

GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED



ANNUAL REPORT 2018

BOARD OF DIRECTORS

Mr. S. B. Vasava
Mr. Ashwani Kumar (IAS)
Mr. K. M. Patel
Mr. N. G. Parmar
Mr. Mukund Sapre
Mr. Naren Babu Karanam
Ms. Shubhangini Subramaniam
Mr. Deep Gupta
Mr. Shubhra Bhattacharya
Mr. Rajendra Desai
Mr. Asit Pal

STATUTORY AUDITOR

S R B C & CO LLP
Chartered Accountants
2nd Floor, Shivalik Ishaan,
Near C. N. Vidyalaya, Ambawadi,
Ahmedabad - 380 015

<p><u>OUR BANKERS</u> Axis Bank Ltd. S. G. Highway, Ahmedabad - 380015</p>	<p><u>TRUSTEE</u> IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.</p>
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REGISTERED OFFICE

Office of the Secretary
Roads & Buildings Department,
Sachivalaya, Block No. 14, Second Floor, Gandhinagar - 382 010

GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

301, Shapath, Opp. Rajpath Club, Sarkhej-Gandhinagar Highway, Bodakdev, Ahmedabad - 380015
Tel: 079-26873413, 26870949 Fax: 079-26870094 e-mail: gricl@vsnl.net CIN U65990GJ1999PLC036086

NOTICE OF 19TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Gujarat Road and Infrastructure Company Limited will be held on Monday, 9th July, 2018 at 11.00 AM at the Conference Room, Project Implementation Unit, Nirman Bhavan, Gandhinagar- 382010, Gujarat, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and the Auditors.
2. To declare Final dividend of Rs. 1.50 per equity Share for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Naren Babu Karanam (DIN: 03295872), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Deep Gupta (DIN: 07222383), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, (‘Act’) if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or reenactment therefore from time to time being in force) and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Asit Pal (DIN 0742391), who was appointed as an Additional Director with effect from 27th March, 2018, on the Board of the Company, and who holds office upto ensuing Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation and to hold office for a term of three consecutive years with effect from 27th March, 2018.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, (‘Act’) if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or reenactment therefore from time to time being in force) and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Rajendra Desai (DIN 00403784), who was appointed as an Additional Director with effect from 27th March, 2018, on the Board of the Company, and who holds office upto ensuing Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation and to hold office for a term of three consecutive years with effect from 27th March, 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2018-19

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, amounting to Rs. 47,500/- (Rupees Forty Seven Thousand Five Hundred only) as also the payment of service tax as applicable and re-imburement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

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RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2019-20

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, amounting to Rs. 47,500/- (Rupees Forty Seven Thousand Five Hundred only) as also the payment of service tax as applicable and re-imburement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

By Order of the Board of Directors

For Gujarat Road and Infrastructure Company Limited

Date: May 25, 2018

Place: Mumbai



Ankit Sheth
Company Secretary

Registered Office:

Office of the Secretary, Roads & Buildings Department,

Block 14, Second Floor, Sachivalaya,

Gandhinagar – 382 010

CIN U65990GJ1999PLC036086

Tel: 079-26873413, 26870949

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Website: www.gricl.in

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NOTES:

1. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.

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2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself and the Proxy need not be a Member of the Company.
3. **Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the Company not less than forty-eight (48) hours before the time fixed for the Meeting.**
4. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. A Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
6. Members/ Proxies/ Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting and Members are requested to write their Folio No. in the attendance slip for attending the Meeting.
7. During the period beginning twenty four (24) hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
8. The Record date for the purpose of dividend is on June 29, 2018.
9. The dividend on shares as recommended by the Board, if approved at the Annual General Meeting, will be paid within thirty days from the date of declaration to those Members or their mandatees whose names appear:

a) as Members in the Register of Members of the Company on June 29, 2018 and

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- b) as beneficial owners on that date as per the lists to be furnished by June 29, 2018 in respect of shares held in electronic form.
10. Members are requested to communicate all their correspondence including share transfers at Registered Office.
11. Members are requested to notify immediately any change in their address to the Company quoting their Folio No.

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EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) sets out all material facts relating to the business mentioned at Item No. 5 to 8 of the accompanying notice.

Item No. 5

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 20, 2018, has appointed Mr. Asit Pal as an Additional Director to be designated as an Independent Director of the Company w.e.f March 27, 2018. In terms of section 161 of the Act, Mr. Asit Pal holds office as an Additional Director upto the date of the ensuing AGM. In terms of Section 149 and any other applicable provisions of the Act, Mr. Asit Pal is proposed to be appointed as an Independent Director to hold office for a term of three years upto March 26, 2021, with effect from March 27, 2018, not liable to retire by rotation.

The Board is of the opinion that Mr. Asit Pal fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as an Independent Director of the Company pursuant to the provisions of section 149 of the Act.

Mr. Asit Pal possesses a bachelor’s degree in Science and is also a Chartered Accountant. He has over 35 years of extensive experience in the area of Planning, Credit, Risk Management and Investments. He started his career in banking with initial stints in Allahabad Bank and Bank of Baroda before superannuating as an Executive Director of Corporation Bank on 15th October, 2008. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Asit Pal is appointed as an Independent Director. The Board is also of the opinion that Mr. Asit Pal is independent of the management of the Company and his association would be of immense benefit to the Company and hence, it is recommended to avail the services of Mr. Asit Pal as an Independent Director of the Company. A Copy of the draft letter for appointment of Shri Asit Pal as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Except Mr. Asit Pal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at item no.6.

The Board recommends the resolution at Item no. 5 for approval of the shareholders of the Company.

Item No. 6

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 20, 2018, has appointed Mr. Rajendra Desai as an Additional Director to be designated as an Independent Director of the Company w.e.f March 27, 2018. In terms of section 161 of the Act, Mr. Rajendra Desai holds

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office as an Additional Director upto the date of the ensuing AGM. In terms of Section 149 and any other applicable provisions of the Act, Mr. Rajendra Desai is proposed to be appointed as an Independent Director to hold office for a term of three years upto March 26, 2021, with effect from March 27, 2018, not liable to retire by rotation.

The Board is of the opinion that Mr. Rajendra Desai fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as an Independent Director of the Company pursuant to the provisions of section 149 of the Act.

Mr. Rajendra Desai is a Chartered Accountant with over 30 years of rich experience and visible achievements across the gamut of Project Implementation and Infrastructure financing in India. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Rajendra Desai is appointed as an Independent Director

The Board is also of the opinion that Mr. Rajendra Desai is independent of the management of the Company and his association would be of immense benefit to the Company and hence, it is recommended to avail the services of Mr. Rajendra Desai as an Independent Director of the Company. A Copy of the draft letter for appointment of Shri Rajendra Desai as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company

Except Mr. Rajendra Desai, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at item no.7.

The Board recommends the resolution at Item no. 6 for approval of the shareholders of the Company.

Item No. 7 & 8

The Board of Directors of the Company at their Meeting held on 25th May, 2018, on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ashish Bhavsar & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought to approve the remuneration payable to the Cost Auditors. None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no. 8 for the approval of shareholders of the Company.

The Board of Directors of the Company at their Meeting held on 25th May, 2018, on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ashish Bhavsar & Associates, Cost Accountants, to conduct the audit of the cost records of

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the Company for the financial year ending 31st March, 2020. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought to approve the remuneration payable to the Cost Auditors. None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no. 8 for the approval of shareholders of the Company.

By Order of the Board of Directors

For Gujarat Road and Infrastructure Company Limited

Date: May 25, 2018

Place: Mumbai



Ankit Sheth
Company Secretary

Registered Office:

Office of the Secretary, Roads & Buildings Department,

Block 14, Second Floor, Sachivalaya,

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DIRECTORS' REPORT

To,
The Shareholders,
Gujarat Road and Infrastructure Company Limited

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS

The Company earned total revenues of INR 15,090.81 Lakhs (Excluding construction revenue of VUPs project) during the financial year 2017-18 by the way of toll and other income from the Ahmedabad Mehsana Road Project and Vadodara Halol Road Project. The financial results of the Company are as under:

Particulars	F. Y. 2017-2018	F. Y. 2016-2017
	(INR Lakhs)	(INR Lakhs)
Income*	16,093.45	15,136.00
Expenses*	9,088.59	10,746.89
Profit Before Taxes	7,004.86	4,389.11
Provision for Taxation	2,562.14	1,538.10
Profit / (Loss) After Taxes	4442.72	2,851.01
Other Comprehensive Income	1.52	(1.22)
Total Comprehensive Income	4,444.24	2,849.79

*Includes INR 1,002.64 lakhs pertaining to Construction Revenue and Expenses recognized for VUP's

The Company has transferred an amount of INR 1431.00 Lakhs towards Debenture Redemption Reserves. An amount of INR 12,541.50 Lakhs has been retained in the Statement of Profit and Loss

2. DIVIDEND

The Board of Directors of the Company in its meeting held on October 27, 2017, had declared and paid interim dividend @ 35% i.e. INR 3.5/- per equity share of INR 10 each fully paid up aggregating to INR 2,336.36 Lakhs (including dividend tax INR 395.18 Lakhs).

The Board of Directors of the Company in its meeting held on February 20, 2018 decided to repay the advance towards debts as mentioned under the head other non-current financial liabilities of the Balance Sheet as at March 31, 2017 as per the following schedule to the respective parties in proportion to their respective contribution made, in 3 (three) equal annual Installments respectively in Financial Year 2018-19, Financial Year 2019-2020 and Financial Year 2020-2021 without any interest.

Date of Payment	INR in Crores
01/04/2018	35
01/04/2019	35
01/04/2020	35



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The Company had paid INR 35 Crores to the respective stakeholders on April 1, 2018 in respect of repayment of first installment of advance towards debts, as decided by the Board without taking additional borrowing.

After considering the above, the Board of Directors have recommended payment of final dividend @ 15% i.e. Rs. 1.5/- per equity share of Rs. 10 each fully paid up for the year ended March 31, 2018. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of INR 1002.94 Lacs (including dividend tax INR 171.01 lacs).

3. NON CONVERTIBLE DEBENTURE

The Company had issued 3000 rated, listed, secured Non Convertible Debentures of face value of INR 10 lacs each aggregating INR 300 Crore on private placement basis during financial year 2016-17. During the year, the Company had redeemed 200 rated, listed, Secured Non Convertible Debentures of face value of INR 10 lacs each aggregating INR 20 Crore as per terms and conditions of the said NCDs.

4. STATE OF COMPANYS' AFFAIRS AND OPERATIONS

During the year under review, the Company's operations have shown a marginal increase in net cash flows as compared to previous year. There have been no major user complaints received for either of the road projects of the Company.

During the year under review, the Government of Gujarat had implemented its decision to grant exemption to car/jeep/van/two wheelers/ three wheelers and passenger buses owned by GSRTC w.e.f August 15, 2016 on all State Highways. As per the said decision, the Company shall be compensated by the Government of Gujarat in this regards. The Government of Gujarat has constituted a Committee for finalizing the methodology of compensation. Till finalization of methodology, the Company is receiving interim payment towards compensation from the Government of Gujarat in this regards.

5. VADODARA HALOL ROAD PROJECT

During the year under review, the tenure of the present toll collection agency ended on March 31, 2017. Since the Company had received all the bids below reserve price in the online toll revenue offer for toll auction, the Company had commenced the work of toll collection on departmental basis w.e.f. April 1, 2017.

The routine maintenance is carried out at the Project on a regular basis and is in accordance with the stipulations under the Concession Agreement.

6. AHMEDABAD MEHSANA ROAD PROJECT

During the year under review, the tenure of the present toll collection agency ended on March 31, 2017. Since the Company had received all the bids below reserve price in the online toll revenue offer for toll auction, the Company had commenced the work of toll collection on departmental basis w.e.f. April 1, 2017.



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The routine maintenance is carried out at the Project on a regular basis and is in accordance with the stipulations under the Concession Agreement.

7. DIRECTORS AND KEY MANAGERIAL PERSONELS

Mr. Shubhra Bhattacharya had been appointed as a Nominee Director of MAIF Investments India Pte. Limited in place of Mr. Suresh Goyal w.e.f July 27, 2017.

The Government of Gujarat had nominated Mr. N.G.Parmar, the Secretary, Roads and Building Department as Director of the Company effective September 22, 2017 in place of Mr. R.K.Chauhan due to his retirement from the service of the Government of Gujarat.

The first tenure of Mr. Rajendra Desai and Mr. Asit Pal, the Independent Directors had been completed on March 26, 2018. Mr. Rajendra Desai had been re-appointed as an Independent Director of the Company with effect from March 27, 2018 till March 26, 2021, subject to the approval of the shareholders. Mr. Desai appointed as an Additional Director, will hold office till the ensuing Annual General Meeting. Mr. Asit Pal had been re-appointed as an Independent Director of the Company with effect from March 27, 2018 till March 26, 2021, subject to the approval of the shareholders. Mr. Pal appointed as an Additional Director, will hold office till the ensuing Annual General Meeting.

There was no change in key managerial personnel during the period under review.

The Independent Directors have given declarations confirming eligibility for considering their appointment as such in terms of the provisions contained in Section 149(6) of the Companies Act, 2013.

In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Naren Babu Karanam and Mr. Deep Gupta, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

8. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013 is available on our website www.gricl.com. There has been no change in the policy since last fiscal.

9. CORPORATE GOVERNANCE:

The Company strives to adopt the highest standards of excellence in Corporate Governance. The Company has consistently practiced good Corporate Governance norms for the past several years for the efficient conduct of its business and meeting its obligations towards all its stakeholders. The Company has complied all the applicable mandatory Secretarial Standards, issued by the Institute of Company Secretaries of India.

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➤ **Composition of the Board of Directors**

Category	Number of Directors
Non Executive Directors	9
Independent Directors	2

The Chairman of the Board is a Non-Executive Director.

- A total Four of Board Meetings were held during the year 2017-18 on the May 5, 2017, August 3, 2017, October 27, 2017 and February 20, 2018. The Attendance of the Directors is as under:

Sr. No.	Name of Directors	No. of Board Meeting held during tenure	Meetings Attended
1	Mr. S.B.Vasava	4	4
2	Mr. Ashwani Kumar, IAS	4	3
3	Mr. K.M.Patel	4	4
4	Mr. R.K.Chauhan (Resigned on 22.09.2017)	2	1
5	Mr. Mukund Sapre	4	1
6	Mr. Dilip Bhatia (Resigned on 20.02.2018)	3	0
7	Mr. Suresh Goyal (Resigned on 27.07.2017)	1	0
8	Mr. Naren Babu Karanam	4	3
9	Mr. Deep Gupta	4	1
10	Mrs. Shubhangini Subramaniam	4	3
11	Mr. Shubhra Bhattacharya (Appointed on 27.07.2017)	3	3
12	Mr. Asit Pal	4	4
13	Mr. Rajendra Desai	4	4

➤ **AUDIT COMMITTEE**

The Board of Directors has duly constituted the Audit Committee in terms of Section 177 of the Companies Act, 2013. The Audit Committee comprises of Mr. Rajendra Desai, Mr. Asit Pal and Mrs. Shubhangini Subramaniam. During the year, Mrs. Shubhangini Subramaniam has been inducted in place of Mr. Dilip Bhatia. The Committee had two meetings during the year under review, on May 5, 2017 and October 26, 2017.

➤ **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises Mr. Rajendra Desai, Mr. Asit Pal and Mr. Naren Babu Karanam. There were two meetings during the year under review, on May 4, 2017 and February 19, 2018.

➤ **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee was reconstituted comprising Mr. Naren Babu Karanam, Mr. Rajendra Desai and Mr. K.M.Patel as per the provision of Section 135 of the



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Companies Act, 2013. Mr. K.M.Patel has been inducted in place of Mr. R.K.Chauhan. During the year, there was a meeting on May 4, 2017.

10. RELATED PARTY TRANSACTIONS

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 during the financial year under review were in the ordinary course of business and on an arms length basis. There were no materially significant transactions with related parties during the financial year.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors based on the representations received from the Operating Management confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the [profit / loss] of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

12. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirement laid down under Section 135 of the Companies Act, 2013 and the rules made there under, the Board of Directors reconstituted a Corporate Social Responsibility Committee (CSR) on August 26, 2016 comprising of the following Directors as its Members namely, Mr. Naren Babu Karanam, Mr. Rajendra Desai and Mr. K.M.Patel. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises of the following:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;



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-To provide guidance on various CSR activities to be undertaken by the Company, to recommend the amount of expenditure to be incurred on those activities and to monitor its progress.

The report in the format prescribed under the CSR Rules is annexed as ‘**Annexure A**’ to this Report

13. PARTICULARS OF EMPLOYEES

The Company did not have any employees drawing remuneration as set out under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014 during the year under review.

14. ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company does not carry on any manufacturing activities hence particulars with regard to energy conservation, technology absorption are not applicable the Company. The Company has not incurred any foreign exchange expenditure on account of foreign travel during the year under review.

15. FIXED DEPOSIT

The Company has not accepted any Fixed Deposit during the year under review.

16. STATUTORY AUDITORS

The Company at the Eighteenth Annual General Meeting (AGM) held on June 17, 2017 for financial year 2016-17 had appointed M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), Ahmedabad as Statutory Auditors of the Company to hold office from the conclusion of 18th AGM till the conclusion of the 23rd AGM of the Company.

The Auditors’ Reports on Financial Statements for the financial year 2017-18 are unqualified. The emphases on matters made by the Auditors are adequately covered in the Notes to the said financial statements. The Notes to the accounts referred to in the Auditors’ Reports are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Act.

17. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. PRT & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report dated April 12, 2018 is annexed herewith ‘**Annexure B**’. The Report does not contain any qualification.

18. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as ‘**Annexure C**’.



GRICL

CIN U65990GJ1999PLC036086

19. DISCLOSURE UNDER THE SEXUAL HARRESEMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT, 2013

The Company has adopted the policy on Prevention of Sexual Harassment at work place in compliance with the requirements under the Sexual Harassment of Women at work place (Prevention, Prohibition, Redressal) Act, 2013. The Internal Compliant Committee (ICC) has been set up to redress the complaints under the Policy. During the year under review, the Company has not received any complaint under the Policy.

20. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

In accordance with the provisions of the Companies Act, 2013, the Company has established a vigil mechanism by adopting a Whistle Blower Policy for the directors and employees to report genuine concerns or grievances.

The administration of the vigil mechanism is being done through Audit Committee.

We confirm that during the financial year 2017-18, no employee of the Company was denied access to the Audit Committee.

21. INTERNAL CONTROL SYSTEM

The Company had implemented an internal control framework (ICF) covering various aspects of the business which enables a stage-wise/process-wise confirmation of the compliance of the control self-assessment to be provided by the maker and reviewer of transactions and also facilitates audit, both at the Corporate and at the project levels. The internal audit is carried out by a firm of Chartered Accountants using the ICF and they report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing both the operating management and the Board's Audit Committee with an objective view and reassurance of the overall control systems. The ICF is periodically modified so as to be consistent with operating changes for improved controls and effectiveness of internal control and audit.

The Internal Auditor's scope and authority are derived from the Internal Audit Plan, which is approved by the Audit Committee. The plan is modified from time to time to meet requirements arising from changes in law as well as out of the improved controls resulting from the implementation of the ICF. Internal audits are conducted every quarter and covers operations, accounting, RPT and administration functions. It also provides special reference to compliance based on the audit plan. Internal audit reports are placed before the Audit Committee at regular intervals for review discussion and suitable action.

22. PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not availed any loan or given any guarantee or provide any security in connection with a loan or made any investments during the year under review.



GRICL

CIN U65990GJ1999PLC036086

23. BOARD EVALUATION

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The performance evaluation of the Directors, the Board and its committees was carried out based on the criteria/manner recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The performance evaluation of the Independent Directors was also carried out by the entire Board. Your directors express their satisfaction with the evaluation process.

24. RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. There are no risks which in the opinion of the Board affect the Company operations on a going concern basis.

The Board periodically reviews the risks and measures are taken for mitigation.

25. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

26. ACKNOWLEDGEMENTS

The Board of Directors place on record the continued and invaluable support received from Government of Gujarat, Financial Institutions and other stakeholders of the Company.

By Order of the Board

Naren Babu Karanam
Director
DIN No.: 03295872

Shubhra Bhattacharya
Director
DIN No.: 07836485

Date: May 25, 2018
Place : Mumbai

ANNEXURE 'A' TO BOARD REPORT

Format for the Annual Report on CSR Initiatives to be included in the Board Report by qualifying companies

- (1) A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. – www.gricl.com
- (2) The composition of the CSR Committee.–
 - **Mr. Rajendra Desai (Independent Director)**
 - **Mr. Naren Babu Karanam- (Non Executive Director)**
 - **Mr. K.M.Patel (Non Executive Director)**
- (3) Average Net Profit of the Company for last 3 financial years.– **Rs. 359.17 mn**
- (4) Threshold Limit - (2% of this amount as in 1 above) – **Rs. 7.18 mn**
- (5) Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: - **Rs. 9.81 mn**
 - (b) Manner in which the amount to be spent during the financial year is detailed below.

Sr No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/ others 2. Specify the state/ district (Name of the District/s State/s where the project / programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads : 1. Direct expenditure on project 2. Overheads	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
1	Bhaupura School and Anganwadi Toilet	(i) promoting preventive health care and sanitation	1. Local Area Bhaupura Village 2. Vadodara District, Gujarat	Rs.3,50,000	1. Direct – Rs. 3,50,000	Rs. 3,50,000	Through Implementation Agency (Nalanda Foundation)
2	Jambudiyapuralconic	(i) promoting	1. Local Area Jambudiyapura	Rs. 15,10,000	1. Direct – Rs.15,10,000	Rs. 15,10,000	Through Impleme

	Village Programme	preventive health care and sanitation	Village 2. Vadodara District, Gujarat				ntation Agency (Nalanda Foundation)
3	Rural Solid Waste Management, Baska Village	(i) promoting preventive health care and sanitation	1. Local Area Baska Village 2. Panchmahal District, Gujarat	Rs.45,20,000	1. Direct – Rs.45,20,000	Rs.45,20,000	Through Implementation Agency (Nalanda Foundation)
4	Road Safety Programme	(ii) promoting education	1. Local Area 17 villages 2. Gandhinagar & Mehsana District, Gujarat	Rs. 27,60,800	1. Direct – Rs. 27,60,800	Rs. 27,60,800	Through Implementation Agency (Nalanda Foundation)
5	Swachchh Bharat Kosh and other miscellaneous expenditure	(i) promoting preventive health care and sanitation		Rs. 6,70,000	Rs. 6,70,000	Rs. 6,70,000	Directly through GRICL
Total Budget				Rs.98,10,800	Rs.98,10,800	Rs.98,10,800	

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.- Not Applicable

7. A Responsibility Statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

sd/-

sd/-

Director

Chairman of CSR Committee



1449/1, 1st Floor, RMG House, M.: +91 89800 26497
Mithakhali Gam, Navrangpura, E-mail: premnarayan.cs@gmail.com
Ahmedabad - 380006.
Gujarat, India

COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018

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

To,
The Members,
Gujarat Road and Infrastructure Company Limited
Office of the Secretary to the Govt. of Roads and Building,
Gandhinagar – 382010, Gujarat, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Road and Infrastructure Company Limited (CIN: U65990GJ1999PLC036086)** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of half yearly secretarial audit, we hereby report that in our opinion, the Company has, during the **period commencing from 1st April, 2017 to 31st March, 2018 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:





- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not applicable to the Company during the Audit period*).
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(*the Company being a debentures listed company, provisions of this Regulation are not applicable to the Company*);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015(*the Company being a debentures listed company, provisions of this Regulation are not applicable to the Company*);
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(*the Company being a debentures listed company, provisions of this Regulation are not applicable to the Company*);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(*the Company being a debentures listed company, provisions of this Regulation are not applicable to the Company*);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(*the Company being a debentures listed company, provisions of this Regulation are not applicable to the Company*); and





- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*the Company being a debentures listed company, provisions of this Regulation are not applicable to the Company*).
- vi. We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the Contract Labour (Regulation & Abolition) Act, 1970 and rules and regulation made thereunder which is specifically applicable to the Company.

For the purpose of other laws as may be applicable specifically to the Company, we have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws as may be applicable specifically to the Company and verification of document and records on test-check basis.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**').

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above subject to the following observation-

As per Section 205 of the Companies Act, 2013 read with rule 10 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Secretarial Standard on Meetings of the Board of Directors, the Company Secretary is mandatorily required to convene and attend Board, Committee and General Meetings. However, the Company Secretary was not present in the second and third meetings of the Nomination and Remuneration Committee held on 4th May, 2017 and 19th February, 2018 respectively.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Directors (comprising of Non-Executive Directors and Independent Directors). The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

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





All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meeting of Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, the company had no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards etc.

We further report that during the audit period, the company has Redeemed 200 Non-convertible Debentures of Rs. 10 lacs each.



Place: Ahmedabad
Date: 14th May, 2018

Signature:
Premnarayan Tripathi, Proprietor
PRT & Associates, Company Secretaries
FCS: 8851
COP: 10029

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



Annexure A

To,
The Board of Directors,
Gujarat Road and Infrastructure Company Limited
Office of the Secretary to the Govt. of Roads and Building,
Gandhinagar – 382010, Gujarat, India

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 14th May, 2018

Signature:
Premnarayan Tripathi, Proprietor
PRT & Associates, Company Secretaries
FCS: 8851
COP: 10029



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
Total Public Shareholding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Grand Total (A+B+C)	46374321	9087986	55462307	100	46374321	9087986	55462307	100	

(ii) Shareholding of Promoters

SIN o.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	IL&FS Transportation Networks Limited	1,48,73,366	26.80	NIL	138279	0.25	NIL	(26.55)
2	Government of Gujarat	90,87,986	16.40	NIL	90,87,986	16.38	NIL	NIL
3	MAIF Investments India Pte Limited	3,15,00,955	56.80	NIL	3,15,00,955	56.80	NIL	15
4	IL&FS Financial Services Limited	--	--	--	91,88,846	16.55	NIL	16.55
5	ITNL-OTP Account	--	--	--	55,46,230	10	NIL	10
	Total	5,54,62,307			5,54,62,307			

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

Sl. No.	PARTICULAR	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. R.K.Chauhan	1	0.00	Nil	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MAIF Investments India Pte Limited	3,15,00,955	56.80	3,15,00,955	56.80
2.	IL&FS Transportation Networks Limited	1,48,73,355	26.80	1,38,279	0.25
3.	Government of Gujarat	90,87,983	16.40	90,87,983	16.40
4	IL&FS Financial Services Limited	0	0.00	91,88,846	16.55
5.	Mr. S.B.Vasava	0	0.00	1	0.00
6.	Mr. K.M.Patel	1	0.00	1	0.00
7	Mr. N.G.Parmar	0	0.00	1	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. S.B.Vasava	1	0.00	1	0.00
2	Mr. N.G.Parmar	0	0.00	1	0.00
3	Mr. K.M.Patel	1	0.00	1	0.00

V. INDEBTEDNESS

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

Amt in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,800,000,000	-	-	2,800,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,800,000,000	-	-	2,800,000,000
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	200,000,000	-	-	200,000,000
Net Change	200,000,000	-	-	200,000,000
Indebtedness at the end of the financial year				
i) Principal Amount	2,600,000,000	-	-	2,600,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,600,000,000	-	-	2,600,000,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					

2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

1. Independent Directors

Particulars of Remuneration	Name of Director	Total Amount
Sitting for attending Board/ Meeting	Mr. Asit Pal	1,80,000
	Mr. Rajendra Desai	2,00,000
Total B(1)		3,80,000

2. Non-Executive Director

Sr. No.	Name of Director	Sitting fee for attending Board/ committee Meeting
1.	Mr. S.B.Vasava	80,000
2.	Mr. Ashwani Kumar, IAS	60,000
3.	Mr. K.M.Patel	80,000
4.	Mr. R.K.Chauhan (Resigned on 22.09.2017)	40,000
	Mr. N.G.Parmar	40,000
5.	Mr. Mukund Sapre	20,000
6.	Mr. Dilip Bhatia	20,000
	Total B(2)	3,40,000

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
	Total (B) = (1 + 2)		7,20,000
	Total Managerial Remuneration		7,20,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
Rs. In lacs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	26.76	25.54	52.30
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...		NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
	Total		26.76	25.54	52.30

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:- NA

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		None			
Punishment		None			
Compounding		None			
B. DIRECTORS					
Penalty		None			
Punishment		None			
Compounding		None			
C. OTHER OFFICERS IN DEFAULT					
Penalty		None			
Punishment		None			
Compounding		None			

INDEPENDENT AUDITOR'S REPORT**To the Members of Gujarat Road and Infrastructure Company Limited****Report on the Ind AS Financial Statements**

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

Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matters

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2017.


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 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its Financial position in its Ind AS Financial statements - Refer Note 36a to the Ind AS Financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SRBC & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**
Partner
Membership Number: 101974



Place of Signature:
Date: May 25, 2018

S R B C & CO LLP

Chartered Accountants

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Gujarat Road and Infrastructure Company Limited for the year ended March 31, 2018.

- (i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of property plant & equipments;
- b) The property plant & equipments have been physically verified by the management during the year which in our opinion is reasonable considering the nature and size of its assets. No material discrepancies were noticed on such verification;
- c) According to the information and explanations given by the management, the title deeds of immovable properties held as property plant & equipments are in the name of the company.
- (ii) The Company is in the business of development, construction as well as operation & maintenance of road infrastructure projects, which does not require it to hold any inventory. Accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. Further, based on the information and explanations given to us, being an Infrastructure Company, provision of section 186 of the Act is not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Accordingly, the provision of clause 3(v) of the order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to construction of road and infrastructure projects related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other statutory dues applicable to it. According to the information and explanation given to us there are no dues payable on account of sales-tax, duty of custom, duty of excise and value added tax during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.



S R B C & CO LLP

Chartered Accountants

- (viii) In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of due to debenture holders. The Company has not taken any loan or borrowing from banks, financial institutions or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the Company has not paid any remuneration to the manager appointed under the Act and hence the provision of section 197 read with Schedule V to the Act has been complied.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**
Partner
Membership Number: 101974



Place of Signature:
Date: May 25, 2018

Annexure 2 of the Independent Auditor's Report of even date on the Ind AS Financial Statements of Gujarat Road and Infrastructure Company Limited

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

To the Members of Gujarat Road and Infrastructure Company Limited

We have audited the internal financial controls over financial reporting of Gujarat Road and Infrastructure Company Limited ("the Company") as of March 31, 2018 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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**

Partner

Membership Number: 101974



Place of Signature:

Date: May 25, 2018



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Balance Sheet as on March 31, 2018

(INR in Lakhs)

Particulars	Notes	As at	
		March 31, 2018	March 31, 2017
ASSETS			
Non-current Assets			
Property, plant and equipment	5	177.04	190.71
Intangible assets	6	48,349.49	48,939.94
Financial assets			
(i) Other financial assets	10	14.27	89.02
Other non-current assets	11	956.01	940.34
Total Non-current Assets		49,496.81	50,160.00
Current Assets			
Financial assets			
(i) Investments	7	-	450.00
(ii) Trade receivables	8	670.00	0.16
(iii) Cash and cash equivalents	9	5,547.73	3,990.54
(iv) Bank balances other than (iii) above	9	4,000.00	4,000.00
(v) Other financial assets	10	656.48	6.00
Other current assets	11	342.68	8,446.70
Total Current Assets		11,216.89	8,526.96
Total Assets		60,713.70	58,686.96
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	5,546.23	5,546.23
Other equity	13	12,541.50	11,501.64
Total equity		18,087.73	17,047.87
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	14	23,012.73	25,423.71
(ii) Other financial liabilities	17	6,157.41	10,500.00
Provisions	15	606.99	490.89
Deferred tax liabilities (Net)	26	2,199.17	1,521.14
Other non-current liabilities	18	210.92	204.72
Total Non-current Liabilities		32,187.22	38,140.46
Current liabilities			
Financial liabilities			
(i) Trade payables	16	854.83	431.15
(ii) Other financial liabilities	17	6,362.58	2,336.87
Provisions	15	1,252.70	659.80
Other current liabilities	18	1,968.64	70.81
Total Current Liabilities		10,438.75	3,498.63
Total Liabilities		42,625.97	41,639.09
Total Equity and Liabilities		60,713.70	58,686.96

Summary of significant accounting policies 3

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants

Firm Registration No.: 324982E/E300003

per Sukrut Mehta

Partner

Membership No. 101974



For and on behalf of the Board of Directors of
Gujarat Road and Infrastructure Company Limited
(CIN No: U65990GJ1999PLC036086)

Director
DIN: 07236425

Director
DIN: 03295872

Rajiv Dubey
Manager

Ankit Sheth
Company Secretary

Date : May 25, 2018
Place : Mumbai

Date : May 25, 2018
Place : Mumbai



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Statement of profit and loss for the year ended March 31, 2018

(INR in Lakhs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. INCOME			
Revenue from operations	19	15,528.19	14,589.71
Other income	20	565.26	546.29
Total Income		16,093.45	15,136.00
II. EXPENSES			
Construction expenses		1,002.64	-
Operating expenses	21	3,524.55	3,618.73
Employee benefits expenses	22	274.27	154.73
Finance costs	23	2,766.59	5,726.86
Depreciation and amortisation	5 & 6	664.57	695.44
Other expenses	24	855.97	551.13
Total expenses		9,088.59	10,746.89
III. Profit before tax (I - II)		7,004.86	4,389.11
IV. Tax expense	26		
Current tax (including INR 83.11 lakhs related to earlier years)		1,884.11	937.00
Deferred tax (including INR 78.70 lakhs related to earlier years)		678.03	601.10
Total tax expenses		2,562.14	1,538.10
V. Profit for the year (III - IV)		4,442.72	2,851.01
VI. Other Comprehensive Income			
<u>Other comprehensive income not to be reclassified to profit or loss in subsequent period</u>			
Remeasurements (loses) / gain on the defined benefit plans (net of tax) (refer note 30)		1.52	(1.22)
Total other comprehensive income for the year		1.52	(1.22)
VII. Total comprehensive income for the year, net of tax (V - VI)		4,444.24	2,849.79
Earnings per share [Face Value INR 10/- per share]:			
Basic and Diluted (in INR)	25	8.01	5.14

Summary of significant accounting policies

3

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants

Firm Registration No.: 324982E/E300003

For and on behalf of the Board of Directors of
Gujarat Road and Infrastructure Company Limited
(CIN No: U65990GJ1999PLC036086)

per Sukrut Mehta
Partner
Membership No. 101974



Director
DIN: 07836425

Director
DIN: 03295872

Parimal Mistry
Chief Financial Officer

Rajiv Dubey
Manager

Ankit Sheth
Company Secretary

Date : May 25, 2018
Place : Mumbai

Date : May 25, 2018
Place : Mumbai



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	INR in Lakhs
As at April 1, 2016	5,54,62,307	5,546.23
Issued during the year	-	-
As at March 31, 2017	5,54,62,307	5,546.23
Issued during the year	-	-
As at March 31, 2018	5,54,62,307	5,546.23

B. Other Equity

Particulars	Equity Component of Compound Financial Instruments (Note 13)	Reserve and surplus				Total
		Capital redemption reserve (Note 13)	Debenture redemption reserve (Note 13)	General reserve (Note 13)	Retained Earnings (Note 13)	
As at April 1, 2016	-	1,000.00	5,776.00	-	3,878.87	10,654.87
Profit for the year	-	-	-	-	2,851.01	2,851.01
other comprehensive Income						
Re-mesurements (losses)/gain on defined benefit plans	-	-	-	-	(1.22)	(1.22)
Total comprehensive income for the year	-	-	-	-	2,849.79	2,849.79
Less: Interim dividend on equity shares (including Dividend Tax)	-	-	-	-	(2,003.02)	(2,003.02)
Transfere to capital redemption reserve	-	2,500.00	-	-	(2,500.00)	-
Transfere to retained earnings	-	-	(4,076.00)	-	4,076.00	-
As at March 31, 2017	-	3,500.00	1,700.00	-	6,301.64	11,501.64
As at April 1, 2017	-	3,500.00	1,700.00	-	6,301.64	11,501.64
Profit for the year	-	-	-	-	4,442.72	4,442.72
other comprehensive Income						
Re-mesurements (losses)/gain on defined benefit plans	-	-	-	-	1.52	1.52
Total comprehensive income for the year	-	-	-	-	4,444.24	4,444.24
Addition during the year	934.57	-	-	-	-	934.57
Less: Interim dividend on equity shares (including Dividend Tax)	-	-	-	-	(2,002.59)	(2,002.59)
Less: Final dividend on equity shares (including Dividend Tax)	-	-	-	-	(2,336.36)	(2,336.36)
Transferred from retained earnings	-	-	1,431.00	-	(1,431.00)	-
Transferred from Debenture redemption reserve	-	-	(1,000.00)	1,000.00	-	-
As at March 31, 2018	934.57	3,500.00	2,131.00	1,000.00	4,975.93	12,541.50

The accompanying notes are an integral part of these financial statements.

As per our report of even date.


For S R B C & CO LLP
Chartered Accountants
Firm Registration No.: 324982E/E300003


For and on behalf of the Board of Directors of
Gujarat Road and Infrastructure Company Limited
(CIN No: U65990GJ1999PLC036086)



per **Sukrut Mehta**
Partner
Membership No. 101974



Director
DIN: 07836485


Director
DIN: 03295872


Parimal Mistry
Chief Financial Officer




Rajiv Dubey
Manager


Ankit Sheth
Company Secretary

Date : May 25, 2018
Place : Mumbai

Date : May 25, 2018
Place : Mumbai



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Statement of cashflow for the year ended March 31, 2018

(INR in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Cashflows from operating activities:		
Profit before tax	7,004.86	4,389.11
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	664.57	695.44
Finance costs	2,766.59	5,726.86
Provision for overlay expenses	1,302.15	1,142.77
Interest on fixed deposits	(388.83)	(414.99)
Loss on sale of assets	-	1.16
Excess provision of performance related pay written back	0.16	(16.82)
Provisions for doubtful debt	-	-
Gain on sale of units in mutual funds	(57.02)	-
Operating profit before working capital changes	11,292.48	11,523.53
Movement in working capital:		
Decrease / (Increase) in trade receivables	(670.00)	116.35
(Increase) in other assets and other financial assets	(836.62)	(135.20)
Increase in trade payables	502.56	63.25
Increase / (Decrease) in other liabilities	1,927.44	(661.95)
(Decrease) in provision	(696.01)	(0.01)
Cash generated from operations	11,519.85	10,905.97
Direct taxes (paid) / refunded (net)	(1,978.66)	(1,440.24)
Net cash flow generated from operating activities (A)	9,541.19	9,465.73
(B) Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(60.46)	(93.06)
Proceeds on sale of property, plant and equipment	-	2.21
Investment in bank deposits	-	(4,000.00)
Interest received	388.83	413.90
Proceeds from Investment in mutual funds	507.01	(450.00)
Net cash flow generated from / (used) in investing activities (B)	835.38	(4,126.95)
(C) Cash flows from financing activities		
Proceeds from issue of borrowings	-	30,000.00
Repayment of borrowings	(2,000.00)	(27,350.24)
Redemption of Non Cumulative Redeemable Convertible Preference Shares	-	(4,000.00)
Dividends paid on equity shares (including dividend tax)	(4,338.95)	(2,003.02)
Finance cost paid	(2,480.43)	(8,012.69)
Transaction cost paid on issue of debenture	-	(755.70)
Cash flow (used) in financing activities (C)	(8,819.38)	(12,121.65)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	1,557.19	(6,782.87)
Cash and cash equivalents at the beginning of the year	3,990.54	10,773.41
Cash and cash equivalents at the end of the year	5,547.73	3,990.54





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Statement of cashflow for the year ended March 31, 2018

(INR In Lakhs)

Notes:

(I) Component of cash and cash equivalents (refer note 9)

Cash on hand
Balance with bank
- On current accounts
- On fixed deposit accounts

For the year ended March 31, 2018	For the year ended March 31, 2017
32.74	0.61
5,514.99	604.94
-	3,385.00
5,547.73	3,990.54

- (ii) The cashflow statement has been prepared under indirect method as per Indian Accounting Standard - 7 "Cash Flow Statement".
(iii) Disclosure under Para 44A as set out as per Indian Accounting Standard - 7 "Cash Flow Statement" is given in the note 14(a).
(iv) Figures in brackets represent outflows.

As per our report of even date.

For S R B C & CO LLP

Firm Registration No.: 324982E/E300003

Chartered Accountants

**For and on behalf of the Board of Directors of
Gujarat Road and Infrastructure Company Limited**
(CIN No: U65990GJ1999PLC036086)


per Sukrut Mehta

Partner
Membership No. 101974


Director
DIN: 07836485


Director
DIN: 03295872


Parimal Mistry
Chief Financial Officer


Rajiv Dubey
Manager


Ankit Sheth
Company Secretary

Date : May 25, 2018
Place : Mumbai



Date : May 25, 2018
Place : Mumbai





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

1. Company information

Gujarat Road and Infrastructure Company Limited ("the Company") is engaged in development, construction as well as operation & maintenance of road infrastructure projects. The Company is a public company domiciled in India and it is incorporated under the provision of the Companies Act applicable in India. The registered office of the Company is located at Office of the Secretary, Roads & Buildings Department, Block 14, Second Floor, Sachivalaya, Gandhinagar – 382 010.

Upon the merger of the erstwhile Vadodara Halol Toll Road Company Limited ("VHTRL") and Ahmedabad Mehsana Toll Road Company Limited ("AMTRL") with the Company, Service Concession Arrangements ("SCAs") relating to Vadodara Halol Road Project ("VHRP") and Ahmedabad Mehsana Road Project ("AMRP") with the Government of Gujarat ("GoG"), devolved on the Company.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2018.

2. Basis of preparation

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 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

3. Summary of significant accounting policies:

The following are the significant accounting policies applied by the company in preparing its financial statements:

3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period;
- Held primarily for the purpose of trading; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period;
- Held primarily for the purpose of trading; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

3.2 Service Concession Arrangement

Rights under service concession arrangements

The Company builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix A to Ind AS 11. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion certificate from the authority as specified in the Concession Agreement. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted.





Amortization of Rights under service concession arrangements

The intangible assets which are recognised in the form of rights under service concession arrangements to charge users of the infrastructure asset is amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue is reviewed by the management at the end of the each financial year and accordingly, the total projected revenue is adjusted to reflect any change in the estimates which lead to the actual collection at the end of the concession period.

Construction Revenue

Contract revenue and costs associated with project related activities are accrued and recognized by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is accrued as "Unearned Revenue". Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it probable that customer will accept the claim and the amount that is probable to be accepted by the customer and can be measured reliably.

3.3 Property, plant and equipments

Property, plant and equipments are stated at their original cost of construction less accumulated depreciation and impairment losses, if any. Such cost comprise the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Depreciation

All tangible assets are depreciated on a Straight Line Depreciation Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para below:

Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the life of the assets assessed by the Company's Management based on internal technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc:

1. Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years
2. Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase.
3. Software are amortised over 4 years or useful life, whichever is shorter.
4. All categories of assets costing less than INR 5,000 each are fully depreciated in the year of purchase.

Considering the nature of property, plant and equipment employed by the Company and its use, Company has estimated the residual value of all the assets is to be Rupee 1/- each

Depreciation on assets purchased / sold during a period is proportionately charged for the period of use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Amortisation

Software / License is amortised over management estimates of its useful life of 3-6 years.

The residual value, useful live and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Impairment – 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 the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

The Company bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecasts calculations generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to statement of profit and loss accounts.

3.6 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 received. 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 specific recognition criteria described below must also be met before revenue is recognized.

- a. Toll revenue or other form of user fee pertaining to intangible asset under SCAs is recognised in the period of collection which generally coincides with the usage of the public service or where from such rights have been auctioned, in the period to which auctioned amount relates.
- b. Fees for way-side facilities and access are accounted on accrual basis evenly over the period the facility is provided.
- c. Interest income from financial asset is recognised when it is probable that the economic benefits will flow and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- d. Gain or Loss on sale of mutual fund is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of mutual fund and other incidental expenses.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that company incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

3.8 Financial instruments

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





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)

• Financial assets at amortized cost :

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

• Financial assets at fair value through profit or loss:

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in profit or loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

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

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

All financial liabilities are recognized initially at fair value in case of loan, borrowings and payable. Fair value is reduced by directly attributable transaction costs.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

ii. Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (FVTPL).

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the statement of profit or loss.

• **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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. This category generally applies to borrowings.

• **Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract. At inception, the fair value of the liability component is determined using a market rate. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

3.9 Fair Value Measurement

The company measures financial instruments such as Investment in Mutual Fund at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 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 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred 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) at the end of each reporting period.

The company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.10 Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable are expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the statement of profit and loss in the period in which the employee renders the related services.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such scheme. The contribution paid/payable under the scheme is recognised and charged to statement of profit & loss account during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

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 recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

c) Other Employment benefits

The employee's compensated absences, which is expected to be utilized or encashed within the next twelve months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

3.11 Income tax

Income tax expense comprises current tax and deferred tax

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

The Company recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit as an asset only to the extent that there is sufficient taxable temporary difference /convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.12 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event and 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. The expense relating to a provision is presented in the statement of profit or loss, net of reimbursement, if any. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to such obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of such obligation are reviewed annually and adjusted as appropriate.

3.13 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each balance sheet date

3.14 Segment

Based on management approach as defined in Indian Accounting standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for evaluation of Company's performance.

3.15 Cash dividend to equity holders of the company

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.





3.16 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which is subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

3.17 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to equity holders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

4. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

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

Property, plant and equipment

Refer Note 3.3 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Intangible Assets

The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

Provision for Overlay

Provision for Overlay work are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

5. Property, plant and equipment

Particulars	(INR in Lakhs)							Total Tangible Assets
	Office Building	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Data Processing Equipments		
Cost								
As at April 1, 2016	85.47	40.21	15.92	4.90	81.72	264.75	492.97	
Addition	-	1.69	-	-	40.04	26.09	67.82	
Disposal	-	-	-	-	11.66	1.99	13.65	
As at March 31, 2017	85.47	41.90	15.92	4.90	110.10	288.85	547.14	
Addition	-	4.83	1.23	-	-	32.83	38.89	
Disposal	-	-	-	-	-	-	-	
As at March 31, 2018	85.47	46.73	17.15	4.90	110.10	321.68	586.03	
Accumulated Depreciation								
As at April 1, 2016	23.04	28.90	12.24	4.90	33.25	209.84	312.17	
Addition	1.41	4.35	0.49	-	11.54	36.76	54.55	
Disposal	-	-	-	-	8.29	2.00	10.29	
As at March 31, 2017	24.45	33.25	12.73	4.90	36.50	244.60	356.43	
Addition	1.29	5.48	1.78	-	13.46	30.55	52.56	
Disposal	-	-	-	-	-	-	-	
As at March 31, 2018	25.74	38.73	14.51	4.90	49.96	275.15	408.99	
Net block								
As at April 1, 2016	62.43	11.31	3.68	-	48.47	54.91	180.80	
As at March 31, 2017	61.02	8.65	3.19	-	73.60	44.25	190.71	
As at March 31, 2018	59.73	8.00	2.64	-	60.14	46.53	177.04	

Note:

- The Company has elected to continue with the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP financial (Indian accounting principle generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014), as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
- Property, plant and equipment has been pledged against secured borrowings in order to fulfil the collateral requirement of lenders.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

6. Other Intangible Assets

(INR in Lakhs)

Particulars	Software / Licences acquired	Rights under service concession arrangements	Total Intangible Assets
Cost			
As at April 1, 2016	35.12	55,039.06	55,074.18
Addition	0.15	25.10	25.25
Disposal	-	-	-
As at March 31, 2017	35.27	55,064.16	55,099.43
Addition	1.86	19.70	21.56
Disposal	-	-	-
As at March 31, 2018	37.13	55,083.86	55,120.99
Accumulated Depreciation			
As at April 1, 2016	33.29	5,485.31	5,518.60
Addition	0.60	640.29	640.89
Disposal	-	-	-
As at March 31, 2017	33.89	6,125.60	6,159.49
Addition	2.06	609.95	612.01
Disposal	-	-	-
As at March 31, 2018	35.95	6,735.55	6,771.50
Net block			
As at April 1, 2016	1.83	49,553.75	49,555.58
As at March 31, 2017	1.38	48,938.56	48,939.94
As at March 31, 2018	1.18	48,348.31	48,349.49

Notes:

- Toll collection rights of widening of Vadodara-Halol Road (SH 87) beginning at Km 8/300 and ending at Km 40/000 from two lane carriageway to a dual two lane carriageway with physically segregated service roads abutting the main carriageway and widening of Ahmedabad-Mehsana Road (SH 87) beginning at Km 19/000 and ending at Km 70/600 (south of Mehsana) including the spur from Chhatral to Kadi 11.5 km long, from two lane carriageway to a dual two lane carriageway with physically segregated service roads abutting the main carriageway on Built, Own, Operate and Transfer (BOOT) basis is capitalised when the project is completed in all respects and when the Company receives the completion certificate from the authority as specified in the Concession Agreement i.e. AMRP February 20, 2003 and VHRP October 24, 2000 and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. Refer note 38 for detail additional disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA').
- Toll collection right has been pledged against secured borrowings in order to fulfil the collateral requirement of the Lenders.
- The SCAs for both projects has been granted for an initial period of 30 years from the "Operations Date" which is October 24, 2000 in the case of VHRP and February 20, 2003, in the case of AMRP. The SCAs also envisage the Company earning designated returns over the period of 30 years. In the event the Company is unable to earn the designated return, the SCAs provide for extension of the period of 30 years by two years at a time until the project costs and the returns thereon are recovered by the Company. However, the Company has made an application to GOG for restricting the concession period upto FY 2040 for VHRP and AMRP, acceptance of the application is awaited from the GOG. Accordingly, the remaining amortisation period considered for the Toll collection rights at the end of the reporting period is 22 years (March 31, 2017: 23 years).





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

7. Investments

Unquoted

Investments carried at fair value through profit or loss

Nil units (31 March 2017: 17,681.808 units) of SBI Premier Liquid Fund - Regular Plan - Growth with NAV of Rs. Nil (Rs. 2,545.6896)

		(INR in Lakhs)	
		As at	As at
		March 31, 2018	March 31, 2017
		-	450.00
Total		-	450.00

Fair value disclosures for financial assets are given in Note 28.

8. Trade receivables

- (a) Unsecured, considered good
(b) Unsecured, considered doubtful

Less: Allowance for expected credit loss / doubtful debts

		(INR in Lakhs)	
		As at	As at
		March 31, 2018	March 31, 2017
		670.00	0.16
		5.46	5.30
		675.46	5.46
		(5.46)	(5.30)
Total (A+B)		670.00	0.16

Notes:

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.
- Credit concentration
As at 31st March 2018, Out of the total trade receivables, 100% pertains to dues from Government of Gujarat toward exemption claim which has been recorded based on certainty.

9. Cash and bank balance

Cash and cash equivalents

- Cash on hand
Balances with Banks
Balances with Deposit Accounts

		(INR in Lakhs)	
		As at	As at
		March 31, 2018	March 31, 2017
		32.74	0.60
		5,514.99	604.94
		-	3,385.00
Total (A)		5,547.73	3,990.54

Other bank balance

Deposit with original maturity less than 12 month (earmarked) (refer below note)

		4,000.00	4,000.00
Total (B)		4,000.00	4,000.00
Total (A+B)		9,547.73	7,990.54

Notes:

Fixed Deposit lying with the bank in designated account as per terms of debenture trust deed toward the Major Maintenance Reserve Account and Debt Service Reserve Account for specific purpose. Hence, its considered as restricted cash & bank balance.

10. Other financial assets (Unsecured, considered good unless otherwise stated)

Non-current

Security deposits

		(INR in Lakhs)	
		As at	As at
		March 31, 2018	March 31, 2017
		14.27	89.02
Total (A)		14.27	89.02

Current

- Other advances
Interest accrued on term deposit
Insurance claim receivable (refer note below)

		81.15	2.18
		0.59	1.59
		574.74	2.23
Total (B)		656.48	6.00
Total (A+B)		670.75	95.02

Note: The Company has recorded insurance claim based on intimation letter received from Insurance company.

11. Other assets

Non-current

- Advance Income tax (net of provision)
Capital advances (unsecured, considered good)

		(INR in Lakhs)	
		As at	As at
		March 31, 2018	March 31, 2017
		956.01	861.46
		-	78.88
Total (A)		956.01	940.34

Current

- Mobilisation advance to contractor (unsecured, considered good)
Plan assets - Gratuity (refer note 30)
Prepaid expenses

		207.45	-
		2.08	-
		133.15	80.26
Total (B)		342.68	80.26
Total (A+B)		1,298.69	1,020.60





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

12. Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	INR in Lakhs	No. of shares	INR in Lakhs
Authorised Share capital				
Equity shares of Rs. 10 each	1,50,00,00,000	15,000.00	1,50,00,00,000	15,000.00
Non Cumulative, Redeemable Convertible Preference Shares of Rs 10 each	35,00,00,000	3,500.00	35,00,00,000	3,500.00
	1,85,00,00,000	18,500.00	1,85,00,00,000	18,500.00
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each fully paid-up	5,54,62,307	5,546.23	5,54,62,307	5,546.23
	5,54,62,307	5,546.23	5,54,62,307	5,546.23

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

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of shares	INR in Lakhs	Number of shares	INR in Lakhs
At the beginning of the year	5,54,62,307	5,546.23	5,54,62,307	5,546.23
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	5,54,62,307	5,546.23	5,54,62,307	5,546.23

(b) Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportionate to the number of equity shares held by the shareholders.

(c) Share held by holding Company:

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

	(INR in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
MAIF Investments India Pte. Ltd. - Holding Company 3,15,00,955 (March 31, 2017: 3,15,00,955) equity shares	3,150.10	3,150.10

(d) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<u>Equity Shares of Rs 10 each fully paid</u>				
IL&FS Transportation Networks Limited	56,84,520	10.24%	1,48,73,366	26.81%
MAIF Investments India Pte. Ltd.	3,15,00,955	56.80%	3,15,00,955	56.80%
Government of Gujarat	90,87,986	16.39%	90,87,986	16.39%
IL&FS Financial Services Limited	91,88,846	16.57%	-	0.00%
Total	5,54,62,307	100.00%	5,54,62,307	100.00%

As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

13. Other Equity	INR in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Equity Component of Compound Financial Instrument (refer footnote (i) below)		
Balance as the beginning of the year	-	-
Addition during the year	934.57	-
Balance at the end of the year	934.57	-
Capital redemption reserve		
Balance at beginning of the year	3,500.00	1,000.00
Addition during the year	-	2,500.00
Balance at end of the year	3,500.00	3,500.00
Debenture redemption reserve (DRR) (refer footnote (ii) below)		
Balance at beginning of the year	1,700.00	5,776.00
Transfer to / (from) statement of profit & loss	1,431.00	(4,076.00)
Transfer (to) General Reserve	(1,000.00)	-
Balance at end of the year	2,131.00	1,700.00
General Reserve		
Balance at beginning of the year	-	-
Transfer from Debenture redemption reserves	1,000.00	-
Balance at end of the year	1,000.00	-
Surplus in Statement of Profit and Loss		
Balance at beginning of the period	6,301.64	3,878.87
Adjustments during the year		
Net profit for the year	4,442.72	2,851.01
Interim dividend on equity shares (including DDT)	(2,002.59)	(2,003.02)
Final dividend on equity shares (including DDT)	(2,336.36)	-
Other comprehensive income / (expense) for the year	1.52	(1.22)
Transfer from / (to) Debenture redemption reserves	(1,431.00)	4,076.00
Transfer to Capital redemption reserves	-	(2,500.00)
Balance at end of the year	4,975.93	6,301.64
Total (A + B + C + D + E)	12,541.50	11,501.64

Footnote:

(i) The Board of Directors in their board meeting dated February 20, 2018 approved refund of advance of INR 10,500 Lakhs in three equal instalments viz April 1, 2018, April 1, 2019 and April 1, 2020 which was received towards Capital / debt from promoters i.e. IL&FS Transportation Networks Limited ("ITNL") and Government of Gujarat ("GoG") pursuant to Corporate debt restructuring plan. In accordance with the requirements of Ind AS 32, the said interest free advances has been separated into liability and equity components. Equity component has been classified under the other equity and liability component has been classified under other financial liabilities (refer note 17).

(ii) The Company issued redeemable non-convertible debentures (refer note-14), Accordingly, the Companies (Share capital and Debentures) Rules 2014 (as amended), require the company to create Debenture Redemption Reserve (DRR) out of profit of the company available for payment of dividend. DRR is required to be created for an amount equal to 25% of the value of debentures issued over the life of debenture. Upon redemption of debenture, DRR amount are transferred to general reserve. Accordingly, the Company has transferred INR 1,431.00 lakhs to DRR out of profit for the year and INR 1,000.00 lakhs from DRR to general reserve upon redemption of debentures during the year.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

14. Non Current Borrowings

Secured*

9% Redeemable, Non Convertible Debentures
2,600 (31 March 2017: 2,800) of Rs. 10,00,000 each

Less: Current maturities of redeemable Non Convertible Debentures* (refer note 17)

	INR in Lakhs	
	As at March 31, 2018	As at March 31, 2017
	25,425.18	27,333.86
	(2,412.45)	(1,910.15)
Total	23,012.73	25,423.71

*Includes the effect of transaction cost paid to Lenders on upfront basis.

The details in respect of Redeemable, Non-Convertible Debentures:

(i) Nature of security:

The debenture are secured by a pari-passu first charge in favour of the Trustee of the Company on the project assets and all Property, Plant and Equipments and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.

(ii) Terms of Repayment:

Non-Convertible Debentures are repayable in 28 consecutive half yearly installment starting from Sep-16 to March-30 as per schedule repayment mentioned in Schedule V of Debenture Trust Deed executed on May 6, 2016. The Non-Convertible Debentures are carrying fixed interest of 9% p.a.

(iii) Default and breaches:

Non-current borrowings contains debt covenants relating to Free Cash Flow to be maintained by the company as at the reporting date. The company has satisfied the debt covenant prescribed in the terms of the Debenture Trust Deed as at reporting date.

(iv) Fair value disclosures for financial assets are given in Note 28.

14a. Amendments to Indian Accounting Standard 7 "Statement of Cash flows":

The Company applied for the first time amendments to Indian Accounting Standard 7 "Statement of Cash Flows", which is effective for annual periods beginning on or after April 1, 2017. The amendments require the Company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as fair value changes). The Company has provided the information for current year which given as below:

Changes in liabilities arising from financing activities

Particulars	(INR in Lakhs)			
	April 1, 2017	Cash flows	Change in fair value	March 31, 2018
Non-current borrowings (including current maturities)	27,333.86	(2,000.00)	91.33	25,425.18
Total	27,333.86	(2,000.00)	91.33	25,425.18

15. Provisions

Non-current:

Provision for Employee benefits - leave encashment
Provision for Employee benefits - gratuity (refer note 30)
Provision for Periodical Overlay (refer note 31)

	INR in Lakhs	
	As at March 31, 2018	As at March 31, 2017
	13.64	4.98
	-	1.54
	593.35	484.37
Total (A)	606.99	490.89

Current:

Provision for Employee benefits - leave encashment
Provision for Periodical Overlay (refer note 31)

	5.22	1.40
	1,247.48	658.40
Total (B)	1,252.70	659.80
Total (A+B)	1,859.69	1,150.69

16. Trade payables

Total outstanding dues of creditors to micro and small enterprises*
Total outstanding dues of creditors other than micro and small enterprises

	INR in Lakhs	
	As at March 31, 2018	As at March 31, 2017
	-	-
	854.83	431.15
Total	854.83	431.15

*As per instruction available with the company, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

17. Other financial liabilities

Non-Current

Liability component of compound financial Instrument (refer note below)
Less: Current maturities of liability component of compound financial Instrument

	INR in Lakhs	
	As at March 31, 2018	As at March 31, 2017
	9,657.41	10,500.00
	(3,500.00)	-
Total (A)	6,157.41	10,500.00

Current

Current maturities of redeemable non-convertible debenture (Refer note 14)
Current maturities of liability component of compound financial Instrument (as per above)
Payable to GoG towards project management fees
Employee emoluments payable
Security Deposit

	2,412.45	1,910.15
	3,500.00	-
	398.56	398.56
	37.84	15.19
	13.73	12.97
Total (B)	6,362.58	2,336.87
Total (A + B)	12,519.99	12,836.87

Note:

As per the restructuring package approved by the Corporate Debt Restructuring ("CDR") Cell on June 17, 2004, the promoters i.e. IL&FS Transportation Networks Limited ("ITNL") and Government of Gujarat ("GoG") advanced to the Company amounting of Rs. 10,500 lakhs. Against this advances 1% Non-Cumulative Convertible Preference Shares and 8% Redeemable Convertible Preference Shares redeemable require to be issued to promoters. However, the same could not be issued because of pending approval from CDR cell. The Company has fully repaid the loans and restructuring charges in December'2013. As per vide letter no. BYCDR (SSA) No. 120/2014-15, dated May 20, 2014 from CDR cell confirming that the Company's account stands exited from the CDR System. After existed from CDR, the company had carried said advances as such under other financial liabilities since conversion/refund of said advances were not finalized. During the year, the Board of Directors in their board meeting dated February 20, 2018 has approved refund of said advance in three equal instalments viz April 1, 2018, April 1, 2019 and April 1, 2020. Accordingly, the said interest free advances has been separated into liability and equity components. Equity component has been classified under the other equity (refer note 13) and liability component has been classified under other financial liabilities. Interest on liability component is recognised using the effective interest method.

18. Other liabilities

Non-current:

Advance from customers

	INR in Lakhs	
	As at March 31, 2018	As at March 31, 2017
	210.92	204.72
Total (A)	210.92	204.72

Current

Statutory dues
Advance from customers (refer note 37)

	22.61	7.46
	1,946.03	63.35
Total (B)	1,968.64	70.81
Total (A+B)	2,179.56	275.53





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

19. Revenue from operations	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from toll collection (refer note below) (from Ahmedabad Mehsana Road and Vadodara Halol Road)	14,525.55	14,589.71
Construction revenue (refer note 37)	1,002.64	-
Total	15,528.19	14,589.71

Note:
The Government of Gujarat (GoG) issued a letter dated August 12, 2016 informing the Company about its decision to grant exemption from August 15, 2016 to Car/ Jeep/ Van/ 2 Wheeler/ 3Wheeler and passenger buses owned by Gujarat State Road Transport Corporation Ltd. from paying the user fee for use of the project highways operated by the Company.

GoG has assured the Company compensation for loss of revenue suffered due to the said exemptions. The modalities with respect to quantification of such compensation will be agreed between the GoG and the Company in due course. Revenue from such compensation is currently unascertainable. However, based on certainty of receipt from GoG, revenue of Rs. 4,020.00 lakhs has been recognised during the year ended March 31, 2018. As at reporting date, the total unpaid claim made by the Company on GoG toward above exemption amounts to Rs. 16,862.72 lakhs (including current period unpaid claim amounting to Rs. 11,308.53 lakhs), which has not been recognised as revenue, pending conclusion of modalities of compensation.

20. Other Income	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on bank deposits	388.83	414.99
Interest on income tax refund	-	17.21
Gain on investment in mutual fund	57.02	-
Income for laying cables, pipelines	119.41	97.05
Excess provision of performance related pay written back	-	16.82
Profit on sale of fixed assets	-	0.22
Total	565.26	546.29

21. Operating Expenses	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Operation and maintenance expenses (refer note 35)	2,222.40	1,661.14
Provision for periodical overlay expenses (refer note 31)	1,302.15	1,957.59
Total	3,524.55	3,618.73

22. Employee benefits expense	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and other allowances (refer note 30)	239.58	54.27
Contribution to provident and other funds (refer note 30)	11.09	3.22
Gratuity expenses (refer note 30)	2.10	0.75
Deputation cost	-	82.19
Staff welfare expenses	21.50	14.30
Total	274.27	154.73





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

23. Finance costs	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expenses on:		
Interest on deep discount bonds	-	2,302.75
Interest on debentures	2,475.12	2,942.85
Compound financial instruments	91.99	-
	2,567.11	5,245.60
Unwinding of discount on provision of overlay	102.85	-
Amortisation of processing fees	91.33	89.55
Premium on debentures	-	11.48
Redemption premium on deep discount bonds	-	269.99
Redemption premium on preference shares	-	57.80
Other borrowing costs	5.31	52.44
Total	2,766.59	5,726.86

24. Other expenses	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Legal and consultation fees (refer note 35)	558.86	120.91
Travelling and conveyance	26.37	47.30
Rates and taxes	1.04	20.86
Repairs and maintenance	19.30	25.58
Communication expenses	15.22	17.45
Insurance	88.77	98.21
Printing and stationary	2.48	4.09
Electricity charges	4.81	5.38
Directors sitting fees (refer note 35)	8.42	5.74
Allowance for doubtful debt	0.16	-
Loss on sale of property, plant and equipment	-	1.38
Auditors remuneration	14.75	43.79
CSR expenses (refer note 39)	98.11	121.75
Advertisement fees	5.84	29.46
Miscellaneous expenses	11.84	9.23
Total	855.97	551.13

Payments to auditors	INR in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Towards		
Statutory audit	12.50	36.15
Taxation matters	-	2.00
GST/Service tax on above	2.25	5.64
Total	14.75	43.79

25. Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net earnings available for equity shareholders (Rs in Million)	4,442.72	2,851.01
Number of equity shares at the end of the year	5,54,62,307	5,54,62,307
Weighted average number of equity shares for basic and diluted EPS	5,54,62,307	5,54,62,307
Nominal value of equity shares	10	10
Basic / Diluted Earnings per share (in INR)	8.01	5.14





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

26. Income tax

The major component of Income tax expense for the year ended March 31, 2018 and March 31, 2017 are as under:

	(INR In Lakhs)	
	March 31, 2018	March 31, 2017
a) Profit and loss section		
Current income tax:		
Current Income tax charges	1,801.00	937.00
Adjustments in respect of current income tax of previous year	83.11	-
Deferred tax:		
Relating to origination and reversal of temporary differences	678.03	601.10
Income tax expenses reported in the statement of profit or loss	2,562.14	1,538.10
b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate		
Accounting profit before tax	7,004.86	4,389.11
Statutory income tax rate	34.61%	34.61%
Expected income tax expenses	2,424.24	1,518.99
Tax effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses		
Tax impact on expenses capitalized for tax purpose	241.10	-
Tax effect of non-deductible items	31.83	19.11
Tax on income at different rate	(10.92)	-
Adjustment on account of tax related to earlier years	(124.11)	-
At the effective income tax rate of 36.58% (March 31, 2017: 35.04%)	2,562.14	1,538.10

c) Deferred tax relates to the followings:

Particulars	(INR In Lakhs)			
	Balance sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purpose	(11,341.00)	(11,216.55)	124.45	121.11
Expenditure allowable over the period	-	(230.54)	(230.54)	230.54
Expenditure allowed on payment basis	645.50	405.25	(240.25)	(397.66)
Tax credit entitlement under MAT (refer note d below)	8,377.77	6,500.05	(1,877.72)	(937.01)
Unused tax depreciation available for offsetting against future taxable income	118.56	3,020.65	2,902.09	1,584.11
Deferred tax expense / (income)			678.03	601.10
Net deferred tax assets / (liabilities)	(2,199.17)	(1,521.14)		

d) The company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance sheet at:

Financial Year	Amount (INR in lakhs)	Expiry Year
2010-11	297.06	2025-26
2011-12	1,071.71	2026-27
2012-13	1,203.50	2027-28
2013-14	1,356.93	2028-29
2014-15	1,099.78	2029-30
2015-16	324.86	2030-31
2016-17	1,222.93	2031-32
2017-18	1,801.00	2032-33
Total	8,377.77	

Note:

- (i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same tax authority.
- (ii) During the year ended March 31, 2018 and March 31, 2017, the company paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

27. Disclosure of Financial Instruments by Category

(INR In Lakhs)

Particulars	Note no.	March 31, 2018			March 31, 2017		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial assets							
Investment in Mutual fund	7	-	-	-	450.00	-	-
Cash and bank balances	9	-	-	9,547.73	-	-	7,990.54
Trade receivables	8	-	-	670.00	-	-	0.16
Other financial assets	10	-	-	670.75	-	-	95.02
Total Financial Asset		-	-	10,888.48	450.00	-	8,085.72
Financial liabilities							
Redeemable, Non-convertible debentures	14	-	-	25,425.18	-	-	27,333.86
Trade Payables	16	-	-	854.83	-	-	431.15
Other financial liabilities	17	-	-	10,107.54	-	-	10,926.72
Total Financial Liabilities		-	-	36,387.55	-	-	38,691.72

28. Fair value disclosures for financial assets and financial liabilities

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

(INR In Lakhs)

Particular	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investment in Mutual Fund	-	-	450.00	450.00
Total Financial Assets	-	-	450.00	450.00
Financial liabilities				
Redeemable, Non-convertible debentures	25,425.18	25,713.90	27,333.86	29,970.18
Total Financial Liabilities	25,425.18	25,713.90	27,333.86	29,970.18

Notes:

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- 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.

29. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018 and March 31, 2017

(INR In Lakhs)

	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2018	March 31, 2017
Assets measured at fair value (note 29)			
Fair value through profit & loss			
Investment in Mutual Fund	7	-	450.00
Liabilities for which fair value are disclosed (note 29)			
Redeemable, Non-convertible debentures	14	25,713.90	29,970.18

There have been no transfers between level 1 and level 2 during the years.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

30. Employee Benefit Obligations

A. Defined-Contribution Plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities

Contribution to	(INR In Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Provident fund	5.33	1.39
Superannuation fund	1.15	0.97
Employees' State Insurance	1.40	0.22
Pension fund	3.21	0.64
Total	11.09	3.22

B. Defined-Benefits Plans:

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to a Life Insurance Corporation of India. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method as prescribed by the Indian Accounting Standard-19. Gratuity has been recognised in the financial statement as per details given below:

i) Change in present value of the defined benefit obligation are as follows:

	(INR In Lakhs)	
	As At March 31, 2018	As At March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	8.31	5.88
Interest cost	0.60	0.47
Current service cost	1.98	0.71
Re-measurement (or Actuarial) (gain) / loss arising from and including OCI		
- change in financial assumption	(2.34)	0.64
- experience variance	1.04	0.61
Benefits paid	(0.48)	-
Liability transferred in / acquisitions	23.90	-
Present value of the defined benefit obligation at the end of the year	33.01	8.31

ii) Changes in fair value of plan assets are as follows:

	(INR In Lakhs)	
	As At March 31, 2018	As At March 31, 2017
Fair value of plan assets at the beginning of the year	6.77	5.42
Interest Income	0.49	0.43
Contributions by employer	4.20	0.89
Assets transferred in / acquisitions	23.90	-
Return on plan assets, excluding amount recognised in net interest expenses	0.21	0.03
Benefits Paid	(0.48)	-
Fair value of plan assets at the end of the year	35.09	6.77

iii) Net assets/ (liability) recognised in the balance sheet:

	(INR In Lakhs)	
	As At March 31, 2018	As At March 31, 2017
Present value of the defined benefit obligation at the end of the year	33.01	8.31
Fair value of plan assets at the end of the year	35.09	6.77
Amount recognised in the balance sheet	(2.08)	1.54

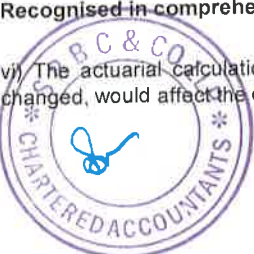
iv) Expenses recognised in the statement of profit and loss for the year:

	(INR In Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service costs	1.98	0.71
Interest expense	0.12	0.04
Amount charged to the statement of profit and loss	2.10	0.75

v) Recognised in the other comprehensive income/(expenses) for the year:

	(INR In Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain)/losses arising from		
- change in financial assumption	2.34	(0.64)
- experience variance	(1.04)	(0.61)
Return on plan assets, excluding amount recognised in net interest expenses	0.22	0.03
Recognised in comprehensive income	1.52	(1.22)

vii) The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense:





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

	As At March 31, 2018	As At March 31, 2017
Rate for discounting	7.86% p.a.	7.27% p.a.
Expected salary growth rate	6.85% p.a.	6.50% p.a.
Expected return on scheme assets	7.86% p.a.	7.27% p.a.
Rate of Employee Turnover	2.00% p.a.	2.00% p.a.
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

vii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Investments with insurer	100%	100%

As the gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

	Sensitivity level	For the year ended March 31, 2018	For the year ended March 31, 2017
Rate of Discounting	1.00% Increase	(3.50)	(0.91)
	1.00% decrease	4.11	1.08
Salary growth rate	1.00% Increase	4.12	1.08
	1.00% decrease	(3.57)	(0.92)
Rate of Employee Turnover	1.00% Increase	0.35	0.07
	1.00% decrease	(0.40)	(0.08)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

xi) Maturity profile of defined benefit obligation:

	For the year ended March 31, 2018	For the year ended March 31, 2017
1st Following Year	0.82	0.21
2nd Following Year	2.09	0.22
3rd Following Year	0.87	1.41
4th Following Year	0.92	0.20
5th Following Year	1.04	0.21
Sum of Years 6th to 10th	12.92	2.67

The average duration of the defined benefit plan obligation at the end of the reporting period is 13 years (March 31, 2017: 14 years).

C. Other Employee Benefits:

Salaries, Wages and Bonus include INR 3.34 lakhs (Previous Year INR Nil lakhs) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences.

31. Disclosure with respect to Periodical overlay

Provision for periodical overlay in respect of toll roads maintained by the Company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

	(INR in Lakhs) As At March 31, 2018
Carrying amount as at April 01, 2017	1,142.77
Add: Provision made during the Year	1,302.15
Add: Increase during the year in the discounted amount due to passage of time	102.85
Less: Amounts used during the Year	(706.94)
Carrying amount as at March 31, 2018	1,840.83
Expected time of outflow	In the year 2018-19 to 2021-22

32. Segment Reporting

The Company is engaged in the business of setting up of infrastructure facility on BOOT basis. Accordingly, the Company has considered BOOT segment as a single operating segment in accordance with the Indian Accounting Standard (Ind AS) 108 on "Operating Segments". Further, the Company also primarily operates under one geographical segment namely India.





33. Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade and other receivables and cash and bank balance that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, trade and other receivables and trade and other payables.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on systematic basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The interest risk arises to the Company mainly from long term borrowings with variable rates. The Company maintains its borrowings at fixed rate using interest rate using interest rate swaps to achieve this when necessary. The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The Company measures risk through sensitivity analysis.

Interest rate sensitivity

The Company is not exposed to interest rate risk because it has borrowings in Non-convertible debentures carries fixed interest rates.

b. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivable and other financial assets) and from its financing activities, including deposit with bank, temporary investment in mutual fund and other financial instruments.

Trade receivable consist of receivable from GoG toward receivable toward exemption claim which has been recorded based on certainty. Accordingly, the company is not exposed to credit risk in relation to trade receivable.

Credit risk from balances with banks and financial institutions is managed by the Company's finance and accounts department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet as of March 31, 2018 is INR 9,547.73 Lakhs and March 31, 2017 is INR 8,440.54 Lakhs.

c. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(INR In Lakhs)

Particulars	Total Amount	unto 1 year	1-2 years	2 - 5 years	> 5 years
As at March 31, 2018					
Non current borrowings#	26,000.00	2,500.00	2,500.00	7,500.00	13,500.00
Trade Payables	854.83	854.83	-	-	-
Other Financial Liabilities	10,950.13	3,950.13	3,500.00	3,500.00	-
Total	37,804.96	7,304.96	6,000.00	11,000.00	13,500.00
As at March 31, 2017					
Non current borrowings#	28,000.00	2,000.00	2,500.00	7,500.00	16,000.00
Trade Payables	431.15	431.15	-	-	-
Other Financial Liabilities	10,926.72	10,926.72	-	-	10,500.00
Total	39,357.87	13,357.87	2,500.00	7,500.00	26,500.00

Current maturity of Non-current borrowings is included and unamortised transaction cost paid to Lenders on upfront basis excluded from above

34. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manage its capital structure and makes adjustments 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 debt dividend by total capital plus net debt. The Company policy is to keep the gearing ratio between 30% to 60%. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balance.

(INR In Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Borrowings (refer note 14)	25,425.18	27,333.86
Less: Cash and bank balance (refer note 9)	(9,547.73)	(7,990.54)
Net Debt	15,877.45	19,343.32
Total equity capital	18,087.73	17,047.87
Capital and net debt	33,965.18	36,391.19
Gearing ratio	46.75%	53.15%

Borrowing is defined as non-current and current maturity of borrowings.
Equity capital is defined as equity share capital and reserves and surplus.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

35. Related Party Disclosures

Related party disclosures as required under the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are given below:

Name of the related parties and description of relationship

(a) Related Parties where control exists

Holding Company MAIF Investments India Pte. Ltd. (MAIF)

(b) Related Parties with whom transactions have taken place during the year

Fellow subsidiary MIRA India Management Service Pvt Ltd (MIMSPL)

Enterprise having significant influence over the company IL&FS Transportation Networks Limited (ITNL) (Resigned on Feb 20, 2018)
Government of Gujarat (GoG)

Subsidiary of enterprise having significant influence over the company Elsamex Maintenance Services Limited (EMSL) (Resigned on Feb 20, 2018)

Key Management Personnel:

S. B. Vasava (Non-executive director) (Appointment on Sept 3, 2016)
Ajay H. Bhadoo (IAS) (Non-executive director) (Resigned on Sept 30, 2016)
P. J. Patel (Non-executive director) (Resigned on August 1, 2016)
Ashwinkumar Yadav (IAS)(Non-executive director)(Appointment on Nov 22, 2016)
R. K. Chauhan (Non-executive director) (Resigned on Sept 12, 2017)
K M. Patel (Non-executive director)
Manu Kochhar (Non-executive director) (Resigned on Nov 3, 2016)
Mukund Sapre (Non-executive director)
Dilip Bhatia (Non-executive director) (Resigned on Feb 20, 2018)
Rajendra Desai (Non-executive director)
Asit Pal (Non-executive director)
Rajiv Dubey (Manager)
Parimal Mistry (Chief Financial Officer)
Ankit Sheth (Company Secretary)

(c) Transactions with Related Parties for the period ended:

(INR in Lakhs)

Sr. No.	Particulars	Name of the Parties	March 31, 2018	March 31, 2017
1	Commitment Charges paid	ITNL	-	323.97
2	Operation & Maintenance Expenses	ITNL	-	1,134.46
3	TMS - Maintenance Exp	ITNL	44.50	-
4	Overlay Expenses	EMSL	394.71	814.82
5	Operation & Maintenance Expenses	EMSL	2,149.81	-
6	Management Consultancy Fees	MIMSPL	422.10	-
7	Dividend paid	MAIF	2,047.56	-
8	Dividend paid	ITNL	966.77	-
9	Director's sitting fees	S. B. Vasava	0.94	0.22
10	Director's sitting fees	Ajay H. Bhadoo (IAS)	-	0.22
11	Director's sitting fees	P. J. Patel	-	0.45
12	Director's sitting fees	Ashwinkumar Yadav (IAS)	0.71	0.11
13	Director's sitting fees	R. K. Chauhan	0.46	0.64
14	Director's sitting fees	N. G. Parmar	0.47	-
15	Director's sitting fees	K M. Patel	0.94	0.75
16	Director's sitting fees	Manu Kochhar	-	0.11
17	Director's sitting fees	Mukund Sapre	0.23	0.34
18	Director's sitting fees	Dilip Bhatia	0.24	0.67
19	Director's sitting fees	Rajendra Desai	2.34	1.23
20	Director's sitting fees	Asit Pal	2.11	1.01
21	Remuneration to KMP	Parimal Mistry	25.54	17.26
22	Remuneration to KMP	Ankit Sheth	26.76	18.96

(d) Balances at the period end:

(INR in Lakhs)

Sr. No.	Particulars	Name of the Parties	March 31, 2018	March 31, 2017
1	Advance towards Capital/Debt (refer footnote (iv))	ITNL	7,500.00	7,500.00
2	Trade payable	ITNL	-	20.91
3	Others advances	EMSL	-	78.88
4	Retention money payable	EMSL	-	55.17

Footnote:

(i) Reimbursement of cost is not included above.

(ii) The remuneration to key managerial personnel given above is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

(iii) Transaction with GoG consists of payment towards dividend is INR 590.72 Lakhs (Previous year: INR 272.64 Lakhs) and an outstanding balance of INR 3,000 Lakhs (refer footnote (iv)) (as on March 31, 2017: INR 3,000 Lakhs) against advance towards capital / debt.

(iv) Advance towards capital / debts includes equity and liability components less finance cost recognised till reporting date.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

36. Contingent Liabilities and Commitments (to the extent not provided for):

a. Contingent Liabilities

In case of disputes decided in favour of the Company at the First Appellate Authority for assessment years 2002-03 to 2005-06 and 2007-08 to 2012-13, the department has gone for further appeal in all these cases. If decided against the Company, it will result in reduction of unabsorbed losses and unabsorbed depreciation as per the Income - Tax law aggregating – INR 30,065.93 lakhs (March 31, 2017 INR 26,677.57 lakhs) for the above assessment year. The tax impact and consequential interest and penalty for each assessment year cannot be ascertained.

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances - INR Nil (net of advances of INR Nil) as at March 31, 2018 (INR 709.91 lakhs and not provided for net of advances (net of advances of INR 78.88 lakhs as at March 31, 2017)

37. Disclosure in respect of Construction Contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

	(INR In Lakhs)	
	March 31, 2018	March 31, 2017
I Contract revenue recognized as revenue in the year	1,002.64	-
II For Contracts that are in progress:-		
a. Contract costs incurred and recognized upto reporting date	1,002.64	-
b. Profits (less recognized losses) upto reporting	-	-
c. Advances received	1,887.56	-
d. Retention Money	-	-
III Unbilled Revenue	-	-
IV Unearned Revenue	-	-

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

38. Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements"

A Description and classification of the arrangement

The Service Concession Arrangement ("SCA") in respect of VHRP was entered into on October 17, 1998 while that in respect of AMRP was entered into on May 12, 1999. The SCA in respect of VHRP envisages the widening of Vadodara-Halol Road (SH 87) beginning at Km 8/300 and ending at Km 40/000 from two lane carriageway to a dual two lane carriageway with physically segregated service roads abutting the main carriageway. The SCA in respect of AMRP envisages the widening of Ahmedabad-Mehsana Road (SH 87) beginning at Km 19/000 and ending at Km 70/600 (south of Mehsana) including the spur from Chhatral to Kadi 11.5 km long, from two lane carriageway to a dual two lane carriageway with physically segregated service roads abutting the main carriageway.

Upon the merger of the erstwhile Vadodara Halol Toll Road Company Limited ("VHTRL") and Ahmedabad Mehsana Toll Road Company Limited ("AMTRL") with the Company, Service Concession Arrangements ("SCAs") relating to Vadodara Halol Road Project ("VHRP") and Ahmedabad Mehsana Road Project ("AMRP") with the Government of Gujarat ("GoG"), devolved on the Company.

B Significant Terms of the arrangements

i Toll Rate Revision

Toll rates shall be revised annually on April 01 as per the clause 11.3 of the Concession Agreement.

ii Extension of concession period

The Concession period shall be extended:

- a. In the event that the Concessionaire has not recovered the Total Cost of Project and the Returns thereon on the date 30 years from the Operations Date, the Concession Period shall at the request of the Concessionaire, without qualification, be extended by GoG for a period of two years at a time until the Total Cost of Project and the Returns thereon have been recovered by the Concessionaire
- b. If in the view of the Independent Auditor the Total Cost of Project and the Returns thereon could not reasonably be expected to be recovered only by extending the Concession Period, as stated hereinabove, GoG may on receipt of request from the Concessionaire :
 - (i) increase the rate of Toll in consultation with the Concessionaire
 - (ii) confer to the Concessionaire a capital grant for the purposes of the Project to be credited by the Concessionaire to the Total Cost of Project or a loan of such amount and on such conditions as may be agreed to between the Parties; and/ or
 - (iii) grant Development Rights, to the Concessionaire, in accordance with Article 4 ; and/or
 - (iv) revise this Agreement on such terms and conditions as may be agreed to between the Parties, to facilitate recovery of the Total Cost of Project and the Returns thereon.

iii Rights of the Company to use Project Highway

- a To demand, collect and appropriate, Fee from vehicles and Users liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
- b Right of Way, access and licence to the Site.

iv Obligation of the Company

- a The Concessionaire shall not assign, transfer or sublet or create any lien or Encumbrance on the SCA, or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by SCA or the Substitution Agreement.
- b The Concessionaire operate and maintain the project highways in accordance with the conditions of all Clearances, Prudent Utility Practices, the Technical Requirements and the Performance Standards as defined in SCA





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

v **Details of any assets to be given or taken at the end of concession period**

At the end of the Concession Period the Project Highways transferred to GoG is in fair condition, subject to normal wear and tear having regard to their use in accordance with Prudent Utility Practices

vi **Details of Termination**

SCA can be terminated on account of default of the company or GoG in the circumstances as specified under article 17 of the SCA.

C There has been no change in the concession arrangement during the year.

D Below is details of revenue and Loss recognised in the year March 31, 2018 and March 31, 2017 on exchange of construction services for intangible assets:

The Company has recognised revenue of Rs. 15,528.19 million (March 31, 2017: Rs. 14,589.71 million) on operation of toll road in form of Toll collection from users and Construction revenue of Rs. 1,002.64 million (March 31, 2016: Rs. Nil million) received from GoG toward change in Scope. The Company recognised profit before tax of Rs. 7,004.86 million (March 31, 2017: Rs. 4,389.11 million) on operation of toll road and Rs. Nil million (March 31, 2017: Rs. Nil million) from construction operation.

39. Details of Expenditure on Corporate Social Responsibilities

	(INR In Lakhs)		
	As at March 31, 2018	As at March 31, 2017	
(i) Gross Amount required to Spent during the year	98.11	121.75	
(ii) Amount spent during the year ended			
As at March 31, 2018			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	98.11	-	98.11
Total	98.11	-	98.11
As at March 31, 2017			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	121.75	-	121.75
Total	121.75	-	121.75

40 a. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ind AS 115. Revenue from Contract with Customers:

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with *Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the company has concluded its evaluation.

40 b. Events after the reporting period

The Board of Directors of the Company in their meeting held on May 25, 2018 has recommended for payment of final dividend @ 15% i.e. Rs. 1.50/- per equity share of Rs.10 each fully paid up for the year ended March 31, 2018 subject to approval of the members at the ensuing general meeting.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Notes to the financial statements for the year ended March 31, 2018

41. Previous year comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification. Previous years' figures were audited by a firm of Chartered Accountants other than S R B C & CO LLP.

As per our report of even date

For S R B C & CO LLP

Firm Registration No.: 324982E/E300003

Chartered Accountants

per **Sukrut Mehta**
Partner

Membership No. 101974



Date : May 25, 2018
Place : Mumbai

**For and on behalf of the Board of Directors of
Gujarat Road and Infrastructure Company Limited
(CIN No: U65990GJ1999PLC036086)**

Director
DIN: 07836425
Director
DIN: 03295872
Parimal Mistry
Chief Financial Officer
Rajiv Dubey
Manager
Ankit Sheth
Company Secretary

Date : May 25, 2018
Place : Mumbai