

# *G. S. Mathur & Co.*

Chartered Accountants

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## **Independent Auditors' Report**

**To The Members of M/s SEMBAWANG INFRASTRUCTURE (INDIA) PRIVATE LIMITED**

### **Opinion**

We have audited the Standalone Ind AS financial statements of **M/s SEMBAWANG INFRASTRUCTURE (INDIA) PRIVATE LIMITED ("the Company")**, which comprise the balance sheet as at 31<sup>st</sup> March 2019 the Statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in Equity for the year then ended 31<sup>st</sup> March 2019, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and its loss, change in equity and its cash flow for the year ended on that date.

### **Basis for Opinion**

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

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

We draw attention to note - 17 in the Standalone Ind AS Financial Statements which indicates that the Company has incurred a net loss of Rs. 1,74,10,434 during the year ended March 31, 2019 and, as of that date, the company's current liabilities exceeds its current assets by Rs. 2,258,856,28. As stated in note 17, these events or conditions, along with other matters as set forth in note 17, indicate the existence of a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified



not modified in respect of this matter.

### **Responsibility of Management and Those charged with Governance for the Standalone Ind AS 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), statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For **G. S. Mathur & Co.**  
Chartered Accountants  
(FRN 008744N)

  
**Kamal Kumar Gangopadhyay**  
Partner  
M. No. 013442



Place: New Delhi  
Date: 28/06/19



## Annexure - A to the Independent Auditors' Report

Referred to in paragraph Report on Other Legal and Regulatory requirements of the Independent Auditors' Report of even date)

The Company does not hold any fixed assets. Therefore, the provisions of Clause 3(i) of the said Order are not applicable to the Company.

The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.

In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

(a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities. No such statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except Value Added Tax is as follows.

(Amount in INR)

| Nature of Dues  | Name of the Statute             | Amount     | Paid under protest | Period to which it relates | Forum where dispute is pending     |
|-----------------|---------------------------------|------------|--------------------|----------------------------|------------------------------------|
| Value Added Tax | Maharashtra Value Added Tax Act | 17,402,732 | -                  | 2009-10                    | VAT Tribunal-Mumbai                |
| Value Added Tax | Maharashtra Value Added Tax Act | 52,02,921  | 7,80,438           | 2013-14                    | Joint Commissioner Appeal-Kolhapur |



|            |                                       |           |   |              |                             |
|------------|---------------------------------------|-----------|---|--------------|-----------------------------|
| --- DO --- | West Bengal<br>Value Added Tax<br>Act | 66,79,030 | - | 2009 to 2011 | Tax board<br>Appeal-Kolkata |
|------------|---------------------------------------|-----------|---|--------------|-----------------------------|

In our opinion and according to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions/ banks. The company did not have any outstanding dues in respect of debenture during the year.

According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.

According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.

According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**FOR G.S. MATHUR & CO.**

Chartered Accountants

Firm Registration Number: 8744N

**K.K. Gangopadhyay**

Partner

Membership No. 013442

Place: Gurgaon

Date: 28/06/19





**"Annexure B" to the Independent Auditor's Report of even date on the Financial  
Statements of Sembawang Infrastructure (India) Pvt. Ltd**

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

- i. We have audited the internal financial controls over financial reporting of **Sembawang Infrastructure (India) Pvt. Ltd.** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

- ii. The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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**

- iii. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

- viii. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**FOR G.S. MATHUR & CO.**

Chartered Accountants

Firm Registration Number: 8744N.

**K.K. Gangopadhyay**

Partner

Membership No. 013442



Place: Gurgaon

Date: 28/06/19



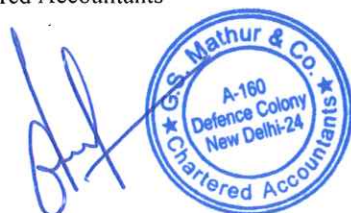
**Sembawang Infrastructure (India) Private Limited**  
**Standalone Balance Sheet as at March 31, 2019**  
(All amounts in INR, unless otherwise stated)

|                                                          | Notes | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Assets</b>                                            |       |                         |                         |
| <b>Non-current assets</b>                                |       |                         |                         |
| Financial assets                                         |       |                         |                         |
| Loans                                                    | 4     | 1,005,592               | 1,005,592               |
| Other non-current assets                                 | 5     | 26,148,266              | 31,508,570              |
| <b>Current assets</b>                                    |       |                         |                         |
| Financial Assets                                         |       |                         |                         |
| Trade receivables                                        | 6 (a) | -                       | 1,726,410               |
| Cash and cash equivalents                                | 6 (b) | 362,680                 | 9,798,034               |
| Other bank balances                                      | 6 (c) | 110,055                 | 84,886                  |
| Other current assets                                     | 5     | 579,321                 | 1,539,843               |
|                                                          |       | <b>28,205,914</b>       | <b>45,663,336</b>       |
| <b>Equity and liabilities</b>                            |       |                         |                         |
| <b>Equity</b>                                            |       |                         |                         |
| Equity Share Capital                                     | 7     | 95,750,000              | 95,750,000              |
| Other Equity                                             | 8     | (294,481,770)           | (277,071,336)           |
| <b>Current liabilities</b>                               |       |                         |                         |
| Financial Liabilities                                    |       |                         |                         |
| Borrowings                                               | 9     | 60,105,000              | 60,105,000              |
| Trade payables                                           |       |                         |                         |
| a) total outstanding dues of micro and small enterprises |       | -                       | -                       |
| b) total outstanding dues other than (a) above           |       | 21,709,343              | 24,848,997              |
| Other financial liabilities                              | 10    | 145,123,341             | 142,030,675             |
|                                                          |       | <b>28,205,914</b>       | <b>45,663,336</b>       |
| Significant accounting policies                          | 2.1   |                         |                         |

The accompanying notes are an integral part of the financial statements.  
This is the standalone balance sheet referred to in our report of even date

For **G. S. Mathur & Co**  
Firm registration number: 8744N  
Chartered Accountants

**K. K. Gangopadhyay**  
Partner  
Membership no.: 013442  
Place: Gurgaon  
Date: 28/06/19



For and on behalf of the Board of Directors of  
**Sembawang Infrastructure (India) Private Limited**

**RAKESH SHARMA**  
Director  
DIN 07554694



**SWATANTAR KUMAR GOYAL**  
Director  
DIN 06567979



**Sembawang Infrastructure (India) Private Limited**  
**Standalone Statement of Profit and Loss for the Year ended March 31, 2019**  
(All amounts in INR, unless otherwise stated)

|                                                                                       | Notes | Year ended March 31,<br>2019 | Year ended March 31,<br>2018 |
|---------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Income</b>                                                                         |       |                              |                              |
| Revenue from operations                                                               |       | -                            | -                            |
| Other income                                                                          | 11    | 2,905,058                    | 354,352                      |
| <b>Total income</b>                                                                   |       | <u>2,905,058</u>             | <u>354,352</u>               |
| <b>Expenses</b>                                                                       |       |                              |                              |
| Other expenses                                                                        | 12    | 20,265,637                   | 4,258,694                    |
| <b>Total expenses</b>                                                                 |       | <u>20,265,637</u>            | <u>4,258,694</u>             |
| <b>Earning before interest, tax, depreciation and amortization (EBITDA)</b>           |       | (17,360,579)                 | (3,904,341)                  |
| Finance costs                                                                         | 13    | 49,855                       | -                            |
| <b>Loss profit before tax</b>                                                         |       | <u>(17,410,434)</u>          | <u>(3,904,341)</u>           |
| Tax expenses                                                                          |       | -                            | -                            |
| <b>Loss profit for the year</b>                                                       |       | <u>(17,410,434)</u>          | <u>(3,904,341)</u>           |
| Other comprehensive income (OCI)                                                      |       | -                            | -                            |
| <b>Total comprehensive income for the year</b>                                        |       | <u>(17,410,434)</u>          | <u>(3,904,341)</u>           |
| <b>Earnings per equity share [nominal value of share Rs 10 (previous year Rs 10)]</b> |       |                              |                              |
| Basic and diluted earning per share                                                   |       | (1.82)                       | (0.41)                       |
| Significant accounting policies                                                       | 2.1   |                              |                              |

The accompanying notes are an integral part of the financial statements.  
This is the standalone statement of profit and loss referred to in our report of even date.

For **G. S. Mathur & Co**  
Firm registration number: 8744N  
Chartered Accountants

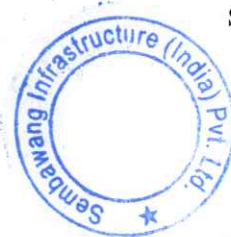
**K. K. Gangopadhyay**  
Partner  
Membership no.: 013442  
Place: Gurgaon  
Date: 28/06/19



For and on behalf of the Board of Directors of  
**Sembawang Infrastructure (India) Private Limited**

**RAKESH SHARMA**  
Director  
DIN 07554694

**SWATANTAR KUMAR GOYAL**  
Director  
DIN-06567979





4 Loans

| Particulars                | Non-current             |                         | Current                 |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Security deposits          |                         |                         |                         |                         |
| Unsecured, considered good | -                       | -                       | 1,005,592               | 1,005,592               |
|                            | -                       | -                       | 1,005,592               | 1,005,592               |

5 Other assets

| Particulars                                       | Non-current             |                         | Current                 |                         |
|---------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| (unsecured, considered good)                      |                         |                         |                         |                         |
| Prepayment to vendors to supply of goods/services | -                       | -                       | 579,321                 | 1,539,843               |
|                                                   | -                       | -                       | 579,321                 | 1,539,843               |
| Advance income-tax (net of provision)             | 317,332                 | 1,965,732               | -                       | -                       |
| GST/VAT/ sales tax recoverable                    | 25,830,934              | 25,050,496              | -                       | -                       |
| Service Tax Recoverable                           | -                       | 4,400,033               | -                       | -                       |
| TDS                                               | -                       | 55,944                  | -                       | -                       |
| TCS                                               | -                       | 29,186                  | -                       | -                       |
|                                                   | 26,148,266              | 31,501,390              | -                       | -                       |
|                                                   | 26,148,266              | 31,501,390              | 579,321                 | 1,539,843               |

6 (a) Trade receivables

| Particulars                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------|-------------------------|-------------------------|
| Unsecured, considered good                    | 29,175,110              | 29,175,110              |
| Less: Allowance for doubtful debts            | 29,175,110              | 27,448,700              |
| Net trade receivable                          | -                       | 1,726,410               |
| Retention money included in total receivables | -                       | -                       |

Of the above, trade receivables from related parties are as below:

| Particulars                              | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------|-------------------------|-------------------------|
| Trade receivable from related parties    | 11,630,048              | 11,630,048              |
| Less: Allowance for doubtful receivables | 11,630,048              | 11,630,048              |
| Net receivable                           | -                       | -                       |

6 (b) Cash and cash equivalents

| Particulars               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents |                         |                         |
| Balances with banks:      |                         |                         |
| On current accounts       | 362,572                 | 9,797,926               |
| Cash on hand              | 108                     | 108                     |
|                           | 362,680                 | 9,798,034               |

6 (c) Other bank balances

| Particulars          | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------|-------------------------|-------------------------|
| Margin money deposit | 110,055                 | 84,886                  |
|                      | 110,055                 | 84,886                  |



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## 7 Share capital

| Particulars                                                          | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised share capital</b>                                      |                         |                         |
| 15,000,000 (March 31, 2017: 15,000,000) equity shares of Rs. 10 each | 150,000,000             | 150,000,000             |
| <b>Issued, subscribed and fully paid-up shares</b>                   |                         |                         |
| 9,575,000 (March 31, 2017: 9,575,000) equity shares of Rs. 10 each   | 95,750,000              | 95,750,000              |
|                                                                      | <u>95,750,000</u>       | <u>95,750,000</u>       |

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

#### Equity shares

| Particulars                               | As at March 31, 2019 |                   | As at March 31, 2018 |                   |
|-------------------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                           | Nos.                 | Amount            | Nos.                 | Amount            |
| At the beginning of the year              | 9,575,000            | 95,750,000        | 9,575,000            | 95,750,000        |
| Add: Issued during the year               | -                    | -                 | -                    | -                 |
| <b>Outstanding at the end of the year</b> | <b>9,575,000</b>     | <b>95,750,000</b> | <b>9,575,000</b>     | <b>95,750,000</b> |

### (b) Terms and rights attached to equity shares

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

### (c) Shares held by holding company

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

|                                                                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|
| Punj Lloyd Limited, the holding company                                       | 95,750,000              | 95,750,000              |
| 9,575,000 (March 31, 2017: 9,575,000) equity shares of Rs. 10 each fully paid |                         |                         |

### (d) List of shareholders holding more than 5% of the equity shares of the Company

| Name of Shareholder | As at March 31, 2019 |              | As at March 31, 2018 |              |
|---------------------|----------------------|--------------|----------------------|--------------|
|                     | Nos.                 | % of Holding | Nos.                 | % of Holding |
| Punj Lloyd Limited  | 9,575,000            | 100%         | 9,575,000            | 100%         |

### (e) Over the period of five years immediately preceding March 31, 2019, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further no, shares were bought back during the said period.

## 8 Other Equity

| Particulars                                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------------------|-------------------------|-------------------------|
| <b>Deficit in the statement of profit and loss</b>     |                         |                         |
| Balance as per last financial statements               | (277,071,336)           | (273,166,995)           |
| Loss for the year                                      | (17,410,434)            | (3,904,341)             |
| <b>Net deficit in the statement of profit and loss</b> | <u>(294,481,770)</u>    | <u>(277,071,336)</u>    |
| <b>Total reserves and surplus</b>                      | <u>(294,481,770)</u>    | <u>(277,071,336)</u>    |

## 9 Current borrowings

| Particulars                                                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| Interest free loan from Punj Lloyd Limited repayable on demand (unsecured) | 60,105,000              | 60,105,000              |
| The above amount includes                                                  | 60,105,000              | 60,105,000              |
| Unsecured borrowings                                                       | 60,105,000              | 60,105,000              |
|                                                                            | <u>60,105,000</u>       | <u>60,105,000</u>       |





Sembawang Infrastructure (India) Private Limited

Notes to the standalone financial statements for the Year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

10 Other financial liabilities

| Particulars     | As at              | As at              |
|-----------------|--------------------|--------------------|
|                 | March 31, 2019     | March 31, 2018     |
| Sundry Creditor | 145,123,341        | 142,030,675        |
|                 | <u>145,123,341</u> | <u>142,030,675</u> |
|                 | <u>145,123,341</u> | <u>142,030,675</u> |



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**Sembawang Infrastructure (India) Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2019**  
(All amounts in INR, unless otherwise stated)

**11 Other income**

| Particulars                                     | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|-------------------------------------------------|------------------------------|------------------------------|
| Interest income                                 |                              |                              |
| Bank deposits                                   | 25,169                       | -                            |
| Unspent liabilities and provisions written back | 2,879,889                    | 354,352                      |
|                                                 | <u>2,905,058</u>             | <u>354,352</u>               |

**12 Other expenses**

| Particulars                                                                       | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Repair and maintenance                                                            | 2,524                        | -                            |
| Rates and Taxes                                                                   | 1,000                        | -                            |
| Travelling and Conveyance                                                         | 7,550                        | -                            |
| Payment to auditors (refer below)                                                 | 25,000                       | 50,000                       |
| Consultancy and professional                                                      | 42,320                       | 3,875                        |
| Irrecoverable balances written off (including provision for expected credit loss) | 18,664,951                   | -                            |
| Exchange difference (net)                                                         | 1,370,948                    | -                            |
| Miscellaneous                                                                     | 151,344                      | 4,204,819                    |
|                                                                                   | <u>20,265,637</u>            | <u>4,258,694</u>             |
| Payment to statutory auditors:                                                    |                              |                              |
| As auditors:                                                                      |                              |                              |
| Audit fees                                                                        | 25,000                       | 50,000                       |
|                                                                                   | <u>25,000</u>                | <u>50,000</u>                |

**13 Finance costs**

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--------------|------------------------------|------------------------------|
| Bank charges | 49,855                       | -                            |
|              | <u>49,855</u>                | <u>-</u>                     |



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**Sembawang Infrastructure (India) Private Limited**  
**Cash Flow Statement for the Financial Year Ended March 31, 2019**  
(All amounts in INR, unless otherwise stated)

|                                                    | Year ended March 31, 2019 | Year ended March 31, 2018 |
|----------------------------------------------------|---------------------------|---------------------------|
| <b>Cash flow from operating activities :</b>       |                           |                           |
| Net profit before taxation and extraordinary items | (17,410,434)              | (3,904,341)               |
| Adjustment for:                                    |                           |                           |
| Add:                                               |                           |                           |
| Interest income                                    | (25,169)                  | -                         |
| Operating profit before working capital changes    | (17,435,603)              | (3,904,341)               |
| (Increase)/Decrease in Sundry debtors              | 1,726,410                 | -                         |
| (Increase)/Decrease in Inventories                 | -                         | -                         |
| (Increase)/Decrease in Loans and Advances          | 6,320,827                 | 2,205,185                 |
| Increase/ (Decrease) in Current liabilities        | (46,988)                  | 1,587,081                 |
| Cash generated from operations                     | (9,435,354)               | (112,076)                 |
| Net cash flow from operating activities            | (9,435,354)               | (112,076)                 |
| <b>Cash flow from investing activities :</b>       |                           |                           |
| Interest received                                  | 25,169                    | -                         |
| Net cash flow from investing activities            | 25,169                    | -                         |
| Net increase in cash & cash equivalents            | (9,410,185)               | (112,076)                 |
| Cash and cash equivalent at beginning of period    | 9,882,920                 | 9,994,996                 |
| Cash and cash equivalent at end of period          | 472,735                   | 9,882,920                 |
| Actual cash balance                                | 472,735                   | 9,882,920                 |

For G. S. Mathur & Co

Firm registration number: 8744N

Chartered Accountants

K. K. Gangopadhyay

Partner

Membership no.: 013442

Place: Gurgaon

28/06/19

For and on behalf of the Board of Directors

Sembawang Infrastructure (India) Private Limited

RAKESH SHARMA

Director

DIN 07554694

SWATANTAR KUMAR GOYAL

Director

DIN-06567979



**SEWBAWANG INFRASTRUCTURE (INDIA) PRIVATE LIMITED**  
**For the Year ended March 31, 2019**

**1. Background**

Sembawang Infrastructure (India) Private Limited (formerly known as Sembcorp Infrastructure (India) Private limited) ("the Company") was incorporated on April 8, 1996. The Company is engaged in the business of EPC contractor and Project Management and Consultancy services.

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

**2. Basis of preparation of accounts**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities measured at fair value. (Refer note "26" below.)

**2.1 Summary of Significant accounting policies**

**i) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

**Fair value measurements and valuation process**

Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has determined the appropriate valuation techniques inputs for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available, wherever market observable data is not available, the Company engages third party qualified valuers to perform the valuation.



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ii) **Property, Plant and Equipments (PPE)**

Plant and Equipments are stated at cost, net off accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the Purchase Price. The Company considered the previous GAAP carrying cost of plant and equipments as deemed cost.

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

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of Corporate Affairs circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, upto March 31, 2016. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

iii) **Depreciation on PPE**

Depreciation on PPE is calculated on a straight line basis using the rates arrived at based on the useful lives prescribed under Schedule II to the Companies Act, 2013 except for Rigs which is being depreciated over a useful life of 33 years based on technical assessment made by technical expert and management estimates. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Individual assets costing up to Rs. 5,000 are depreciated @ 100% in the year of purchase.

iv) **Financial Instruments**

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

***Financial instruments: Initial Reorganization and measurement***

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



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## 1. Financial Assets:

### Subsequent measurement

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

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost using the Effective Interest Rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

**Fair value through other comprehensive income (FVTOCI):** The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.

**Fair value through profit and loss (FVTPL):** FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

### (2) Impairment of financial assets

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

### (3) De-recognition

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

### Financial liabilities

#### (a) Subsequent measurement

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

**Amortised cost:** After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial liabilities at FVTPL:** Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined



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

**(b) De-recognition**

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

**(c) Offsetting financial instruments**

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

**v) FAIR VALUE MEASUREMENT**

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

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

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

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

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

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

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

**vi) Impairment of non-financial assets**

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



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

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

**vii) Revenue recognition**

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

- a) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (Work-in-progress)" and billing in excess of contract revenue has been classified as "Other Current Liabilities" in the financial statements. The revenue on account of additional claims and the expenditure on account of liquidated damages on construction contracts are accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers. The Company collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.
- b) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in other income in the statement of Profit and Loss.
- c) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

**viii) Foreign exchange transactions**

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



A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "Sembawang Infrastructure (India) Pvt. Ltd." around the perimeter and a star at the bottom.





**i. Initial recognition**

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

**ii. Conversion**

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

**iii. Exchange differences**

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

- a. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in OCI until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- b. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- c. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- d. All other exchange differences are recognized as income or as expenses in the period in which they arise

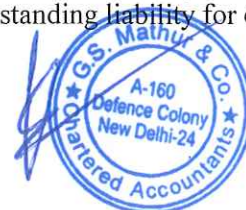
**ix) Employees benefits**

- a. The liability for employees benefit in respect of Gratuity is ascertained on actuarial valuation is provided and funded separately.
- b. Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services is rendered.
- c. Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employees has rendered services. The expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques. . Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which they occur.

**x) Leases**

**Finance Lease**

Assets acquired under leases, where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.



### Operating Leases

Assets taken on lease under which the lessor effectively retains all significant risks and rewards of ownership have been classified as operating leases. Lease payments made under operating leases are recognized as expenses in the Profit & Loss account in accordance with the lease arrangements.

#### xii) **Earnings per share**

The basic earnings/ (loss) per share is computed by dividing the net results after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The company has no dilutive potential equity shares outstanding during the year.

#### xii) **Taxes on income**

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

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

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

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

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

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

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





xiii) **Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

xiv) **Inventory**

- a. Stock in trade (Equipment) and Project Materials are value at lower of cost and net realizable value. Cost is determined on weighted average basis
- b. Scrap is valued at net realizable value.
- c. Scaffoldings (included in Project Materials) are valued at cost less amortization / charge based on their useful life, which is estimated at seven years.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to make the sale and estimated costs of completion.

xv) **Contingent liabilities and Contingent Assets**

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

- a) Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company;
- b) Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) Present obligation, where a reliable estimate cannot be made.

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

xvi) **Operating cycle**

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

xvii) **Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



xviii) **Cash and cash equivalents.**

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

xix) **Measurement of EBITDA**

As permitted by the guidance note on the revised schedule VI to the Companies Act, 1956, The Company has decided to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of Profit & Loss Account. The company measures EBITDA on the basis of Profit / (Loss) from continuing operation. In its measurement, the company does not include depreciation and amortization expense, finance cost and tax expense.

**3. Capital Commitments**

There are no contracts remaining to be executed on capital account and not provided for in the accounts, as at the end of the reporting period.

**4. Contingent Liabilities**

(Amounts in INR)

|                                   | As at March 31,2019 | As at March 31,2018 |
|-----------------------------------|---------------------|---------------------|
| Value added and WCT tax demands:* | 33,270,477          | 33,270,477          |

\* The management believes that the claim made is untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of the above matters. However, based on favorable decision/ outcomes in similar cases earlier and based on legal opinion/ consultations with solicitors, the management believes that there are good chances of success in above mentioned case and hence, no provision there against is necessary.

**5. The disclosures as per provisions of Clause 39, 40 and 42 of Ind AS 11 issued by Institute of Chartered Accountants of India are as under;**

(Amounts in INR)

| S. No. | Particulars                                                                                                                 | 2018-19    | 2017-18    |
|--------|-----------------------------------------------------------------------------------------------------------------------------|------------|------------|
| a)     | Contract revenue recognized as revenue in the period Clause 39(a)                                                           | NIL        | NIL        |
| b)     | Aggregate amount of costs incurred and recognized profits up to the reporting date on Contract under progress clause 40(a). | NIL        | NIL        |
| c)     | Advance received on Contract under progress clause 40(b)                                                                    | NIL        | NIL        |
| d)     | Retention amounts on Contract under progress Clause 40(c)                                                                   | NIL        | NIL        |
| e)     | Gross amount due from customers for contract work as an asset Clause 42(a)                                                  | 29,175,110 | 29,175,110 |
| f)     | Gross amount due to customers for contract work as a liability clause 42(b)                                                 | Nil        | Nil        |





## 6. Related party disclosures

### Names of Related Parties

|                                                      |                                                                                 |
|------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Holding Company</b>                               | Punj Lloyd Limited                                                              |
| <b>Subsidiary Company</b>                            | Sembawang Engineers and Constructors Pte. Ltd.<br>Punj Lloyd Infrastructure Ltd |
| <b>Joint venture of Holding Company (Associates)</b> | Ramprastha Punj Lloyd Developers Pvt. Ltd.                                      |

### Transactions with the related parties during the period:

|                                             | Holding Company |                | Joint Ventures |                | Fellow Subsidiaries |                | Total          |                |
|---------------------------------------------|-----------------|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|
|                                             | March 31, 2019  | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019      | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Receivable / (Payable)                      |                 |                |                |                |                     |                |                |                |
| Punj Lloyd Ltd.                             | (132,475,835)   | (141,933,335)  | -              | -              | -                   | -              | (132,475,835)  | (141,933,335)  |
| Punj Lloyd Infrastructure Ltd.              | -               | -              | -              | -              | -                   | (450,830)      | -              | (450,830)      |
| Ramprastha Punj Lloyd Developers Pvt Ltd    | -               | -              | 11,630,048     | 11,630,048     | -                   | -              | 11,630,048     | 11,630,048     |
| Sembawang Engineers & Constructors Pte Ltd. | -               | -              | -              | -              | (61,122,458)        | (59,761,908)   | (61,122,458)   | (59,761,908)   |

## 7. Leasing arrangements

### Assets taken under operating leases

Certain Project Equipment and Office premises are obtained on operating leases. There are no contingent rents in the lease agreement. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by the lease arrangements. There are no sublease and all the leases are cancelable in nature.

## 8. Earnings / (loss) per share

In terms of Ind AS 33 issued by the Institute of Chartered Accountants of India, Earning per share (Basic and Diluted) is worked out as under: -

| Particulars                                                         | Year ended March 2019 | Year ended March 2018 |
|---------------------------------------------------------------------|-----------------------|-----------------------|
| Profit / (loss) after taxation as per profit and loss account (Rs.) | (17,410,434)          | (3,904,341)           |
| Weighted average number of equity shares outstanding                | 9,575,000<br>(1.82)   | 9,575,000<br>(0.41)   |

*[Signature]*  
Sembawang Infrastructure (India) Pvt. Ltd.

*[Signature]*  
A-160  
Defence Colony  
New Delhi-24  
Chartered Accountants

|                                                      |  |  |
|------------------------------------------------------|--|--|
| Basic and dilutive earnings / (loss) per share (Rs.) |  |  |
|------------------------------------------------------|--|--|

**9. Deferred Tax Asset (Net)**

Deferred tax asset has not been recognized in accounts in accordance with the policy mentioned in note 2 (l) above.

10. In the opinion of the management, the current assets, loan and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.
11. Balances of sundry debtors, sundry creditors, loans and advances and deposits are subject to balance confirmation and reconciliation thereof.
12. The Company's business activity falls within a single business segment i.e. construction. Therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable. The Company's operations are within India and do not operate in any other Country and hence there are no geographical segments.

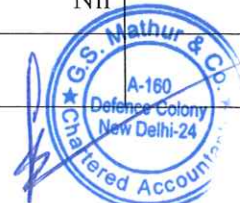
**13. Employee Benefits**

Company has not made actuarial valuation in term of Ind AS-19 and provisions against which has been made on actual basis considering that at present they have got no employee.

14. The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006" Is as follows;

| SN   | Particulars                                                                                                                                                                                                                                                  | 2018-19 | 2017-18 |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| I)   | The principal amount and the interest due thereon due thereon remaining unpaid to any supplier as at the end of each accounting year<br>-Principal amount<br>-Interest thereon                                                                               | Nil     | Nil     |
| ii)  | The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.            | Nil     | Nil     |
| iii) | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006. | Nil     | Nil     |
| iv)  | The amount of interest accrued and remaining unpaid at the end of each accounting year and ;                                                                                                                                                                 | Nil     | Nil     |
| v)   | The amount of further interest remaining due and payable even in the succeeding years, until such date when the                                                                                                                                              |         |         |







|                                                                                                                                                                                                               |     |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| interest dues as above are actually paid to the small enterprise of the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006. | Nil | Nil |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|

15. Interest free loan from Punj Lloyd Ltd. (Holding Company) is shown as Short term loan on the basis of agreement wherein it is stated that amount is payable on demand.
16. In view of there not being any reasonable certainty, at balance sheet date, of the realization of unadjusted losses under income tax Act 1961 against sufficient future taxable income, the deferred tax has not been recognised in the books of account.
17. During the year the company has incurred loss after tax of Rs 17,410,434 (Previous year Rs 3,904,341) resulting in accumulated loss Rs 294,481,770 (Previous year 277,071,336) as at March 31, 2019. These accumulated losses completely eroded the net worth of the company.
18. Net balance of Rs. 61,122,458 (Cr.) Showing payable to M/s Sembawag Engineers and Construction Pte. Ltd., subsidiary of the company. The company is under liquidation balance are not confirmed, hence their impact if any to the books cannot be commented upon.
19. Fair Value

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

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

Trade receivables and loans and advances recoverable from related parties are evaluated by the company based on parameters such as interest rates, specific country risk factors, 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 credit losses of these receivables.

## 20. Financial risk management objectives and policies

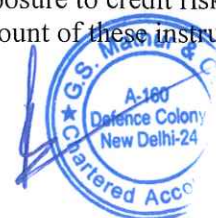
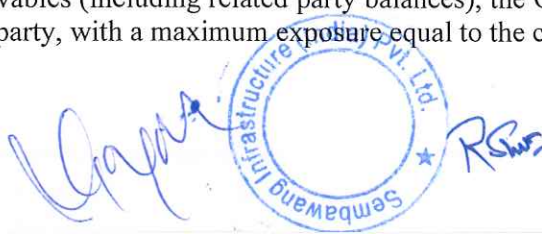
Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established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

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

### Credit Risk

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

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



Trade receivable: Customer credit risk is managed with the Companies established policy, procedures and control relating to customer credit risk management, such as the outstands from customer receivables are regularly monitored.

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

## Market Risk

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

## Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2019 the Company does not have any bank borrowing at floating interest rate.

## 21. Capital Management

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

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

|                                | 31-Mar-19          | 31-Mar-18          |
|--------------------------------|--------------------|--------------------|
| Borrowings                     | 60,105,000         | 60,105,000         |
| Trade payables                 | 21,709,343         | 24,848,997         |
| Other Payables                 | 145,123,341        | 142,030,675        |
| Less:                          |                    |                    |
| Cash and cash equivalents      | (362,680)          | (9,798,034)        |
| <b>Net Debts</b>               | <b>226,575,004</b> | <b>217,186,638</b> |
| Equity                         | (198,731,770)      | (181,321,336)      |
| <b>Capital &amp; net debts</b> | <b>27,843,234</b>  | <b>35,865,302</b>  |

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





22. No Provision has been made for employees benefit in terms of Ind AS 19 as notified by The Companies Act 2013, as the same is not required to be made as per terms of employment and also the related Provisions are not applicable in case of The Company.
23. Amounts in the financial statement are presented in INR, unless otherwise stated.
24. Previous year figure have been regrouped/ reclassified, where necessary, to confirm to this year's classification.

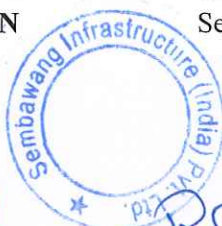
In terms of our report of even date  
**FOR G.S. MATHUR & CO**  
**Firm Registration No. 08744N**  
Chartered Accountants

  
**K.K. Gangopadhyay**  
Partner  
Membership No: 013442



For and on behalf of the Board of Directors of  
Sembawang Infrastructure (India) Private Limited

  
**Rakesh Sharma**  
Director  
DIN 07554694



  
**Swatantar Kumar Goyal**  
Director  
DIN 06567979



Place: Gurgaon

Date: 28/06/19