaudhary**  
Director  
DIN-05157682

  
**Kaushik Chaudhuri**  
Director  
DIN-06757692

Place: Mumbai  
Date: 10/08/2018

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**ANNEXURE A****Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U74999DL2012PLC234738
ii.	Registration Date	24/04/2012
iii.	Name of the Company	Sidhi Singrauli Road Project Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Second Floor, Plot No.360, Block-B, Sector-19, Dwarka, New Delhi-110075.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N. A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025. Phone no.: (022) 6748 7200	L45203MH2001PLC131728	Holding Company	100%	Section 2(46)





(i) Indian (ii) Overseas										
b) Individuals	-	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh										
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh										
c) Others (Specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs										
<b>Grand Total (A+B+C)</b>	<b>17,04,09,994</b>	<b>6</b>	<b>17,04,10,000</b>	<b>100</b>	<b>17,04,09,994</b>	<b>6</b>	<b>17,04,10,000</b>	<b>100</b>		-

*ii. Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Gammon Infrastructure Projects Ltd.	170410000	100	96	170410000	100	96	-
	<b>Total</b>	<b>170410000</b>	<b>100</b>	<b>96</b>	<b>170410000</b>	<b>100</b>	<b>96</b>	<b>-</b>

*iii. Change in Promoters' Shareholding (please specify, if there is no change: N.A.)*

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
-	Date wise Increase / Decrease in Promoters Shareholding during	-	-	-	-



	the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs): N.A.**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

**v. Shareholding of Directors and Key Managerial Personnel: N.A.**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors &amp; KMP</b>				
	<b>Directors</b>				
	At the beginning of the year	-	-	-	-

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs. in Lakhs)	Unsecured Loans	Deposits	Total Indebtedness (Rs. in Lakhs)
Indebtedness at the beginning of the financial year (01-Apr-2017)				
i) Principal Amount	45261.00			45261.00
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due				
Total (i+ii+iii)	45261.00			45261.00
Change in Indebtedness during the financial year				
- Addition	4967.22			4967.22
- Reduction				
Net Change	4967.22			4967.22
Indebtedness at the end of the financial year (31-Mar-2018)				
i) Principal Amount	49786.67			49786.67
ii) Interest due but not paid	441.55			441.55
iii) Interest accrued but not due				
Total (i+ii+iii)	50228.22			50228.22

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax					



	Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

**B. Remuneration to other directors: NIL**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD: N.A.**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board  
Sidhi Singrauli Road Project Limited

Sanjay Chaudhary  
Director  
DIN: 05157682

Kaushik Chaudhuri  
Director  
DIN: 06757692

Place: Mumbai  
Date: 10/08/2018



## Annexure- B

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2018, which were not at arm's length basis.

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
				NIL				

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board , if any:	Amount paid as advances, if any: (Rs. In Lakhs)
(a)	(b)	(c)	(d)	(e)	(f)	
1.	Gammon Infrastructure Projects Limited (Holding Company)	EPC Contract	Contract commencing from 03-07-2013 till completion of construction works plus 5 years defect liability period	Project highway (NH-75E) shall be widened to four lane dual configuration with paved shoulder; Construct 3 major bridges, 28 minor bridges, 110 RCC slab culverts, 137 pipe culverts, 3 ROB's, 1 RUB and 14 Underpasses.  Contract Value Rs.97,500 Lakhs (EPC billing during the year: Rs.14281.75 lakhs)	03/04/2013	Nil

FOR AND ON BEHALF OF THE BOARD  
SIDHI SINGRAULI ROAD PROJECT LIMITED

  
Sanjay Chaudhary  
Director  
DIN-05157682  
Place: Mumbai  
Date: 10/08/2018

  
Kaushik Chaudhuri  
Director  
DIN-06757692

**Veeraraghavan.N**  
Practising Company Secretary

First Maritime Private Limited  
201, Gheewala Building  
M.P. Road, Mulund – East  
Mumbai 400081  
Mob: 9821528844  
Email : nvr54@ymail.com

**Form No. MR – 3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2018**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To  
The Members,  
Sidhi Singrauli Road Projects Limited  
( CIN : U74999DL2012PLC234738 )

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sidhi Singrauli Road Projects Limited, (hereinafter called the Company) ( CIN : U74999DL2012PLC234738 ) . Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company and its officers, during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018 complied with the statutory provisions listed hereunder ( wherever applicable ) and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 , according to the provisions of:

- (i). The Companies Act, 2013 (the “Act”) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv). The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;





(v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (h) SEBI (Share Based Employee Benefits) Regulations, 2014.
- (i) The Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements ) Regulations , 2015

I have also examined compliance with the applicable clauses of the following:

- (1) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (2) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The Company has not appointed any KMP, as envisaged in Section 203 of the Act.*



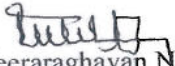
I further report that:

The Board of Directors of the Company is duly constituted

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views (if any) are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and insure compliance with applicable laws, rules, regulations and guidelines.

  
Veeraraghavan N.  
ACS NO: 6911  
CP NO : 4334



Place : Mumbai  
Date: 12<sup>th</sup> June, 2018



**Natvarlal Vepari & Co.**  
**CHARTERED ACCOUNTANTS**

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Sidhi Singrauli Road Project Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS financial statements of Sidhi Singrauli Road Project Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone "Ind AS Financial Statement").

**Management's Responsibility for the Financial Statements**

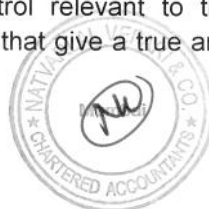
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon.

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit



# *Natvarlal Vepari & Co.*

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procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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 state of affairs of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of 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 said Order
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.
  - (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and





# ***Natvarlal Vepari & Co.***

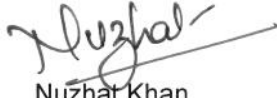
## **CHARTERED ACCOUNTANTS**

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(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. There are no pending litigations on its financial position in its Ind AS Financial Statement.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund during the year.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No.106971W



Nuzhat Khan  
Partner  
Membership No. 124960  
Mumbai, Dated: June 12, 2018



# **Natvarlal Vepari & Co.**

## **CHARTERED ACCOUNTANTS**

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### **ANNEXURE A**

#### **To the Independent Auditors' Report on the Standalone IND AS Financial Statements of Sidhi Singrauli Road Project Limited**

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.
- (b) Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property in the name of the company and hence clause 3(i)(c) of Companies (Auditors Report) Order 2016 is not applicable to the Company
- (ii) As the company does not hold any inventory during the year, clause 3(ii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (iii) During the year the Company has not granted any loan to entities covered in the register maintained u/s 189 of the Companies Act 2013 and hence clause 3(iii) of Companies (Auditors Report) order 2016 is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to road tolling business under BOT basis, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same
- (vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Goods and Service Tax or Value Added Tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has defaulted in repayment of interest to bank and Financial Institutions amounting to Rs 441.55 lacs as at March 31, 2018, which have since





# **Natvarlal Vepari & Co.**

## **CHARTERED ACCOUNTANTS**

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been paid by the Company. The details of the defaults are given in Note 16(a) of the Ind AS Financial Statement.

- (ix) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not raised any term loan during the year, however the unapplied portion of loan taken in the previous year is applied for the purpose for which the loan was taken. The Company has not raised any money by way of Debentures.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The company has not paid any managerial remuneration during the year and hence provisions of section 197 read with schedule V to the Companies Act, 2013 are not applicable and hence clause 3(xi) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) Since the company is a wholly owned subsidiary of a listed company, therefore the provisions of Sec.177 is not applicable in respect of transactions with related parties, the company has complied with the provisions of Sec 188 of the Act, where applicable. The necessary disclosures relating to related party transactions have been made in the Financial Statements as required by applicable accounting standard.
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co  
Chartered Accountants  
Firm Registration No.106971W



Nuzhat Khan  
Partner

Membership No. 124960

Mumbai, Dated: June 12, 2018



# ***Natvarlal Vepari & Co.***

**CHARTERED ACCOUNTANTS**

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## **Annexure - B**

### **To the Independent Auditors' Report on the Standalone IND AS Financial Statements of Sidhi Singrauli Road Project Limited**

#### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Financial Statements of Sidhi Singrauli Road Project Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statement 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 with reference to Financial Statements 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 with reference to Financial Statements 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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.





# ***Natvarlal Vepari & Co.***

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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 with reference to Financial Statements.

## **Meaning of Internal Financial Controls with reference to Financial Statements.**

A company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements 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.

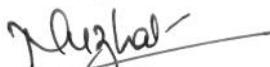
## **Inherent Limitations of Internal Financial Controls with reference to Financial Statements.**

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements 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 with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2018, 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 Natvarlal Vepari & Co  
Chartered Accountants  
Firm Registration No.106971W



Nuzhat Khan

Partner

Membership No. 124960

Mumbai, Dated: June 12, 2018



**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
**UIN:U74999DL2012PLC234738**  
**BALANCE SHEET AS AT 31.03.2018**  
**(All figures in Rupees in lacs unless otherwise stated)**

Particulars	Note Ref	As at 31.03.2018	As at 31.03.2017
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	1.62	2.09
(b) Intangible Assets Under Development	4	88,940.11	69,539.62
(c) Financial Assets			
(i) Loans	5.2	0.17	0.17
(d) Deferred Tax Assets (Net)	6	253.29	-
(e) Other non current assets	7	2,796.11	2,590.91
<b>Total Non - Current Assets (A)</b>		<b>91,991.30</b>	<b>72,132.79</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Investments	5.1	-	7,656.62
(ii) Loans	5.2	5.10	22.85
(iii) Trade receivables	8	156.83	147.03
(iv) Cash and Cash Equivalents	9	336.64	352.71
(b) Other current assets	7	16,155.39	13,275.79
<b>Total Current Assets (B)</b>		<b>16,653.96</b>	<b>21,455.01</b>
<b>TOTAL ASSETS (A+B)</b>		<b>1,08,645.26</b>	<b>93,587.80</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	17,041.00	17,041.00
(b) Other Equity	11	7,246.17	6,826.27
<b>Total Equity (A)</b>		<b>24,287.17</b>	<b>23,867.27</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	49,786.67	45,202.00
(ii) Other financial liabilities	16	5,030.81	4,182.21
(b) Long Term Provisions	13	15.30	6.33
(c) Other Non-current liabilities	15	26,823.56	19,844.56
<b>Total Non-Current Liabilities (B)</b>		<b>81,656.33</b>	<b>69,235.10</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	14	234.06	293.72
(ii) Other financial liabilities	16	2,269.27	102.22
(b) Other current liabilities	15	53.77	65.66
(c) Provisions	13	1.93	0.52
(d) Current tax liabilities (net)	17	142.74	23.34
<b>Total Current Liabilities (C)</b>		<b>2,701.77</b>	<b>485.45</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>1,08,645.26</b>	<b>93,587.81</b>

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

*Nuzhat*  
Nuzhat Khan  
Partner  
Membership No. : 124960  
Place: Mumbai  
Date : June 12, 2018



For and behalf of the Board of Directors of  
Sidhi Singrauli Road Project Limited

*HS*  
Kaushik Chaudhuri  
Director  
DIN:06757692  
Place: Mumbai  
Date : June 12, 2018

*Sanjay*  
Sanjay Chaudhary  
Director  
DIN:05157682



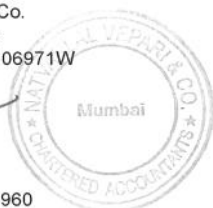
**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
**UIN:U74999DL2012PLC234738**  
**Statement of Profit and Loss for the year ended March 31, 2018**  
**(All figures in Rupees in lacs unless otherwise stated)**

Particulars	Note Ref	Year Ended March 31, 2018	Year Ended March 31, 2017
I Revenue from Operations	18	14,293.51	18,052.64
II Other Income:	19	-	0.29
<b>III Total Revenue (I + II)</b>		<b>14,293.51</b>	<b>18,052.94</b>
IV Expenses:			
Cost of Construction	20	14,038.61	17,671.86
Employee benefit expenses	21	106.02	81.79
Other Expenses	22	153.13	135.68
Depreciation & amortization	3	0.47	0.97
Finance Costs	23	23.11	5.71
<b>Total Expenses</b>		<b>14,321.34</b>	<b>17,896.01</b>
<b>V Profit Before Tax (III-IV)</b>		<b>(27.83)</b>	<b>156.93</b>
VI Tax Expense		-	<b>52.29</b>
<i>Current Tax</i>		135.64	52.29
<i>Short/Excess Provision of Tax for Earlier Years</i>		117.65	-
<i>MAT Credit Entitlement</i>		(253.29)	-
<b>VII Profit for the period (V-VI)</b>		<b>(27.83)</b>	<b>104.64</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
Actuarial gain and (loss)		(3.08)	0.90
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(3.08)</b>	<b>0.90</b>
<b>Total comprehensive income</b>		<b>(30.92)</b>	<b>105.54</b>
VIII Earnings per Equity Share:	25		
Basic & Diluted		(0.02)	0.06
Par Value		10.00	10.00

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

*Nuzhat*  
Nuzhat Khan  
Partner  
Membership No.: 124960  
Place: Mumbai  
Date: June 12, 2018



For and behalf of the Board of Directors of  
Sidhi Singrauli Road Project Limited

*Kaushik*      *Sanjay*  
Kaushik Chaudhuri      Sanjay Chaudhary  
Director      Director  
DIN:06757692      DIN:05157682  
Place: Mumbai  
Date: June 12, 2018

**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
**UIN:U74999DL2012PLC234738**  
**Cash Flow Statement for the period ended March 31, 2018**  
**(All figures in Rupees is lacs unless otherwise stated)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Net Profit Before Tax As Per Profit &amp; Loss Account</b>	<b>(27.83)</b>	<b>156.93</b>
<b>Adjusted For :</b>		
Depreciation and amortisation	0.47	0.97
Interest income on refund of income tax	23.11	(0.29)
Interest Expenses	-	5.71
	<u>23.58</u>	<u>6.38</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>(4.25)</b>	<b>163.31</b>
<b>Adjusted For :</b>		
Changes in Financial Assets	7.95	(119.03)
Changes in Non Financial Asset	(2,900.96)	(2,804.03)
Changes in Financial Liabilities	2,573.45	1,402.40
Changes in Non Financial Liabilities	(11.88)	442.79
Changes in Provisions	7.31	(0.86)
	<u>(328.39)</u>	<u>(915.42)</u>
Income tax paid	133.01	15.38
<b>Net Cash Flow From Operating Activities ( A )</b>	<b>(461.40)</b>	<b>(930.81)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions in Intangible Assets Under Development	(14,440.40)	(16,276.50)
Grant received from MPRDC	6,979.00	9,086.80
Interest Received	-	0.29
<b>Net Cash Used in Investing Activities ( B )</b>	<b>(7,461.40)</b>	<b>(7,189.41)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Long Term Borrowings	4,525.67	16,090.68
Inter Corporate deposit in the nature of Quasi Equity (Shown under Capital Contribution)	450.82	-
Interest Expenses	(4,726.37)	(4,298.13)
<b>Net Cash Used in Financing Activities ( C )</b>	<b>250.12</b>	<b>11,792.55</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(7,672.70)</b>	<b>3,672.33</b>
Cash & Cash Equivalents at the beginning of the year	8,009.34	4,337.01
Cash & Cash Equivalents at the end of the year	<u>336.64</u>	<u>8,009.34</u>
	<b>(7,672.70)</b>	<b>3,672.33</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with scheduled banks in current account	336.64	352.70
Cash on hand	0.00	0.01
Mutual Funds	-	7,656.62
<b>Total Components of Cash and Cash Equivalents</b>	<b>336.64</b>	<b>8,009.34</b>

As per our report of even date  
For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

*Nuzhat Khan*

Nuzhat Khan  
Partner  
Membership No. : 124960  
Place: Mumbai  
Date : June 12, 2018



For and behalf of the Board of Directors of  
Sidhi Singrauli Road Project Limited

*Kaushik Chaudhuri*

Kaushik Chaudhuri  
Director  
DIN:06757692  
Place: Mumbai  
Date : June 12, 2018

*Sanjay Chaudhary*

Sanjay Chaudhary  
Director  
DIN:05157682



SIDHI SINGRAULI ROAD PROJECT LIMITED  
CIN: U74999DL2012PLC234738  
Notes to financial statements for the year ended March 31, 2018  
(All figures are Rupees in Lacs unless otherwise stated)

Statement of Changes in Equity for the Year ended

A Particulars	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	17,04,10,000	17,041.00	17,04,10,000	17,041.00
Changes in equity share capital during the year - issued during the reporting period	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>17,04,10,000</b>	<b>17,041.00</b>	<b>17,04,10,000</b>	<b>17,041.00</b>

B Other Equity

Particulars	Retained Earnings	Capital Contribution	Total
<b>Balance as at 31 March 2016</b>	<b>290.51</b>	<b>6,430.22</b>	<b>6,720.73</b>
Profit for the year	104.64	-	104.64
Other comprehensive income/(loss) for the year	0.90	-	0.90
<b>Balance as at 31 March 2017</b>	<b>396.05</b>	<b>6,430.22</b>	<b>6,826.27</b>
Profit for the year	(27.83)	-	(27.83)
Other comprehensive income/(loss) for the year	(3.08)	-	(3.08)
Changes in Guarantee Obligation on account of Loan Restructuring	-	450.82	450.82
<b>Balance as at 31 March 2018</b>	<b>365.13</b>	<b>6,881.03</b>	<b>7,246.17</b>



**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
**CIN: U74999DL2012PLC234738**

**Statement of Significant Accounting policies and Other Explanatory Notes for the year ended March 31, 2018**

**1 Corporate profile**

Sidhi Singrauli Road Project Limited is incorporated under the Companies Act, 1956, on April 24, 2012, as a subsidiary of Gammon Infrastructure Projects Limited to provide, to undertake and carry on the business of four laning of Sidhi Singrauli section of National Highway No.75E from km. 83/4 to km 195/8 in the State of Madhya Pradesh on design, build, finance, operate and transfer basis.

**2 Basis of preparation**

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except otherwise stated.

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.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

**3 New standards and interpretations not yet adopted**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**Summary of significant accounting policies**

The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

**1 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

**2 Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**An asset is current when :**

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
  - It is held primarily for the purpose of trading or
  - It is expected to be realised within twelve months after the reporting period, or
  - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months
- All other assets are classified as non-current.

**A liability is current when :**

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or



- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period  
The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.





### 3 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 recognised

#### i Construction contract revenues :

In accordance with the principal laid down in Appendix A to the Ind As 11, revenue from Construction service are recognized in exchange for grant of tolling rights, accounted at the fair value of service rendered on Cost plus margin.

#### ii Tolling Income :

Tolling Income is recognised on usage of recovery of the usage charge thereon based on the notified toll rates by the Grantor.

#### iii Interest income:

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### iv Dividend income:

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

#### v Capital Grant :

As per IND AS 20 "Accounting for Government Grants and Disclosures of Government Assistance" and IND AS 109 "Financial Instruments", the Grant received from MPRDC satisfies the income approach criteria and therefore the company will amortise the Grant received based on the traffic count to Profit and Loss account beginning from the Commercial Operation Date (COD)

### 4 Property, Plant and Equipment (PPE)

i Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

ii Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

iii Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v Depreciation on all assets of the Company is charged on Straight Line Method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

vi An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

vii The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

viii Leasehold improvements is amortized on a straight line basis over the period of lease.

### 5 Intangible assets :

i Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

ii The tolling rights received in exchange for the Construction Service rendered to the grantor of tolling rights are recognised as an intangible asset to be amortized over the period of operation of the facility as per the Concession agreement.

iii The useful lives of intangible assets are assessed as either finite or indefinite.

iv Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

v Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### 6 Intangible Asset under development

i Intangible asset under development comprises entirely the cost incurred by the Company to acquired the tolling right.

ii Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include direct costs of development of the project road and costs incidental and related to the development activity. Costs incidental to the development activity, including financing costs on borrowings attributable to development of the project road, are capitalised to the project road till the date of completion of development.

### 7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



## 8 Impairment

Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

## 9 Investments

Current Investments are accounted on fair value with changes in Profit and Loss account.

## 10 Taxes

### Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### 11 Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

### 12 Earnings per share

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

### 13 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

#### 14 Contingent liabilities

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

### 15 Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

#### Termination Benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.



**16 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

**17 Measurement of Earnings before interest, tax, depreciation and amortisation (EBITDA)**

The Company has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortization expenses, interest and tax expense.

**18 Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

**19 Financial instruments**

**Financial Assets & Financial Liabilities**

**Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**Non-derivative financial instruments**

**Subsequent measurement**

**Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**20 Leases**

**Operating lease**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis in accordance with INDAS 17.





**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
**CIN :U74999DL2012PLC234738**  
**Notes to financial statements as at and for the year ended March 31, 2018**

**3 Property, plant & equipment**

Particulars	Office	Furniture &	Computer	Total (Rupees)
	Equipment's	Fixture		
<b>Cost</b>				
As at April 1, 2016	1.16	2.70	2.93	6.79
Additions	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-
<b>As at 31 March, 2017</b>	<b>1.16</b>	<b>2.70</b>	<b>2.93</b>	<b>6.79</b>
Additions	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2018</b>	<b>1.16</b>	<b>2.70</b>	<b>2.93</b>	<b>6.79</b>
<b>Depreciation</b>				
As at April 1, 2016	0.60	0.62	2.51	3.73
Charge for the period	0.26	0.28	0.42	0.97
Sales/Disposals/Adjustments	-	-	-	-
<b>As at 31 March, 2017</b>	<b>0.87</b>	<b>0.90</b>	<b>2.93</b>	<b>4.70</b>
Charge for the period	0.19	0.28	-	0.47
Sales/Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2018</b>	<b>1.05</b>	<b>1.18</b>	<b>2.93</b>	<b>5.17</b>
<b>Net Block Value</b>				
At 31st March 2018	0.11	1.51	-	1.62
At 31st March 2017	0.30	1.80	-	2.09

Charge of Depreciation is transferred to intangible assets under development.

**4 Intangible assets under development**

Particulars	As at	As at
	31-Mar-18	31-Mar-17
Developer Fees	1,657.41	1,657.41
Contract Expenses	73,262.81	59,477.86
Depreciation	5.17	4.70
Finance Cost (net of income received)	13,006.30	7,631.95
Personnel Cost	474.52	368.49
Administration Expenses	533.92	399.21
<b>Total Intangible assets under development</b>	<b>88,940.11</b>	<b>69,539.62</b>



SIDHI SINGRAULI ROAD PROJECT LIMITED  
CIN : U74999DL2012PLC234738  
Notes to financial statements as at and for the year ended March 31, 2018

5	Financial Assets	As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
5.1	Investment (at fair value through P & L)				
	Investment in Mutual fund (Principal Low Duration Fund - Regular Plan Growth- CY - NIL, PY - 296,589 Units)	-	-	-	7,656.62
	<b>Total</b>	-	-	-	<b>7,656.62</b>

5.2	Loans and Advances (at amortised cost)	As at			
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
	Security Deposit (Unsecured, Considered good)				
	Security Deposit for premises	0.17	0.17	-	-
	Related party balances				
	- Pravara Renewable Energy Limited	-	-	-	20.15
	- Rajahmundry Godavari Bridge limited	-	-	5.10	2.70
	<b>Total</b>	<b>0.17</b>	<b>0.17</b>	<b>5.10</b>	<b>22.85</b>

6	Deferred Tax Asset (Net)	As at			
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
	MAT Credit Entitlement	253.29	-	-	-
	<b>Total</b>	<b>253.29</b>	-	-	-

7	Other Assets	As at			
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Un Amortized Guarantee Commission	2,525.52	2,282.87	270.64	292.01
ii)	Prepaid Insurance	-	-	20.71	0.52
iii)	Prepaid upfront fees	270.58	307.14	36.56	36.56
iv)	Balance With Tax Authorities	-	-	33.56	38.34
v)	To Related Party - Mobilisation & other project Advance (unsecured, considered good)	-	-	15,793.92	12,908.36
vi)	Advance Income Tax (Net of Provision for Taxation)	-	0.88	-	-
	<b>Total</b>	<b>2,796.11</b>	<b>2,590.91</b>	<b>16,155.39</b>	<b>13,275.79</b>

8	Trade Receivables (Unsecured, at amortised cost)	As at			
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Considered good (Including Retention)	-	-	156.83	147.03
ii)	Considered doubtful	-	-	-	-
	<b>Total</b>	-	-	<b>156.83</b>	<b>147.03</b>

Trade receivable includes amount dues from NHAI for utility shifting & ancillary work

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company has no history of defaults and therefore no provision towards expected credit loss made.

9	Cash and Bank Balances	As at			
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
	Cash and cash equivalents				
i)	Balances with banks	-	-	336.64	352.70
ii)	Cash on hand	-	-	0.00	0.01
	<b>Total</b>	-	-	<b>336.64</b>	<b>352.71</b>



**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
**CIN : U74999DL2012PLC234738**  
**Notes to financial statements as at and for the year ended March 31, 2018**

		As at	
		March 31, 2018	March 31, 2017
<b>10</b>	<b>Equity Share capital</b>		
i)	<b>Authorised shares :</b>		
	171,000,000 (previous year: 171,000,000) Equity shares of Rs 10/- each	17,100.00	17,100.00
	<b>Total</b>	<b>17,100.00</b>	<b>17,100.00</b>
ii)	<b>Issued and subscribed shares :</b>		
	1,70,410,000 (previous year : 170,410,000) Equity Shares of Rs. 10/- each	17,041.00	17,041.00
	<b>Total</b>	<b>17,041.00</b>	<b>17,041.00</b>
iii)	<b>Paid-up shares :</b>		
	1,70,410,000 (previous year : 170,410,000) Equity Shares of Rs. 10/- each	17,041.00	17,041.00
	<b>Total</b>	<b>17,041.00</b>	<b>17,041.00</b>
<b>Total paid-up share capital</b>		<b>17,041.00</b>	<b>17,041.00</b>

		As at			
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
		Number	Amount	Number	Amount
a)	<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the year</b>				
	Balance, beginning of the year	17,04,10,000	17,041	17,04,10,000	17,041
	Issued during the year	-	-	-	-
	<b>Balance, end of the year</b>	<b>17,04,10,000</b>	<b>17,041</b>	<b>17,04,10,000</b>	<b>17,041</b>

**b) Terms / rights attached to equity shares**

The Company has only one class of shares referred to as 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 the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by holding / ultimate holding company and /or their subsidiaries / associates**

Out of equity shares issued by the Company, shares held by its holding / ultimate holding Company and /or their subsidiaries / associates are as follows:

		As at			
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
		Number	Amount	Number	Amount
	<b>Equity shares of Rs. 10/- each fully paid up</b>				
	Gammon Infrastructure Projects Limited ('GIPL')	17,04,10,000	17,041	17,04,10,000	17,041
		<b>17,04,10,000</b>	<b>17,041</b>	<b>17,04,10,000</b>	<b>17,041</b>

**d) Details of shareholders holding more than 5% shares in the Company**

		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
		Number	%	Number	%
	Gammon Infrastructure Projects Limited (GIPL) - Holding Company	17,04,10,000	100.00	17,04,10,000	100.00
		<b>17,04,10,000</b>	<b>100.00</b>	<b>17,04,10,000</b>	<b>100.00</b>

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

		As at	
		March 31, 2018	March 31, 2017
<b>11</b>	<b>Other Equity</b>		
	Retained Earnings	365.13	396.05
	Capital Contribution	6,881.03	6,430.22
	<b>Total</b>	<b>7,246.17</b>	<b>6,826.27</b>





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	As at			
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current Maturities	
<b>12 Financial Liabilities (at fair value)</b>				
Long term Borrowings				
i) Term loan from Financial Institutions	13,493.69	12,114.19	-	15.81
ii) Term loan from banks	36,292.98	33,087.81	-	43.19
Less: disclosed in Other Current Liabilities	-	-	-	(59.00)
	<b>49,786.67</b>	<b>45,202.00</b>	-	-
<b>The break-up of above:</b>				
Secured	49,786.67	45,202.00		59.00
Unsecured	-	-		-
	<b>49,786.67</b>	<b>45,202.00</b>	-	<b>59.00</b>

**Term Loans**

- a) The above term loan from financial institution is secured by a first mortgage and charge on all the Company's movable properties, immovable properties, tangible assets, intangible assets, and all bank accounts (including escrow accounts)
- b) Term loan from banks carries an interest rate at MCLR 5 years (8.65%)+ 2.95% which is equal to 11.60 %p.a upto COD.

	March 31, 2018	March 31, 2017
Repayment within one year from the end of the financial year	-	59.00
Repayment beyond one year to five years from the end of the financial year	4,526.04	4,987.00
Repayment beyond five years from the end of the financial year	45,260.63	40,215.00
	<b>49,786.67</b>	<b>45,261.00</b>

- c) Sidhi Singrauli Road Project Limited (SSRPL) has signed a Concession Agreement (CA) on May 14, 2012 with Madhya Pradesh Road Development Corporation Ltd (MPRDC) for construction of four laning of Sidhi Singrauli section of NH – 75 - E (from Km 83/4 to Km 195/8) in the state of Madhya Pradesh (the Project) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Concession granted is for a period of 30 years including construction period of 2 years  
The Project was scheduled to commence operations from September 19, 2015. However, delays on account of MPRDC in providing the required clearances and the Right of Way (ROW), has resulted in the extension of the Commercial Operations Date (COD). These delays has also resulted in increase in project cost, primarily due to increase in interest costs resulting from the time overruns. As per the CA signed with MPRDC, the Project will be awarded a Provisional COD Certificate on completion of 75% of the total length of the Project which will enable it to commence commercial operations.  
The Company envisages that the Provisional COD Certificate will be received by June 30, 2018. In view of the discussions with MPRDC regarding extension of COD, the Company had submitted a restructuring proposal to the Lenders. As per the restructuring proposal, no further loans were to be availed from the Lenders to meet the increase in project costs. The original repayment schedule of the senior debt has been revised with the repayment instalments to commence from September 2019. The Company has received the revised sanctions for senior debt from the Lenders and the documentation for the same are in the process of being executed.
- d) The Company has accounted for the interest on borrowings as per Common Loan Agreement and Sanctions. This is different from the charges levied by the lenders. The Company has taken up the matter with the lenders and they are hopeful of a favourable resolution. To that extent all balances are not matched and the difference are shown as contingent liabilities. Such excess charges are also not covered for the default statement.

	As at			
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current	
<b>13 Long Term Provisions</b>				
i) Provision for employee benefits :				
Leave Encashment	11.48	4.63	1.31	0.09
Gratuity	3.82	1.70	0.62	0.43
<b>Total</b>	<b>15.30</b>	<b>6.33</b>	<b>1.93</b>	<b>0.52</b>



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- a) **Disclosure in accordance with Ind AS – 19 “Employee Benefits”, of the Companies (Indian Accounting Standards) Rules, 2015.**  
The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 lacs ( previous year Rs 10 lacs ) The Company's gratuity liability is unfunded.

- i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year is as follow:

Particulars	As on March 31, 2018 (Rs.) Gratuity (Un- Funded)	As on March 31, 2017 (Rs.) Gratuity (Un- Funded)
a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	2.13	2.31
Obligation in respect of Transferred employees		
Current Service Cost	0.93	0.54
Interest Cost	0.15	0.17
Actuarial (Gain) /Loss	3.08	(0.90)
Past employees Service Benefits paid	(1.86)	
<b>Defined Benefit obligation at the year end</b>	<b>4.43</b>	<b>2.13</b>
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain/ (Loss)	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	-	-
c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets as at	-	-
Present value of obligation as at	4.43	2.13
<b>Amount recognized in Balance Sheet</b>	<b>4.43</b>	<b>2.13</b>
d) Expenses recognized during the year ( Under the head " Employees Benefit Expenses )		
Current Service Cost	0.93	0.54
Interest Cost	0.15	0.17
Expected Rate of return on Plan Assets	-	-
Past employees Service	-	-
Actuarial (Gain)/Loss	3.08	(0.90)
<b>Net Cost</b>	<b>4.16</b>	<b>(0.19)</b>



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**ii) Actuarial assumptions**

Particulars	As on March 31, 2018 Gratuity 2006-08 (Ultimate)	As on March 31, 2017 Gratuity 2006-08 (Ultimate)
<b>Mortality Table (LIC)</b>		
Discount rate (per annum)	7.5%	7.0%
Expected rate of return on Plan assets (per annum)	Not Applicable	Not Applicable
Rate of escalation in salary (per annum)	5%	5%
Withdrawal rate:		
- upto age of 34	3%	3%
- upto age of 35-44	2%	2%
- upto age 45 & above	1%	1%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan

**iii) Sensitivity analysis**

A quantitative Sensitivity analysis for significant assumption as at 31st march 2018

	Discount rate	Salary growth rate
<b>Change in assumption</b>		
March 31, 2018	1%	1%
March 31, 2017	1%	1%
<b>Increase in assumption</b>		
March 31, 2018	-0.44	0.52
March 31, 2017	-0.15	0.17
<b>Decrease in assumption</b>		
March 31, 2018	0.51	-0.45
March 31, 2017	0.17	-0.15

**iv) The following payments are expected contributions to defined benefits plan in future years**

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Within next 12 months	Nil	Nil
Between 2-5 years	Nil	Nil
Between 5 - 10 years	Nil	Nil

**Total expected payments**

**v) Experience adjustment**

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Experience adjustment on Plan Liability	3.28	(0.98)

**14 Trade Payables (at fair value)**

- i) Trade payables - Micro, small and medium enterprises
- ii) Trade payables - Others

**Total**

As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
-	-
234.06	293.72
<b>234.06</b>	<b>293.72</b>





**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
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**Notes to financial statements as at and for the year ended March 31, 2018**

**a) Amounts due to Micro, Small and Medium Enterprises**

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

	As at			
	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
	Non- Current		Current	
<b>15 Other Liabilities</b>				
i) Statutory dues payable	-	-	53.77	65.66
ii) Un Amortized portion of Government Grant as per INDAS 20	26,323.56	19,344.56	-	-
iii) Mobilization Advance - MPRDC -NCL	500.00	500.00	-	-
<b>Total</b>	<b>26,823.56</b>	<b>19,844.56</b>	<b>53.77</b>	<b>65.66</b>

Mobilization Advance represent advance received from NCL's Railway towards the change of scope to be executed as a cash contract from MPRDC.

Government Grant represent The Capital Grant provided by grantor i.e. MPRDC in terms of the Concession Agreement. The Grant will be recognized in the statement of profit & loss over the period of the operation beginning from the Commercial Operation Date (COD).

	As at			
	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
	Non- Current		Current	
<b>16 Other Financial Liabilities (at amortised cost)</b>				
i) Current maturity of long term borrowings	-	-	-	59.00
ii) Amount payables to related parties				
Gammon Infrastructure Project Limited (towards retention)	5,030.81	4,182.21	-	-
Gammon Road Infrastructure Limited	-	-	35.88	35.88
Pravara Renewable Energy LTD	-	-	9.61	-
Yamunanagar Panchkula Highways Projects Limited	-	-	3.32	3.32
iii) Interest accrued and due to Banks	-	-	441.55	-
iv) Other Liabilities	-	-	0.51	4.02
v) Capital Creditors	-	-	1,778.41	-
<b>Total</b>	<b>5,030.81</b>	<b>4,182.21</b>	<b>2,269.27</b>	<b>102.22</b>

(a) Interest accrued and due represents amount of Rs.441.55 lacs due as on March 31, 2018 which have been since paid.

	As at	
	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
	Current	
<b>17 Current tax liabilities (net)</b>		
i) Provision for Tax (Net of Taxes paid)	142.74	23.34
<b>Total</b>	<b>142.74</b>	<b>23.34</b>



**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
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18 Revenue from Operations	Year ended March 31, 2018	Year ended March 31, 2017
i) Revenue from Construction Services	14,039.84	16,833.25
ii) Change of scope - income - MPRDC Utility shifting	253.67	1,219.39
<b>Total</b>	<b>14,293.51</b>	<b>18,052.64</b>

In Accordance with the principal in Appendix A to IND AS 11 - relating to accounting for Services Concession Agreements, the Company has started recognising Construction Revenue in its Statement of Profit & Loss. The construction services being rendered for ultimate tolling operation to be carried out by the Company itself, has been recognised on cost plus margin.

**Disclosures as required by Appendix B of Ind AS 11 relating to "Service Concession Arrangements: Disclosures"**

- a) **Description of the Arrangement along with salient features of the project:**  
Sidhi Singrauli Road Project Limited is incorporated under the Companies Act, 1956, on April 24, 2012, as a subsidiary of Gammon Infrastructure Projects Limited to provide, to undertake and carry on the business of four laning of Sidhi Singrauli section of National Highway No.75E from km. 83/4 to km 195/8 in the State of Madhya Pradesh on design, build, finance, operate and transfer basis.
- b) **Obligations of Operations and maintenance**  
Since the Construction of the Road is under progress there is no current Obligation of Operation and Maintenance of the Road . However as per Concession Agreement with MPRDC the Company is required to carry out operations and maintenance on the road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals after the Completion of Construction activity and receipt of Commercial Operation Date Certificate
- c) **Changes to the Concession during the period**  
No changes in the arrangement have occurred during the accounting period.
- d) **Classification of the Concession**  
The Company has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a tolling arrangement resulting in recognition of an Intangible Asset.
- e) **Recognition of Construction services revenue and costs:**  
The Company has applied INDAS 11"Service Concession Arrangement" retrospectively and has recognised margin on Construction activity and the same is debited to Intangible Assets and credited to Reserve and Surplus on the transition date.

19 Other income	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on :		
- Fixed deposits with banks	-	-
- Others	-	0.29
<b>Total</b>	<b>-</b>	<b>0.29</b>

20 Cost of Construction	Year ended March 31, 2018	Year ended March 31, 2017
Sub-contract Expenses	13,784.94	16,452.47
Change of scope cost	253.67	1,219.39
<b>Total</b>	<b>14,038.61</b>	<b>17,671.86</b>

21 Employee Benefit Expenses	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	96.63	79.79
Gratuity and other Welfare funds	9.16	1.76
Staff welfare expenses	0.23	0.24
<b>Total</b>	<b>106.02</b>	<b>81.79</b>



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	<u>Year ended March</u> <u>31, 2018</u>	<u>Year ended March</u> <u>31, 2017</u>
<b>22 Other expenses</b>		
Professional Fees	36.92	21.39
Rent	33.44	33.23
Power & Fuel	0.31	6.51
Travelling Expenses	5.63	9.52
Communication	0.47	0.25
Insurance	34.27	29.33
Remuneration to Auditors (Refer Note 22(a))	6.20	4.12
Repairs and Maintenance -Others	10.10	0.19
Bank Charges	0.29	13.70
Printing & Stationary	0.17	0.22
Postage & Courier	0.03	0.04
Motor Car Expenses	10.07	12.13
Sundry Expenses	15.23	5.04
<b>Total</b>	<b>153.13</b>	<b>135.68</b>
<b>a) Payment to auditors</b>		
Audit and Tax Audit Fees	5.95	4.00
Certifications & other services	0.25	0.12
<b>Total payments to auditors</b>	<b>6.20</b>	<b>4.12</b>
<b>23 Finance Costs:</b>		
Interest on loans	-	-
Interest on Income-tax	23.11	5.71
<b>Total</b>	<b>23.11</b>	<b>5.71</b>
<b>24 Tax expenses</b>		
<b>Reconciliation of statutory rate of tax and effective rate of tax:</b>		
Current taxes	135.64	52.29
Short Provision for Tax	117.65	-
MAT Credit Entitlement	-	-
Deferred taxes	-	-
<b>Income tax recognised in statement of profit or loss</b>	<b>253.29</b>	<b>52.29</b>
Accounting profit before income tax for 12 months	(27.83)	156.93
At India's statutory income tax rate	34.608%	33.063%
Tax rate as per 115JB	20.389%	20.389%
Tax on Normal Profit	-	51.89
Effect of non deductible expenses	-	2.41
Not taxable as prior period restatement	-	-
Brought Forward losses	-	(2.65)
Others	-	0.64
Tax	-	52.29
<b>Tax Rounded Off.....A</b>		
Accounting profit before income tax for 12 months	(27.83)	156.93
At India's statutory income tax rate	20.389%	20.389%
Tax rate as per 115JB	-5.68	32.00
Tax on Normal Profit	4.71	-
Effect of non deductible expenses	136.60	18.20
1/5 portion of Opening IND AS Reserve	-	-
Others	-	-
<b>Tax Rounded Off.....B</b>	<b>135.64</b>	<b>50.19</b>
<b>Higher of A or B</b>	<b>135.64</b>	<b>52.29</b>





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**25 Earnings Per Share ('EPS') :**

Disclosure as required by Accounting Standard – IND AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit / (Loss) as per Statement of Profit and Loss	(27.83)	104.64
Outstanding equity shares at year end	17,04,10,000	17,04,10,000
Weighted average Number of Shares outstanding during the year – Basic	17,04,10,000	17,04,10,000
Weighted average Number of Shares outstanding during the year - Diluted	17,04,10,000	17,04,10,000
Nominal value of equity shares (Rs. per share)	10.00	10.00
Earnings per Share :- Basic & Diluted	(0.02)	0.06

The Company has not issued any potential dilutive equity shares and therefore basic and dilutive earning per share will be the same. The earning per shares is calculated by dividing the profit after tax by weighted average no of shares outstanding

**26 Contingent liabilities**

- a There are no contingent liabilities as at March 31, 2018 and as at March 31, 2017.
- b However the project of the Company is expected to get delayed in its Schedule Completion of the Construction Phase. The Company is putting in all the efforts to complete the project without much delay beyond the schedule completion. Although the concession Agreement provide for Stringent penalties in delayed completion , the Company is confident that considering the facts beyond its control for the delays, it will be able to get extension of time from the grantor of the Concession.
- c Balance interest differential disputed by the Company (Refer above Note 12 d) Rs.1.10 lacs (PY Rs. 25.38 lacs.)

**27 Capital commitments**

The capital commitment as at March 31, 2018 is Rs.11,355.27 lacs (March 31, 2017 : Rs.27,548.14 lacs)

**28 Disclosure in accordance with Ind AS – 17 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company has taken office premises on leave and license basis which are cancellable contracts.

**29 Disclosure in accordance with Ind AS – 108 “Operating Segments”, of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company’s operations constitutes a single business segment namely “Infrastructure Development” as per Ind AS 108. Further, the Company’s operations are within single geographical segment which is India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

**Related Party Transactions are given vide Statement 1 attached**

**30 Significant accounting judgements, estimates and assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

**Judgements**

In the process of applying the company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

**Taxes**

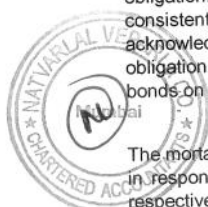
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an ‘AA’ rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.



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**31 Financial instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2018 & March 31, 2017 is as follows:

Particulars	Carrying Value		Fair Value	
	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
<b>Financial assets</b>				
<b>Amortized cost</b>				
Loans and advances	5.27	23.02	5.27	23.02
Trade receivables	156.83	147.03	156.83	147.03
Cash and bank balances	336.64	352.71	336.64	352.71
<b>FVTPL</b>				
Investment in Mutual fund FVTPL	-	7,656.62	-	7,656.62
<b>Total Financial Assets</b>	<b>498.74</b>	<b>8,179.39</b>	<b>498.74</b>	<b>8,179.39</b>
<b>Financial liabilities</b>				
<b>Amortized cost</b>				
Long term borrowings	49,786.67	45,202.00	49,786.67	45,202.00
Other financials liabilities	7,300.08	4,284.42	7,300.08	4,284.42
Trade payable	234.06	293.72	234.06	293.72
<b>Total Financial Liabilities</b>	<b>57,320.81</b>	<b>49,780.14</b>	<b>57,320.81</b>	<b>49,780.14</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and 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 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.

**32 Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**i) Recognised and measure at fair value**

The Company has recognised financial instrument as on March 31, 2018 and March 31, 2017 at fair value.

**ii) Measure at amortized cost for which fair value is disclosed.**

The Company has determined fair value of all its financial instruments measured at amortized cost by using Level 3 inputs.

**The following methods and assumptions were used to estimate the fair values:**

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and 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 losses of these receivables.

ii) The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

'Financial assets measured at fair value	Date of Valuation	Fair Value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual funds - Growth plan	31-03-2018	-	-	-
Mutual funds - Growth plan	31-03-2017	7,656.62	-	-



**SIDHI SINGRAULI ROAD PROJECT LIMITED**

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Notes to financial statements as at and for the year ended March 31, 2018

**33 Financial Risk Management**

The Company is in the business of four laning of Sidhi Singrauli section of National Highway in the State of Madhya Pradesh on design, build, finance, operate and transfer basis. The nature of the business is capital intensive and the Company is exposed to traffic volume risks. BOT projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, be it in the Road Sector, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**i Business / Market Risk**

Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. One of the first and foremost business risk is the achievement of the traffic projections made at the time of the bid. This will include the introduction of alternate roads by the state or central government which impacts the traffic projected to ply on the asset under the control of the Company. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company to risk.

**ii Capital and Interest rate Risk:-**

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. The Company's average cost of debt remains at 11.60% p.a. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short term borrowing with floating interest rates.

**iii Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.  (Rs in Lacs)
March 31, 2018	+100	(497.87)
	-100	497.87
March 31, 2017	+100	(452.61)
	-100	452.61

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**iv Credit risk:-**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

**A Trade and Other Receivables:-**

i The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 156.83 lacs as at March 31, 2018 and Rs 147.03 lacs as at March 31, 2017, which is from MPRDC a State Government Undertaking Company.

ii The credit risk from customers in the case of this project is very low as without payment of upfront toll the vehicles is not allowed to pass. However there are frequent local political issues which result in leakages which is a credit risk for the Company.





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**Notes to financial statements as at and for the year ended March 31, 2018**

v **Liquidity risk**

- i The company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.
- ii The company has outstanding borrowings of Rs 45,261.00 lacs as at March 31, 2017 and Rs 49,786.67 lacs as at March 31, 2018.
- iii The achievement of the projections in the traffic and the toll rates is critical for the liquidity to pay the lenders.
- iv Timely completion of the project has a major impact on the liquidity of the company. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the company is one of the major reasons for the liquidity issue of the company.

The Cash and bank balance of the Company is given below :

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Cash and Cash Equivalent	0.00	0.01
Bank Balance	336.64	352.70
Investments in mutual Funds	-	7,656.62
<b>Total</b>	<b>336.64</b>	<b>8,009.34</b>

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
<b>As at March 31, 2018</b>				
Borrowings	-	4,526.04	45,260.63	49,786.67
Trade Payables	234.06	-	-	234.06
Other Financial Liabilities	2,269.27	5,030.81	-	7,300.08
<b>As at March 31, 2017</b>				
Borrowings	59.00	4,987.00	40,215.00	45,261.00
Trade Payables	293.72	-	-	293.72
Other Financial Liabilities	102.22	4,182.21	-	4,284.42

vi **Input cost risk**

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the company has sub-contracted the construction of the facility at a fixed price contract to various subcontractor within and without the group.

vii **Exchange risk**

Since the operations of the company are within the country, the company is not exposed to any exchange risk directly. The company also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal.

However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.



**SIDHI SINGRAULI ROAD PROJECT LIMITED**  
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**Notes to financial statements as at and for the year ended March 31, 2018**

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**Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium 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 shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. 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 debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Long term borrowings including ICD	49,786.67	45,202.00
Other financial liabilities-Non Current	5,030.81	4,182.21
Other Non-current liabilities	26,823.56	19,844.56
Trade Payable	234.06	293.72
Other financial liabilities-Current	2,269.27	102.22
Less:		
Cash and Cash Equivalent	336.64	8,009.34
<b>Net debt</b>	<b>83,807.73</b>	<b>61,615.37</b>
Equity including reserve	24,287.17	23,867.27
<b>Capital and Net debt</b>	<b>1,08,094.89</b>	<b>85,482.64</b>
<b>Gearing ratio</b>	<b>77.53%</b>	<b>72.08%</b>

In order to achieve this overall objective, the Company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March

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The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

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**Comparative Period:**

Previous period figures are regrouped / reclassified wherever required.

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W



Nuzhat Khan  
Partner  
Membership No. : 124960

Place: Mumbai  
Date : June 12, 2018



For and behalf of the Board of Directors of  
Sidhi Singrauli Road Project Limited



Kaushik Chaudhuri  
Director  
DIN:06757692

Place: Mumbai  
Date : June 12, 2018



Sanjay Chaudhary  
Director  
DIN:05157682

Statement 1

Related party transactions

a) Names of the related parties and related party relationships

- 1 Gammon Infrastructure Projects Limited - Holding Company
- 2 Gammon Road Infrastructure Limited - Fellow Subsidiary
- 3 Yamunanagar Panchkula Highway Private Limited - Fellow Subsidiary
- 4 Pravara renewable Energy Limited - Fellow Subsidiary
- 5 Rajahmundry Godavari Bridge Limited - Fellow Subsidiary

b) Related party transactions

(Rs in lacs)

Transactions	Holding Company	Fellow Subsidiary	Total
<b>Inter-corporate deposits taken from</b> Gammon Infrastructure Projects Limited	- (330.00)	- -	- (330.00)
<i>Transaction value</i>			
<b>Inter-corporate deposits refunded to</b> Gammon Infrastructure Projects Limited	- (330.00)	- -	- (330.00)
<i>Transaction value</i>			
<b>Guarantee commission charged by:</b> Gammon Infrastructure Projects Limited	229.55 (166.55)	- -	229.55 (166.55)
<i>INDAS Adjustment</i>			
<b>Expenses incurred on behalf of the Company by (NON EPC):</b> Gammon Infrastructure Projects Limited	472.38 (404.01)	- -	472.38 (404.01)
Rajahmundry Godavari Bridge Limited- Non EPC	- -	- (2.71)	- (2.71)
<i>Transaction value</i>			
<b>Payment for expense incurred on behalf of Company to (NON EPC):</b> Gammon Infrastructure Projects Limited	631.90 (503.45)	- -	631.90 (503.45)
<i>Transaction value</i>			
<b>Payment of Liability incurred on behalf of Company to (NON EPC):</b> Rajahmundry Godavari Bridge Limited	- -	2.40 -	2.40 -
<i>Transaction value</i>			
<b>Rent expense :</b> Pravara Renewable Energy Limited	- -	27.75 (27.00)	27.75 (27.00)
<i>Transaction value</i>			
<b>EPC Billing</b> Gammon Infrastructure Projects Limited- EPC	14,281.75 (17,671.86)	- -	14,281.75 (17,671.86)
<i>Transaction value</i>			
<b>Deposit received for directorship:</b> Gammon Infrastructure Projects Limited	- (3.00)	- -	- (3.00)
<i>Transaction value</i>			
<b>Deposit received for directorship refunded :</b> Gammon Infrastructure Projects Limited	- (3.00)	- -	- (3.00)
<i>Transaction value</i>			
<b>Inter-corporate deposits payable:</b> Gammon Infrastructure Projects Limited	3,527.16 (3,527.16)	- -	3,527.16 (3,527.16)
<i>Transaction Value</i>			
<i>INDAS Adjustments-Additional Guarantee Contribution</i>	450.82 -	- -	450.82 -
<b>Outstanding balances payable to:</b> Pravara Renewable Energy Limited	- -	9.61 -	9.61 -
Gammon Infrastructure Projects Limited	5,077.22 (4,182.21)	- -	5,077.22 (4,182.21)
Gammon Road Infrastructure Limited	- -	35.88 (35.88)	35.88 (35.88)
Yamunanagar Panchkula Highway Private Limited	- -	3.32 (3.32)	3.32 (3.32)
<b>Outstanding Balance receivable from:</b> Gammon Infrastructure Projects Limited	15,793.92 (12,908.36)	- -	15,793.92 (12,908.36)
Pravara Renewable Energy Limited	- -	(20.15) -	(20.15) -
Rajahmundry Godavari Bridge Limited	- -	5.10 (2.70)	5.10 (2.70)

(Previous period's figure in brackets)

