

# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED



**ANNUAL REPORT 2017**

### **BOARD OF DIRECTORS**

Mr. S. B. Vasava  
Mr. Ashwani Kumar (IAS)  
Mr. K. M. Patel  
Mr. R. K. Chauhan  
Mr. Mukund Sapre  
Mr. Dilip Bhatia  
Mr. Suresh Goyal  
Mr. Naren Babu Karanam  
Ms. Shubhangini Subramaniam  
Mr. Deep Gupta  
Mr. Rajendra Desai  
Mr. Asit Pal

### **STATUTORY AUDITOR**

Deloitte Haskins & Sells  
Chartered Accountants  
Indiabulls Financial Centre, Tower 3, 27<sup>th</sup> -32<sup>nd</sup> Floor,  
Senapati Bapat Marg, Elphinstone Road (West),  
Mumbai - 400 013

#### **OUR BANKERS**

Axis Bank Ltd.  
S. G. Highway, Ahmedabad - 380015  
  
Central Bank of India  
Lal Darwaja Branch, Ahmedabad - 380 001  
MCF Branch, Akota, Vadodara - 390 007

#### **TRUSTEE**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai - 400 001.

### **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 - 1, Opp. Rajpath Club, Sarkhej-Gandhinagar Highway, Bodakdev, Ahmedabad – 380 015  
Telephone: +91 79 26873413 Fax: +91 79 26870094 e-mail: [gricl@vsnl.net](mailto:gricl@vsnl.net) CIN U65990GJ1999PLC036086

## DIRECTORS' REPORT

To,  
The Shareholders,  
Gujarat Road and Infrastructure Company Limited

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts for the year ended March 31, 2017.

### 1. FINANCIAL RESULTS

The Company earned total revenues of Rs. 1,513.60 Mn during the financial year 2016-17 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:

(Rs. in Mn)		
Particulars	F. Y. 2016-2017	* F. Y. 2015-2016
Income	1,513.60	1,349.04
Expenses	1,074.69	1,312.06
Profit Before Taxes	438.91	36.98
Provision for Taxation	153.81	27.15
Profit / (Loss) After Taxes	285.10	9.83
Other Comprehensive Income	(0.12)	(0.28)
Total Comprehensive Income	284.98	9.55

\* Previous year numbers in the financial statements have been restated to Ind AS

The Company has transferred an amount of Rs. 170 Mn towards Debenture Redemption Reserves. An amount of Rs. 115.10 Mn has been retained in the Statement of Profit and Loss

### 2. DIVIDEND

The Board of Directors of the Company in its meeting held on November 7, 2016, had declared and paid interim dividend @ 30% i.e. Rs. 3/- per equity share of Rs.10 each fully paid up aggregating to Rs. 200.26 Mn (including dividend tax Rs. 33.87 Mn).

The Board of Directors have recommended payment of final dividend @ 30% i.e. Rs. 3/- per equity share of Rs.10 each fully paid up for the year ended March 31, 2017. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs. 200.26 Mn (including dividend tax Rs. 33.87 Mn).

### 3. BORROWING

During the year, the Company had issued 3000 rated, listed, Secured Non Convertible Debentures of face value of Rs. 10 lacs each aggregating Rs. 300 Crore on private placement basis in the month of April 2016. The said money was utilized for payment existing debts including Deep Discount Bond.



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#### **4. 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 GSRDC w.e.f August 15, 2016 on all State Highways. As per the said decision, the Company shall be compensated by the Government 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.

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. P.J.Patel resigned as Director of the Company consequent to his retirement from the services of the Government of Gujarat effective July 31, 2016. The Government of Gujarat had thereafter nominated Mr. S. B. Vasava, the Secretary, Roads and Building Department as Director of the Company effective August 1, 2016. The Government of Gujarat had also nominated Mr. Ashwani Kumar, IAS, the Secretary to the Chief Minister, Government of Gujarat as a Director in place of Mr. Ajay Bhadoo, IAS w.e.f November 22, 2016.

Mr. Manu Kochhar, the nominee Director of IL&FS Transportation Networks Limited resigned w.e.f November 3, 2016.

Mr. Deep Gupta and Mrs. Shubhangini Shubramaniam had been appointed as a Nominee Director of MAIF Investments India Pte Limited w.e.f July 29, 2016 and November 7, 2016 respectively.

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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. Mukund Sapre, Mr. K.M. Patel and Mr. Suresh Goyal, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

## 8. **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

### ➤ **Composition of the Board of Directors**

Category	Number of Directors
Non Executive Directors	10
Independent Directors	2

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

- A total Six of Board Meetings were held during the year 2016-17 on the April 7, 2016, May 2, 2016, July 29, 2016, August 28, 2016, November 7, 2016 and February 27, 2017. 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 (appointed on 03.09.2016)	2	2
2	Mr. Ashwani Kumar, IAS (appointed on 22.11.2016)	1	1
3	Mr. K.M.Patel	6	6
4	Mr. R.K.Chauhan	6	5
5	Mr. Mukund Sapre	6	2
6	Mr. Dilip Bhatia	6	3
7	Mr. Suresh Goyal	6	2
8	Mr. Naren Babu Karanam	6	3
9	Mr. Deep Gupta (appointed on 29.07.2016)	4	1
10	Mrs. Shubhangini Subramaniam (appointed on 07.11.2016)	2	2
11	Mr. Asit Pal	6	5
12	Mr. Rajendra Desai	6	6
11	Mr. P.J.Patel (Resigned on 31.07.2016)	3	3
13	Mr. Ajay Bhadoo, IAS (Resigned on 30.09.2016)	4	2
14	Mr. Manu Kochhar (Resigned on 03.11.2016)	4	0



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➤ **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 Mr. Dilip Bhatia. The Committee had three meetings during the year under review, on April 28, 2016, August 26, 2016 and November 7, 2016.

➤ **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was reconstituted comprising Mr. Rajendra Desai, Mr. Asit Pal and Mr. Naren Babu Karanam on August 26, 2016. During the year, Mr. Naren Babu Karanam has been inducted in place of Mr. Mukund Sapre as a member of the Committee. During the year, there was a meeting on February 25, 2017.

➤ **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee was reconstituted comprising Mr. Naren Babu Karanam, Mr. Rajendra Desai and Mr. R.K.Chauhan as per the provision of Section 135 of the Companies Act, 2013 During the year, there was a meeting on May 2, 2016.

**9. 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 which were in conflict with the interest of the Company. A disclosure as required pursuant to the provisions of the Companies Act, 2013 has been annexed as '**Annexure A**' to this Report

**10. 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;



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- (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

## **11. 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. R. K. Chauhan. 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;
- 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 B**' to this Report

## **12. 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.

## **13. 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.

## **14. FIXED DEPOSIT**

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



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## **15. STATUTORY AUDITORS**

Deloitte Haskins & Sells LLP, Statutory Auditors, were appointed as the Auditors of the Company to hold office from the conclusion of the Annual General Meeting (AGM) held on August 8, 2014 till the conclusion of the 18<sup>th</sup> AGM of the Company to be held in 2017 for a period of three years, subject to ratification of their appointment by the Members at every AGM. A Certificate confirming their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder to continue as Auditors for FY 2016-17 had been received from the Auditors.

## **16. 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. Harish P. Jain & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report dated April 12, 2016 is annexed herewith 'Annexure C'. The Report does not contain any qualification.

## **17. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as 'Annexure D.'

## **18. 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.

## **19. 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 2016-17, no employee of the Company was denied access to the Audit Committee.



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## **20. 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.

## **21. 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.

## **22. 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.

## **23. 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.



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CIN U65990GJ1999PLC036086

## **24. ACKNOWLEDGEMENTS**

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

By Order of the Board

Director

Director

Date: May 5, 2017

Place : Gandhinagar

## ANNEXURE 'A' TO BOARD'S REPORT

### FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis– **NIL**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis- **NIL**

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts/arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. in Lakhs)	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
NIL					

Form shall be signed by the persons who have signed the Board's report.



Director



Director

## **ANNEXURE 'B' 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. – **CSR Policy attached**
- (2) The composition of the CSR Committee.–
  - **Mr. Rajendra Desai (Independent Director)**
  - **Mr. Naren Babu Karanam- (Non Executive Director)**
  - **Mr. R. K. Chauhan (Non-Executive Director)**
- (3) Average Net Profit of the Company for last 3 financial years.– **Rs. 415.24mn**
- (4) Threshold Limit - (2% of this amount as in 1 above) – **Rs. 8.30 mn**
- (5) Details of CSR to be spent during the financial year:
  - (a) Total amount to be spent for the financial year: - **Rs. 13.76mn**
  - (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 <b>Subheads :</b> 1. Direct expenditure on project 2. Overheads	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
1	Sanitation Programme in Schools	(i) promoting preventive health care and sanitation	1. Local Area Kumetha, Bhaupura, Bhaniyara, Machlipura, Kamrol, Kotambi, Lilora, Panchdevla, Asoj, Khandiwada, Adiran, Anandpura, Jambudiyapura, Baska, Nurpura	Rs.28,70,000	1. Direct – Rs.22,87,648	Rs.22,87,648	Direct and Through Implementation Agency (Nalanda Foundation)

			villages 2. Vadodara District, Gujarat				
2	Jambudiyapura Clean Village Programme	(i) promoting preventive health care and sanitation	1. Local Area Jambudiyapura Village 2. Vadodara District, Gujarat	Rs. 57,40,000	1. Direct – Rs.45,14,552 2. Overheads – 7,98,785	Rs. 53,13,337	Direct and Through Implementation Agency (Nalanda Foundation)
3	Solid Waste Management in Jambudiyapura	(i) promoting preventive health care and sanitation	1. Local Area Jambudiyapura Village 2. Vadodara District, Gujarat	Rs.4,20,000	1. Direct – Rs. 1,20,000	Rs. 1,20,000	Direct and Through Implementation Agency (Nalanda Foundation)
4	Road Safety Programme	(ii) promoting education	1. Local Area Amipura, Bhasariya, Chandarda, Chattral, Dholasan, Dantali, Kasturinagar, Kalol, Boriyavi, Mandali, Shobhashan, Sukhpura, Saij, Shertha, Tundali 2. Mehsana District, Gujarat; Gandhinagar District, Gujarat	Rs. 37,30,000	1. Direct – Rs. 44,54,044	Rs. 44,54,044	Direct and Through Implementation Agency (Nalanda Foundation)
<b>Total Budget</b>				<b>Rs. 1,37,60,000</b>	<b>Direct Rs. 1,13,76,244 Overhead Rs. 7,98,785</b>	<b>Rs.1,21,75,029</b>	Direct and Through Implementation Agency (Nalanda Foundation)

**\*Note:** Discretionary budget of Rs. 1.0 Mn used for road escalator and categorized under Road Safety

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.



Director



Chairman of CSR Committee

# ANNEXURE "C" TO BOARD REPORT

**Harish P. Jain & Associates**

*Practising Company Secretary*

**Harish P. Jain**

(B.Sc., LL.B., FCS)

302, "Narayan Krupa Square",  
B/h. Old Natraj Cinema, Near Sakar - V,  
Off Ashram Road, **Ahmedabad - 380 009.**

Telefax : (O) : **079 - 26574144**

Ph. (R) : **079 - 6731067**

Mobile : **98253 55626**

E-mail : **cs.harishjain@gmail.com**

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31/03/2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,**

**The Members,**

### **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

I/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** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** 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 secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31ST DAY OF MARCH, 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:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** for the financial year ended on 31/03/2017, 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) Company being an unlisted Company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company viz:-



## ANNEXURE "C" TO BOARD REPORT

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an 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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Company has complied with Gujarat Infrastructure Development Act, 1999 and the rules made thereunder during the year under review;

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

- (i) Secretarial Standards – I regarding Board Meeting and Secretarial Standards – II regarding General Meeting issued by The Institute of Company Secretaries of India.

I/We Further Report that Company has duly Complied with the provisions of Declaration and payment of Dividend as Enshrined under the Companies Act, 2013 for the year under review. Further Company has also complied with various clauses of the Debt Listing Agreement under the listing Agreement Executed with the National Stock Exchange of India.

### **I/we further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review 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.

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



## ANNEXURE "C" TO BOARD REPORT

**I/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.**

***Place: Ahmedabad***

***for HARISH P.JAIN & ASSOCIATES***

***Date: 17/04/2016***

***PRACTISING COMPANY SECRETARIES***

  
(Harish Jain)

***Membership No  
FCS No.4203  
C.PNO4100***



ANNEXURE "C" TO BOARD REPORT  
**Harish P. Jain & Associates**

*Practising Company Secretary*

**Harish P. Jain**

(B Sc. LL B. FCS)

302, "Narayan Krupa Square",  
B/h. Old Natraj Cinema, Near Sakar - V,  
Off Ashram Road, **Ahmedabad - 380 009.**  
Telefax : (O) : **079 - 26574144**  
Ph. (R) : **079 - 6731067**  
Mobile : **98253 55626**  
E-mail : **cs.harishjain@gmail.com**

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 subject to the followings:-*

1. Maintenance of secretarial record 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.

Date : 17/04/2017

Place: Ahmedabad

for **HARISH P. JAIN & ASSOCIATES**  
**PRACTISING COMPANY SECRETARIES**



*(Signature)*  
**(HARISH JAIN)**  
Proprietor

**Membership No. 4203**

**C.P. NO. 4100**

**ANNEXURE 'D' TO BOARD'S REPORT****FORM NO. MGT.9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on March 31, 2016****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: - U65990GJ1999PLC036086
- ii) Registration Date – 2<sup>nd</sup> June, 1999
- iii) Name of the Company – Gujarat Road And Infrastructure Company Limited
- iv) Category / Sub-Category of the Company- Company having Share Capital
- v) Address of the Registered office and contact details- Office of the Secretary, The Government of Gujarat, Road And Building Depart, Gandhinagar- 382010
- vi) Whether listed company Yes / No - NO
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any- M/s. Link Intime India Private Limited, Mumbai, Phone: +91 22 25963838

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Highways (except elevated highways)	99532111	100

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

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
-----nil-----					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF		3	3	0.000005		3	3	0.000005	
b) Central Govt.									
c) State Govt. (s)		9087983	9087983	16.4		9087983	9087983	16.4	
d) Bodies Corporate	23187166		23187166	41.81	14873355		14873355	26.81	(15)
e) Banks / FI									
f) Any Other....									
<b>Sub-Total (A) (1) :</b>	23187166	9087986	32275152	58.19	14873355	9087986	23961341	43.21	

**ANNEXURE 'D' TO BOARD'S REPORT**

[illegible]

**ANNEXURE 'D' TO BOARD'S REPORT**

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	
by Pakistani citizens vested with the Custodian of Enemy Property									
ii) Other Foreign Nationals									
iii) Foreign Bodies									
iv) NRI / OCBs									
v) Clearing members / Clearing House									
vi) Trusts									
vii) Limited Liability Partnership									
viii) Foreign Portfolio Investor (Corporate)									
ix) Qualified Foreign Investor									
<b>Sub-Total (B)(2) :</b>	23187155		23187155	41.8	31500955		31500955	56.80	
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	23187155		23187155	41.8	31500955		31500955	56.80	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Grand Total (A+B+C)</b>	46374321	9087986	55462307	100	46374310	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	2,31,87,166	41.81	NIL	1,48,73,555	26.81	NIL	(15)
2	Government of Gujarat	90,87,986	16.38	NIL	90,87,986	16.38	NIL	NIL
3	MAIF Investments India Pte Limited	2,31,87,166	41.81	NIL	3,15,00,955	56.80	NIL	15
	<b>Total</b>	5,54,62,307			5,54,62,307			

**ANNEXURE 'D' TO BOARD'S REPORT**

(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. P.J.Patel	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.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1.	IL&FS Transportation Networks Limited	2,31,87,166	41.81	1,48,73,555	26.80
2.	MAIF Investments India Pte Limited	2,31,87,155	41.80	3,15,00,955	56.80
3.	Government of Gujarat	90,87,983	16.40	90,87,983	16.40
4	Mr. S.B.Vasava	0	0.00	1	0.00
5.	Mr. K.M.Patel	1	0.00	1	0.00
6.	Mr. R.K. Chauhan	1	0.00	1	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1	Mr. S.B.Vasava	0	0.00	1	0.00
2	Mr. R.K. Chauhan	1	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.

**ANNEXURE 'D' TO BOARD'S REPORT**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,765,223,616	-	-	1,765,223,616
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,011,864,726	-	-	1,011,864,726
Total (i+ii+iii)	2,777,088,342	-	-	2,777,088,342
Change in Indebtedness during the financial year				
• Addition	3,296,810,669	-	-	3,296,810,669
• Reduction	3,273,899,011	-	-	3,273,899,011
Net Change	22,911,658	-	-	22,911,658
Indebtedness at the end 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

**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/ committee Meeting	Mr. Asit Pal	90,000
Sitting for attending Board/ committee Meeting	Mr. Rajendra Desai	1,10,000
<b>Total B(1)</b>		2,00,000

**2. Non-Executive Director**

Sr. No.	Name of Director	Sitting fee for attending Board/ committee Meeting
1.	Mr. S.B.Vasava	20,000

**ANNEXURE 'D' TO BOARD'S REPORT**

2.	Mr. Ashwani Kumar, IAS	10,000
3.	Mr. K.M.Patel	60,000
4.	Mr. R.K.Chauhan	50,000
5.	Mr. Mukund Sapre	30,000
6.	Mr. Dilip Bhatia	50,000
7.	Mr. P.J.Patel (resigned 31.07.2016)	30,000
8.	Mr. Ajay Bhadoo, IAS (resigned w.e.f 30.09.2016)	20,000
	<b>Total B(2)</b>	<b>2,70,000</b>

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Total (B) = (1 + 2)					4,70,000
	Total Managerial Remuneration					4,70,000

**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	18.96		18.96
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...		NIL		NIL
5.	Others, please specify		NIL	17.26	17.26
	Total		18.96	17.26	36.22

**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)
<b>A. COMPANY</b>					
Penalty		None			
Punishment		None			
Compounding		None			
<b>B. DIRECTORS</b>					
Penalty		None			
Punishment		None			
Compounding		None			
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		None			
Punishment		None			
Compounding		None			

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

We have audited the accompanying financial statements of **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

### **Auditor's Responsibility**

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

In conducting 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 financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply



with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 15 of the financial statements, wherein it has been stated that, consequent to the Company's exit from CDR on May 20, 2014 the matter of continuing the advance towards Capital / Debt classification is subject to approval from Government of Gujarat ("GoG"). Pending such approval GoG's advance towards Capital / Debt of Rs.300,000,000 has been carried forward as such.

Our opinion is not modified in respect of this matters.

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

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

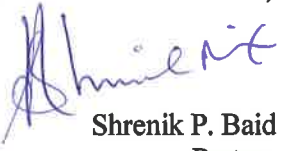


- c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December, 30 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management— Refer Note 9.



2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Shrenik P. Baid**  
Partner  
Membership No. 103884

**GANDHINAGAR, May 5, 2017**  
SB/NDU

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT  
(Re: GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED)  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, 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, 2017, 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 DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Shrenik P. Baid  
Partner  
Membership No. 103884

**GANDHINAGAR, May 5, 2017**  
SB/NDU

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Re: GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED)**

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered Sale deed / Transfer deed/ Conveyance Deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of Land and Buildings that have been taken on lease and disclosed as fixed assets in the financial statements, and hence not reported.

- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year as provided under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013. There are no unclaimed deposits with the Company any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit)




Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Service Tax and cess which have not been deposited as on March 31, 2017 on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to the Manager appointed under the Companies Act, 2013 and hence the provisions of Section 197 read with Schedule V to the Companies Act, 2013 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Shrenik P. Baid  
Partner  
Membership No. 103884

**GANDHINAGAR, May 5, 2017**  
SB/NDU



## GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Balance Sheet as at March 31, 2017

	Notes	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
<b>ASSETS</b>							
<b>Non-current Assets</b>							
Property, plant and equipment	4		19,070,896		18,080,503		19,445,087
Intangible assets under development	4		-		-		343,237,161
Intangible assets							
(i) under SCA	5	4,893,855,217		4,955,375,265		4,638,933,769	
(ii) others	5	138,361	4,893,993,578	183,770	4,955,559,035	202,720	4,639,136,489
Financial assets							
(i) Investments			-		-		499,940
(ii) Other financial assets	6		8,902,228		1,427,228		1,326,426
Tax assets							
(i) Current Tax Asset (Net)	7		86,146,024		35,821,627		26,236,137
Other non-current assets							
(i) Capital advance			7,887,934		-		-
<b>Total Non-current Assets</b>			<b>5,016,000,660</b>		<b>5,010,888,393</b>		<b>5,029,881,240</b>
<b>Current Assets</b>							
Financial assets							
(i) Trade receivables	8	15,970		11,650,479		5,719,771	
(ii) Cash and cash equivalents	9	399,104,630		1,077,341,185		244,446,889	
(iii) Restricted bank balance	9	400,108,488		-		-	
(iv) Investments	10	45,000,000		-		-	
(v) Other financial assets	10A	223,169	844,452,257	254,595	1,089,246,259	36,330,269	286,496,929
Other current assets	11		8,243,285		10,103,349		12,529,533
<b>Total Current Assets</b>			<b>852,695,542</b>		<b>1,099,349,608</b>		<b>299,026,462</b>
<b>Total Assets</b>			<b>5,868,696,202</b>		<b>6,110,238,001</b>		<b>5,328,907,702</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital	12	554,623,070		554,623,070		554,623,070	
Other Equity	13	1,150,164,478		1,065,486,725		1,055,933,987	
Equity attributable to owners of the Company			<b>1,704,787,548</b>		<b>1,620,109,795</b>		<b>1,610,557,057</b>
<b>Total Equity</b>			<b>1,704,787,548</b>		<b>1,620,109,795</b>		<b>1,610,557,057</b>
<b>LIABILITIES</b>							
<b>Non-current Liabilities</b>							
Financial Liabilities							
(i) Long-term borrowings	14	2,533,385,416		611,031,757		437,825,000	
(ii) Other financial liabilities	15	1,050,000,000	3,583,385,416	1,111,128,546	1,722,160,303	2,623,459,397	3,061,284,397
Provisions	16		42,422,825		375,596		639,195
Deferred tax liabilities (Net)	17		152,114,000		92,004,500		97,851,500
Other non-current liabilities	18		20,472,203		23,076,263		23,110,934
<b>Total Non-current Liabilities</b>			<b>3,798,394,444</b>		<b>1,837,616,662</b>		<b>3,182,886,026</b>
<b>Current Liabilities</b>							
Financial liabilities							
(i) Trade payables	19	13,952,850		11,199,669		22,126,381	
(ii) Other financial liabilities	20	270,488,130	284,440,980	2,629,061,592	2,640,261,261	498,070,098	520,196,479
Provisions	21		73,992,460		2,707,553		3,980,713
Other current liabilities	22		7,080,770		9,542,730		11,287,427
<b>Total Current Liabilities</b>			<b>365,514,210</b>		<b>2,652,511,544</b>		<b>535,464,619</b>
<b>Total Liabilities</b>			<b>4,163,908,654</b>		<b>4,490,128,206</b>		<b>3,718,350,645</b>
<b>Total Equity and Liabilities</b>			<b>5,868,696,202</b>		<b>6,110,238,001</b>		<b>5,328,907,702</b>

Notes 1 to 36 forms part of the Financial Statements

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Shrenik P. Bald**  
Partner  
(Membership No. 103884)

For and on behalf of the Board

Director

Director

Chief Financial Officer

Manager

Company Secretary

DATE : May 5, 2017  
PLACE : Gandhinagar

DATE : May 5, 2017  
PLACE : Gandhinagar



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

**Statement of profit and loss for the year ended March 31, 2017**

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations	24	1,458,970,695	1,289,649,133
Other income	25	54,629,255	59,391,171
<b>Total Income</b>		<b>1,513,599,950</b>	<b>1,349,040,304</b>
<b>Expenses</b>			
Operating expenses	26	361,873,174	296,607,523
Employee benefits expenses	27	15,473,190	13,390,583
Finance costs	28	572,686,484	891,295,514
Depreciation and amortisation expenses	4 & 5	69,543,686	57,113,377
Other expenses	29	55,112,582	53,649,176
<b>Total expenses</b>		<b>1,074,689,116</b>	<b>1,312,056,173</b>
Profit before tax		<b>438,910,834</b>	<b>36,984,131</b>
Less: Tax expense	30		
(1) Current tax		93,700,000	33,000,000
(2) Deferred tax		60,109,500	(5,847,000)
		<b>153,809,500</b>	<b>27,153,000</b>
<b>Profit for the year</b>		<b>285,101,334</b>	<b>9,831,131</b>
<b>Other Comprehensive Loss</b>			
<u>A (i) Items that will not be reclassified to profit or loss</u>			
(a) Remeasurements of the defined benefit plans		(122,048)	(278,393)
<b>Total other comprehensive Loss</b>		<b>(122,048)</b>	<b>(278,393)</b>
<b>Total comprehensive income for the year</b>		<b>284,979,286</b>	<b>9,552,738</b>
Earnings per share (Face Value ₹ 10/- per share):	31		
(1) Basic (in Rs.)		5.14	0.18
(2) Diluted (in Rs.)		5.14	0.18

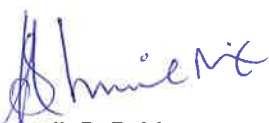
Notes 1 to 36 forms part of the Financial Statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board



**Shrenik P. Baid**  
Partner  
(Membership No. 103884)



Director



Director



Chief Financial Officer



Manager



Company Secretary

DATE : May 5, 2017  
PLACE : Gandhinagar

DATE : May 5, 2017  
PLACE : Gandhinagar



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**


**Statement of cashflow for the year ended March 31, 2017**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
<b>Cash flows from operating activities</b>		
Profit before tax	438,910,834	36,984,131
Adjustments for:		
Finance costs	572,686,484	891,295,514
Provision for Overlay	114,277,287	-
Provision for leave encashment	121,294	(136,759)
Interest on Fixed deposits	(41,498,793)	(43,241,619)
Provision for gratuity	(122,048)	(7,717)
(Profit) / Loss on sale of assets	116,117	(27,345)
Excess provision of performance related pay written back	(1,682,158)	(1,397,274)
Depreciation and amortisation	69,543,686	57,113,377
	<b>1,152,352,703</b>	<b>940,582,308</b>
Movements in working capital:		
Decrease / (Increase) in trade and other receivables	11,634,509	(5,930,708)
Decrease / (Increase) in other assets	(13,471,444)	37,772,928
Increase / (Decrease) in trade and other payables	6,325,277	(19,361,033)
Increase / (Decrease) in other liabilities	(66,194,566)	-
	<b>(61,706,224)</b>	<b>12,481,187</b>
Cash generated from operations	<b>1,090,646,479</b>	<b>953,063,495</b>
Income taxes paid	(144,024,397)	(42,585,488)
<b>Net cash generated from operating activities</b>	<b>946,622,082</b>	<b>910,478,007</b>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible assets	(6,782,421)	(28,934,181)
Proceeds on sale of financial assets	221,429	27,347
Deposit balances held as Major Maintenance Reserve Account	(150,000,000)	-
Interest received	41,390,305	44,477,792
Payments for intangible assets	(2,523,747)	-
Investment in Mutual funds	(45,000,000)	-
Investment in subsidiary (GRDBCL)	-	(60)
Proceeds from sale of shares in GRBDCL	-	500,000
<b>Net (cash used) / generated from investing activities</b>	<b>(162,694,434)</b>	<b>16,070,898</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of borrowings	3,000,000,000	-
Repayment of borrowings	(1,965,223,616)	(40,000,000)
Deposit balances held as Debt Service Reserve Account	(250,000,000)	-
Redemption of NRCPS	(394,219,835)	-
Redemption Premium paid on NRCPS	(5,780,165)	-
Dividends paid on equity shares (including DDT)	(200,301,532)	-
Finance cost paid	(801,268,714)	(52,802,695)
Redemption Premium paid on other borrowings	(769,800,340)	-
Payment for debt issue costs (Upfront Fees)	(75,570,000)	-
<b>Net cash used in financing activities</b>	<b>(1,462,164,202)</b>	<b>(92,802,695)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(678,236,554)</b>	<b>833,746,209</b>
Cash and cash equivalents at the beginning of the year	1,077,341,185	243,594,975
<b>Cash and cash equivalents at the end of the period (Refer Note 9)</b>	<b>399,104,630</b>	<b>1,077,341,184</b>

Notes 1 to 36 forms part of the Financial Statements

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board

  
**Shrenik P. Baid**  
Partner  
(Membership No. 103884)

  
Director

  
Director

  
Chief Financial Officer

  
Manager

  
Company Secretary

DATE : May 5, 2017  
PLACE : Gandhinagar

DATE : May 5, 2017  
PLACE : Gandhinagar



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

**Statement of Changes in Equity**

**A. Equity Share Capital:**

Movement during the year	For the year ended March 31, 2017		For the year ended March 31, 2016	
Particulars	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Equity Shares having face value of Rs 10/-				
<b>Balance at the start of the year</b>	55,462,307	554,623,070	55,462,307	554,623,070
Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>55,462,307</b>	<b>554,623,070</b>	<b>55,462,307</b>	<b>554,623,070</b>

**B. Other Equity**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>Surplus in Statement of Profit and Loss</u>		
Balance at beginning of the year	387,886,725	440,933,987
Net profit for the year	285,101,334	9,831,131
Interim Dividend on equity shares	(166,386,921)	
Dividend tax on equity shares	(33,914,611)	
Other Comprehensive Income / (Expense)	(122,048)	(278,393)
Transfer from / (to) Debenture Redemption Reserves	407,600,000	(62,600,000)
Transfer to Capital Redemption Reserves	(250,000,000)	-
<b>Balance at end of the period</b>	<b>630,164,478</b>	<b>387,886,725</b>
<u>Capital redemption reserve</u>		
Balance at beginning of the year	100,000,000	100,000,000
Addition during the year	250,000,000	-
<b>Balance at end of the period</b>	<b>350,000,000</b>	<b>100,000,000</b>
<u>Debenture redemption reserve (DRR)</u>		
Balance at beginning of the year	577,600,000	515,000,000
Transfer to / (from) statement of P&L	(407,600,000)	-
<b>Balance at end of the year</b>	<b>170,000,000</b>	<b>515,000,000</b>
<b>Total</b>	<b>1,150,164,478</b>	<b>1,002,886,725</b>

Notes 1 to 36 forms part of the Financial Statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Shrenik P. Baid**  
Partner  
(Membership No. 103884)

For and on behalf of the Board

Director

Director

Chief Financial Officer

Manager

Company Secretary

DATE : May 5, 2017  
PLACE : Gandhinagar

DATE : May 5, 2017  
PLACE : Gandhinagar



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

**1. General information**

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 the Ahmedabad Mehsana Road Project ("AMRP") with the Government of Gujarat ("GoG"), devolved on the Company.

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 and ending at Km 70.6 (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.

Both SCAs have 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.

The construction of VHRP was completed on October 24, 2000, whereas the construction of AMRP was completed on February 20, 2003. The Company is required to operate and maintain VHRP and AMRP to standards defined in the SCAs either by itself or through a qualified contractor. Maintenance activities cover routine maintenance, overlays and renewals. The Company is also required to ensure VHRP and AMRP, to carry out other maintenance works including illumination installations, traffic signs and markings, landscaping, safety barriers, service area, road furniture etc.

In consideration for performing its obligations under the SCA, the Company has a right to charge "Toll" directly to users of VHRP and AMRP and to permit advertisements, hoardings and other commercial activity at the project sites. The SCAs also define the mode of computation of the annual "Toll" revision linking it to the movements in the consumer price index and the custom escalators which in turn takes into account the wholesale price index of fuel, specific materials and labour.

At the end of the concession period, the Company is required to hand back VHRP and AMRP to GoG for a nominal consideration of Re. 1 each. Having regard to the terms of the SCAs, the Company has classified its right to receive "Toll" from the users of VHRP and AMRP as "Intangible Assets". The fair value of consideration for construction services in respect of Intangible Assets covered under Service Concession Arrangements of the Company, the useful lives of such Intangible Assets, the annual amortisation in respect thereof, and the Provisions for Overlay Costs have been estimated by the management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by the management.

**2. Significant accounting policies**

**2.1 Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous year numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

**2.2 Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

**2.3 Accounting for rights under Service Concession Arrangements ("SCA") and revenue recognition**

**2.3.1 Service concession arrangements**

**Recognition and measurement**

The Company is engaged in the business of setting up of infrastructure facility by way of development of infrastructure projects, operation and maintenance of infrastructural facilities.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable.

When the Company has a right to charge the user of infrastructure facility, the Company recognizes the consideration for construction services at its fair value, as an intangible asset. The Company accounts for such intangible asset (along with the present value of committed payments towards concession arrangement to the grantor at the appointed date e.g. Negative Grant, premium etc.) in accordance with the provisions of Ind AS 38.

Intangible asset is capitalized when the project is complete in all respects and when the Company receives the final completion certification from the grantor as specified in the SCA and not on completion of component basis as the intended purpose and economics of the project is to have the complete length of the infrastructure available for use. The component based certification which is received is an intermediate mechanism provided in the SCA to provide a right to collect eligible toll to compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the infrastructure as a completed project. Eligible toll revenue collected on receipt of the component based certification is reduced from the cost of construction, as the construction work on remaining portion is still in progress and the entire asset is not ready for its intended purpose.

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

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and recognised on an discounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the infrastructure facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by the management, supported by evaluation of the independent consultant, if any.

Borrowing cost related to SCAs

In respect of an intangible asset, borrowing costs attributable to the construction of project assets, including borrowing costs incurred at the Group level which are attributable to the construction of project assets, are capitalised to the intangible assets under SCAs. The borrowing costs capitalisation ceases when the intangible asset is available for use. All borrowing costs subsequent to this are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

Amortisation of intangible asset under SCAs

In accordance with Ind AS 101 exemption, since the Company toll road was constructed & operated before March 31, 2016, the intangible rights under SCA are amortized by taking proportionate of actual revenue earned for the period over total projected revenue from project to cost of intangible assets i.e. proportionate of actual revenue earned for the period over total projected revenue from the intangible assets expected to be earned over the balance concession period as estimated by the management.

Total projected revenue is reviewed at the end of the each financial year and is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

2.3.2 Revenue recognition

- 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.

**2.4 Employee benefits**

2.4.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**2.4.2 Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**2.5 Taxation**

Tax expense represents the sum of the tax currently payable and deferred tax.

**2.5.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**2.5.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases assuming that the Company will not take the Tax Holiday period exemption available under the Income Tax Act, 1961.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**2.5.3 Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.6 Property, plant and equipments**

**a. Tangible:**

Property, plant and equipments are stated at their original cost of construction less accumulated depreciation and impairment losses, if any. The construction cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use, such as delivery and handling costs, installation, legal services and consultancy services.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

**b. Other intangibles under SCA:**

Intangible assets (which comprises of software acquired) are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.

**c. Depreciation / Amortisation**

(i) 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 (ii) below:

(ii) 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. Specialised office equipment's are depreciated on Straight Line Method over a period of three years
4. Cars purchased by the company for employees, are depreciated on Straight Line Method over a period of three years
5. Assets provided to employees are depreciated on Straight Line Method over a period of three years
6. Leasehold improvement costs are capitalised and amortised over the period of lease agreement
7. All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.

(iii) 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

(iv) 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

**2.7 Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**2.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

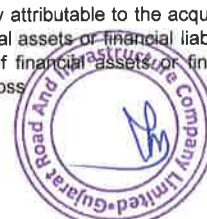
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.9 Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in Statement of Profit and Loss.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

**2.10 Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. There is no equity financial asset held by the Company

**2.10.1 Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2.10.2 Amortized cost and Effective interest method**

Income is recognized on an effective interest method as per Ind AS 109 for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the Statement of Profit and Loss and is included in the "Other income" line item.

**2.10.3 Impairment of financial assets**

The Company measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition as per assessment criteria given under Ind AS 109. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized up to one year from the date of the invoice, loss for the time value of money is not recognized, since the same is not considered to be material.

**2.10.4 Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On Derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

**2.10.5 Modification of Cash Flows of financial assets and revision in estimates of Cash flows**

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the Derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the Statement of Profit and loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortized cost of a financial liability to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset or amortized cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in the Statement of Profit or Loss as an income or expense.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

**2.11 Financial liabilities and equity instruments**

**2.11.1 Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

**2.11.2 Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method as per Ind AS 109.

Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

**Derecognition of financial liabilities** - The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

**2.12 Use of estimates and judgements**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of amortisation of the intangible assets under SCA, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

**Projected revenue for amortisation of intangible assets under SCA**

The Company reviews the projected revenues at the end of each reporting period. This reassessment may result in change in amortisation expense in future periods.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.5.

**Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**3. First-time adoption - mandatory exceptions, optional exemptions**

**3.1 Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

**3.1.1 Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after April 1, 2015 (the transition date)





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes to the financial statements**

**3.1.2 Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**3.1.3 Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101

**3.1.4 Deemed cost for property, plant and equipments and intangible assets**

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measure as per the previous GAAP and use that carrying value as its deemed cost of the transition date

**3.1.5 Amortisation of toll assets**

For Intangible road assets operational before March 31, 2016, the Company has elected to continue the previous GAAP method of amortizing the intangible asset based on the estimated revenue





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED  
Notes to the financial statements

3.2 Ind AS 101 reconciliations  
Effect of Ind AS adoption on the balance sheet

	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Non-current assets</b>							
(a) Property, plant and equipment		18,080,503		18,080,503	19,445,087		19,445,087
(b) Intangible assets under development				-	343,237,161		343,237,161
(c) Intangible assets							
(i) under SCA	A	4,285,507,589	669,867,668	4,955,375,265	3,865,129,238	773,804,531	4,638,933,769
(ii) others		183,770		183,770	202,720		202,720
(d) Financial assets							
(i) Investments				-	499,940		499,940
(ii) Other financial assets		1,427,228		1,427,228	1,326,426		1,326,426
(e) Tax assets							
(i) Current Tax Asset (Net)		35,821,827		35,821,827	26,236,137		26,236,137
(f) Other non-current assets	B, C	2,470,782,809	(2,470,782,809)	-	2,457,452,704	(2,457,452,704)	-
<b>Total non-current assets</b>		<b>6,811,803,536</b>	<b>(1,800,915,143)</b>	<b>5,010,888,393</b>	<b>6,713,529,413</b>	<b>(1,683,648,173)</b>	<b>5,029,881,240</b>
<b>Current assets</b>							
(a) Financial assets							
(i) Trade receivables		11,850,479		11,850,479	5,719,771		5,719,771
(ii) Cash and cash equivalents		1,077,341,185		1,077,341,185	244,446,889		244,446,889
(iii) Restricted Bank balance		-	-	-	-	-	-
(iv) Investments		-	-	-	-	-	-
(v) Other financial assets		254,595		254,595	36,330,269		36,330,269
(b) Other current assets		10,103,349		10,103,349	12,529,533		12,529,533
		3,254,031,978	-	3,254,031,978	787,920,239	-	787,920,239
<b>Total current assets</b>		<b>3,254,031,978</b>	<b>-</b>	<b>3,254,031,978</b>	<b>787,920,239</b>	<b>-</b>	<b>787,920,239</b>
<b>Total Assets</b>		<b>10,065,835,514</b>	<b>(1,800,915,143)</b>	<b>8,264,920,371</b>	<b>7,501,449,653</b>	<b>(1,683,648,173)</b>	<b>5,817,801,479</b>
<b>Equity</b>							
(a) Equity share capital	D	804,623,070	(250,000,000)	554,623,070	804,623,070	(250,000,000)	554,623,070
(b) Other Equity	A, B	2,541,925,367	(1,476,438,642)	1,065,486,725	2,479,293,660	(1,423,359,673)	1,055,933,987
<b>Equity attributable to owners of the Company</b>		<b>3,346,548,437</b>	<b>(1,726,438,642)</b>	<b>1,620,109,795</b>	<b>3,283,916,730</b>	<b>(1,673,359,673)</b>	<b>1,610,557,057</b>
<b>Total equity</b>		<b>3,346,548,437</b>	<b>(1,726,438,642)</b>	<b>1,620,109,795</b>	<b>3,283,916,730</b>	<b>(1,673,359,673)</b>	<b>1,610,557,057</b>
Advance towards Capital/Debt	E	1,050,000,000	(1,050,000,000)	-	1,050,000,000	(1,050,000,000)	-
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
(i) Borrowings	D	361,031,757	250,000,000	611,031,757	187,825,000	250,000,000	437,825,000
(ii) Other financial liabilities	E	61,128,546	1,050,000,000	1,111,128,546	1,440,799,890	1,182,659,507	2,623,459,397
Provisions		375,596		375,596	133,298,702	(132,659,507)	639,195
Deferred tax liabilities (Net)	A & C	416,481,000	(324,476,500)	92,004,500	358,140,000	(260,288,500)	97,851,500
Other non-current liabilities	D	23,076,263		23,076,263	23,110,934	-	23,110,934
<b>Total non-current liabilities</b>		<b>862,093,162</b>	<b>975,523,500</b>	<b>1,837,616,662</b>	<b>2,143,174,526</b>	<b>1,039,711,500</b>	<b>3,182,886,026</b>
<b>Current liabilities</b>							
<b>Financial liabilities</b>							
(i) Trade and other payables		11,199,669		11,199,669	22,126,381		22,126,381
(ii) Other financial liabilities	D	2,484,841,757	144,219,835	2,629,061,592	498,070,098		498,070,098
Provisions	D	146,927,388	(144,219,835)	2,707,553	3,980,713		3,980,713
Other current liabilities		9,542,730		9,542,730	11,287,427		11,287,427
		2,652,511,544	-	2,662,511,544	535,464,619	-	535,464,619
<b>Total current liabilities</b>		<b>2,652,511,544</b>	<b>-</b>	<b>2,662,511,544</b>	<b>535,464,619</b>	<b>-</b>	<b>535,464,619</b>
<b>Total liabilities</b>		<b>3,514,604,706</b>	<b>975,523,500</b>	<b>4,490,128,206</b>	<b>2,678,639,145</b>	<b>1,039,711,500</b>	<b>3,718,360,645</b>
<b>Total equity and liabilities</b>		<b>7,911,153,143</b>	<b>(1,800,915,142)</b>	<b>6,110,238,001</b>	<b>7,012,555,875</b>	<b>(1,683,648,173)</b>	<b>5,328,907,702</b>





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED  
Notes to the financial statements

3.2 Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet

Reconciliation of total equity as at

	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity / shareholders' funds under previous GAAP		3,346,548,437	3,283,916,730
Adjustments:			
Accounting for preference shares as a financial liability under Ind AS	D	(250,000,000)	(250,000,000)
Adjustment for SCA accounting (Margins)	A	469,028,000	469,028,000
Reversal of the additional depreciation in IGAAP	A	652,064,195	621,027,352
Past overlay expenses charged of to P&L under SCA, whereas capitalised in IGAAP	A	(451,224,529)	(316,250,821)
Deferred Tax	A & C	(231,828,000)	(283,016,000)
Derecognition of toll receivable account	B	(1,914,478,309)	(1,934,148,204)
Total adjustment to equity		(1,726,438,643)	(1,673,359,873)
Total equity under Ind AS		1,620,109,795	1,610,557,057

Effect of Ind AS adoption on the statement of profit and loss for the period

	Notes	Year ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		1,289,649,133	-	1,289,649,133
Other income		59,391,171	-	59,391,171
Total Income		1,349,040,304	-	1,349,040,304
Expenses				
Operating expenses	A	181,633,815	134,973,708	296,607,523
Employee benefits expense	F	13,668,978	(278,393)	13,390,585
Finance costs	D	879,735,188	11,560,328	891,295,514
Depreciation and amortisation expense	A & B	107,820,115	(50,706,738)	57,113,377
Other expenses		53,649,176	-	53,649,176
Total expenses		1,216,507,268	95,548,905	1,312,056,173
Profit before tax		132,533,036	(95,548,905)	36,984,131
Less: Tax expense				
(1) Current tax		33,000,000	-	33,000,000
(2) MAT credit entitlement	C	(33,000,000)	33,000,000	-
(3) Deferred tax	A & C	58,341,000	(64,188,000)	(5,847,000)
		58,341,000	(31,188,000)	27,153,000
Profit for the year		74,192,036	(64,360,905)	9,831,131
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	F	-	(278,393)	(278,393)
Total A (i)		-	(278,393)	(278,393)
Total other comprehensive income		-	(278,393)	(278,393)
Total comprehensive income for the period		74,192,036	(64,639,298)	9,552,738

Reconciliation of total comprehensive income for the year

Particulars		Year ended March 31, 2016 (Previous year presented under previous GAAP)
Profit as per previous GAAP		74,192,036
Adjustments:		
Accounting for preference shares as a financial liability under Ind AS	A	(11,560,328)
Accrual of overlay expenses	A	(134,973,708)
Reduction in depreciation on Intangible assets due to charge off overlay expenses under IND AS	A	31,036,843
Deferred Tax	A	31,188,000
Amortisation of toll receivable not required under IND AS since fully adjusted against opening reserves	B	19,869,895
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS	F	278,393
Sub-total		(64,360,905)
Profit for the year as per Ind AS		9,831,131
Other comprehensive Income for the year	F	(278,393)
Total comprehensive income under Ind AS		9,552,738

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Notes to the financial statements

**3.2 Ind AS 101 reconciliations**

**Effect of Ind AS adoption on the balance sheet**

**Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016**

	Notes	Year ended March 31, 2016		
		(Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities		910,478,007	-	910,478,007
Net cash flows from investing activities		16,070,898	-	16,070,898
Net cash flows from financing activities		(92,802,695)	-	(92,802,695)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>833,746,209</b>	<b>-</b>	<b>833,746,209</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>243,594,975</b>	<b>-</b>	<b>243,594,975</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1,077,341,184</b>	<b>-</b>	<b>1,077,341,184</b>

A) Under the previous GAAP, the Company measured the intangible asset in respect of the project at cost less accumulated depreciation and accumulated impairment loss. The cost comprised the direct and attributable expenses for the construction of the road project. The periodic overlay expenses were added to the cost of the intangible asset and amortised over the balance concession period. Under Ind AS, the Company has accounted for the service concession arrangement in accordance with Appendix A to Ind AS 11 Service Concession Arrangements. In accordance with the principles in this Appendix, the Company is treated as a service provider for the construction services. Consequently, the Company has recognized construction cost and construction revenue in accordance with the Ind AS 11 principles. The construction revenue is measured at fair value of the construction services rendered. Since the Company has a right to charge fees to the users of the project, it has recognised an intangible asset in exchange for the construction services. Further, in respect of the periodic overlay, the Company creates a provision over the period upto the next overlay work by estimating the cash outflow to be incurred and the timing thereof. The provision is accrued based on the actual traffic for the period to the total estimated traffic over the period upto the next overlay work. This also has corresponding tax adjustments. The net effect of all this is an increase in total equity as at March 31, 2016 of Rs.438,039,666, increase as at April 1, 2015 of Rs.510,788,531, and a decrease in profit for the year ended March 31, 2016 of Rs.72,748,865.

B) Under the previous GAAP, the Company had recognised a toll receivable account pursuant to a court order by crediting general reserve. Further, the Company was amortising this account through profit or loss over the balance concession period. Under Ind AS, this toll receivable account does not meet the asset recognition criteria. Hence, it has been derecognised. The net effect of this is a decrease in total equity as at March 31, 2016 of Rs.1,914,478,309 (Rs.1,934,148,204 as at April 1, 2015) and an increase in the profit for the year ended March 31, 2016 of Rs.19,669,895.

C) Under the previous GAAP, the MAT credit asset was separately reflected as an asset. Further, the MAT credit entitlement earned during the period was reduced from the current tax expense. Under Ind AS, deferred tax assets include unutilised tax credits. Since MAT is a form of unutilised tax credit, the same has been considered to be a deferred tax item. Consequently, the movement in MAT credit is covered under the deferred tax movement. This change does not affect total equity as at March 31, 2016 or April 1, 2015 or the profit for the year ended March 31, 2016.

D) Under the previous GAAP, the redeemable preference share capital was included as part of shareholders' funds. Further, the premium on redemption of the preference shares was debited to retained earnings with a provision being created. Under Ind AS, the redeemable preference shares are treated as financial liabilities. Further, the redemption premium on the preference shares is treated as a finance cost in profit or loss. The unpaid redemption premium is classified as a financial liability. The net effect of this is a decrease in total equity as at March 31, 2016 by Rs.250,000,000 (Rs.250,000,000 as at April 1, 2015) and a decrease in profit for the year ended March 31, 2016 by Rs.11,560,328.

E) Under the previous GAAP, the advance towards capital / debt was shown separately from liabilities / equity. Under Ind AS, the same has been classified as a financial liability since it meets the definition of a financial liability. This change does not affect total equity as at March 31, 2016 or April 1, 2015 or the profit for the year ended March 31, 2016.

F) Under previous GAAP, the actuarial gains and losses were recognised in profit or loss. Whereas, under Ind AS, the actuarial gains and losses form part of remeasurement which is recorded in other comprehensive income. The actuarial loss for the year ended March 31, 2016 was Rs.278,393. This change does not affect total equity, but there is an increase in profit of Rs.278,393 for the year ended March 31, 2016.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Notes to the financial statements

**4. Property, plant and equipment**

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount As at March 31, 2017
	Balance as at April 1, 2016	Additions	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	
<b>Property plant and equipment</b>							
Vehicles	8,172,469	4,003,948	1,166,417	11,010,000	3,325,405	1,153,349	7,360,118
Data processing equipments	26,474,688	2,609,227	198,719	28,885,196	20,984,069	3,675,742	4,424,103
Office premises	8,547,317	-	-	8,547,317	2,304,442	141,193	6,101,682
Office equipments	4,021,497	169,246	-	4,190,743	2,889,929	434,725	866,089
Furniture and fixtures	1,591,997	-	-	1,591,997	1,223,626	49,473	318,898
Electrical installations	490,159	-	-	490,159	490,153	-	6
<b>Total</b>	<b>49,298,127</b>	<b>6,782,421</b>	<b>1,365,136</b>	<b>54,715,412</b>	<b>31,217,624</b>	<b>5,454,482</b>	<b>19,070,896</b>

**PREVIOUS YEAR**

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount As at March 31, 2016
	Balance as at April 1, 2015	Additions	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Depreciation expense	
<b>Property plant and equipment</b>							
Vehicles	3,870,742	4,301,728	1	8,172,469	-	3,325,405	4,847,064
Data processing equipments	7,727,466	18,747,223	1	26,474,688	-	20,984,069	5,490,619
Office premises	6,384,067	2,163,250	-	8,547,317	-	2,304,442	6,242,875
Office equipments	1,044,526	2,976,972	1	4,021,497	-	2,889,929	1,131,568
Furniture and fixtures	418,280	1,173,717	-	1,591,997	-	1,223,626	368,371
Electrical installations	6	490,153	-	490,159	-	490,153	6
<b>Total</b>	<b>19,445,087</b>	<b>29,853,043</b>	<b>3</b>	<b>49,298,127</b>	<b>-</b>	<b>31,217,624</b>	<b>18,080,503</b>





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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**5. Intangible Assets**

Particulars	Cost			Accumulated depreciation and impairment			Carrying Amount As at March 31, 2017	As at March 31, 2016
	Balance as at April 1, 2016	Additions	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Others	Balance at March 31, 2017
<b>Intangible Assets</b>								
Software / Licences acquired	3,512,474	14,750	-	3,527,224	3,328,704	60,159	-	3,388,863
<b>Subtotal</b>	<b>3,512,474</b>	<b>14,750</b>	<b>-</b>	<b>3,527,224</b>	<b>3,328,704</b>	<b>60,159</b>	<b>-</b>	<b>3,388,863</b>
<b>Rights under service concession arrangements</b>	<b>5,503,906,345</b>	<b>2,508,997</b>	<b>-</b>	<b>5,506,415,342</b>	<b>548,531,080</b>	<b>64,029,045</b>	<b>-</b>	<b>612,560,125</b>
<b>Total</b>	<b>5,507,418,819</b>	<b>2,523,747</b>	<b>-</b>	<b>5,509,942,566</b>	<b>551,859,784</b>	<b>64,089,204</b>	<b>-</b>	<b>615,948,988</b>

**PREVIOUS YEAR**

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount As at March 31, 2016	As at March 31, 2015
	Balance as at April 1, 2015	Additions	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Depreciation expense	Others	Balance at March 31, 2016
<b>Intangible Assets</b>								
Software / Licences acquired	3,476,824	35,650	-	3,512,474	3,274,104	54,600	-	3,328,704
<b>Subtotal</b>	<b>3,476,824</b>	<b>35,650</b>	<b>-</b>	<b>3,512,474</b>	<b>3,274,104</b>	<b>54,600</b>	<b>-</b>	<b>3,328,704</b>
<b>Rights under service concession arrangements</b>	<b>5,135,464,273</b>	<b>368,442,072</b>	<b>-</b>	<b>5,503,906,345</b>	<b>496,530,504</b>	<b>52,000,576</b>	<b>-</b>	<b>548,531,080</b>
<b>Total</b>	<b>5,138,941,097</b>	<b>368,477,722</b>	<b>-</b>	<b>5,507,418,819</b>	<b>499,804,608</b>	<b>52,055,176</b>	<b>-</b>	<b>551,859,784</b>





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**6. Other non-current financial assets**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Security Deposits	8,902,228	1,427,228	1,326,426
<b>Total</b>	<b>8,902,228</b>	<b>1,427,228</b>	<b>1,326,426</b>

**7. Current Tax Asset (Net)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance payment of taxes	718,697,864	574,197,864	536,141,300
Tax Deducted at Source	22,119,170	22,594,773	18,009,283
	<b>740,817,034</b>	<b>596,792,637</b>	<b>554,150,583</b>
<b>Current tax liabilities</b>			
Income tax payable	<b>654,671,010</b>	<b>560,971,010</b>	<b>527,914,446</b>
<b>Total</b>	<b>86,146,024</b>	<b>35,821,627</b>	<b>26,236,137</b>

**8. Trade receivables**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
(a) Unsecured, considered good	15,970	299,356	193,230
(b) Unsecured, considered doubtful	530,000	530,000	530,000
Allowance for doubtful debts	530,000	530,000	530,000
<b>Total (A)</b>	<b>15,970</b>	<b>299,356</b>	<b>193,230</b>
Trade receivables outstanding for a period less than six months from the date they were due for payment			
Secured, considered good	-	11,351,123	5,526,541
<b>Total (B)</b>	<b>-</b>	<b>11,351,123</b>	<b>5,526,541</b>
<b>Total (A+B)</b>	<b>15,970</b>	<b>11,650,479</b>	<b>5,719,771</b>

Unsecured trade receivables are non-interest bearing. Secured trade receivable is in respect of toll auction instalment accrued as at year end and not due, against which there is deposit of Rs. 8.79 Crore and bank guarantee of Rs. 8.79 Crore with the Company as security as per terms of agreement entered with the Toll collecting Agent.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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**9. Cash and cash equivalents**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(A) Cash and cash equivalents</b>			
Balances with Banks	60,493,501	23,400,494	40,085,016
Cash on hand	60,656	5,985	9,959
Balances with Deposit Accounts	338,550,473	1,053,934,706	204,351,914
<b>Cash and cash equivalent</b>	<b>399,104,630</b>	<b>1,077,341,185</b>	<b>244,446,889</b>
<b>(B) Restricted bank balance</b>			
Balances held as Major Maintenance Reserve Account in deposit account	150,040,683	-	-
Balances held as Debt Servies Reserve Account in deposit account	250,067,805	-	-
<b>Restricted bank balances</b>	<b>400,108,488</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>799,213,118</b>	<b>1,077,341,185</b>	<b>244,446,889</b>

The Ministry of Corporate Affairs (MCA) in its notification dated March 30, 2017 amended Schedule III to the Companies Act, requiring companies to provide the following disclosure in the financial statements in respect of specified bank notes (SBN):

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	63,500	42,930	106,430
(+) Permitted receipts	-	171,390	171,390
(-) Permitted payments	-	170,652	170,652
(-) Amount deposited in Banks	63,500	-	63,500
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>43,668</b>	<b>43,668</b>

**10. Investments (Current)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments in Mutual Funds (Refer footnote)	45,000,000	-	-
<b>Total</b>	<b>45,000,000</b>	<b>-</b>	<b>-</b>

**Footnote:**

Invested in SBI Premier Liquid Fund - Regular Plan - Growth on March 30, 2017 with NAV of Rs. 2,544.9882 and units of 17,681.808 (NAV Rs. 2545.6896 as on March 31, 2017)

**10A . Other financial assets (Current)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured</b>			
Insurance claim receivable	223,169	254,595	36,330,269
<b>Total</b>	<b>223,169</b>	<b>254,595</b>	<b>36,330,269</b>

**11. Other current assets**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances to related parties	-	250,491	174,452
Other Advances	218,105	172,874	561,908
Prepaid Expenses	8,025,180	9,679,984	11,798,173
<b>Total</b>	<b>8,243,285</b>	<b>10,103,349</b>	<b>12,534,533</b>





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**12. Equity Share Capital**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised Share capital :</b>			
150,000,000 fully paid equity shares of Rs.10 each	1,500,000,000	1,500,000,000	1,500,000,000
35,000,000 Non Cumulative Redeemable Convertible Preference Shares of Rs. 10/- each	350,000,000	350,000,000	350,000,000
	<b>1,850,000,000</b>	<b>1,850,000,000</b>	<b>1,850,000,000</b>
<b>Issued, subscribed and fully paid equity share capital comprises:</b>			
55,462,307 Equity Shares of Rs. 10/- each fully paid-up (Refer footnote (a) and (b) below)	554,623,070	554,623,070	554,623,070
	<b>554,623,070</b>	<b>554,623,070</b>	<b>554,623,070</b>

**(a) Movement during the year**

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start and end of the year	55,462,307	554,623,070	55,462,307	554,623,070

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<u>Fully paid equity shares</u>				
IL&FS Transportation Networks Limited	14,873,366	26.81%	23,187,166	41.81%
MAIF Investments India Pte. Ltd.	31,500,955	56.80%	23,187,155	41.80%
Government of Gujarat	9,087,986	16.39%	9,087,986	16.39%
<b>Total</b>	<b>55,462,307</b>	<b>100.00%</b>	<b>55,462,307</b>	<b>100.00%</b>

**13. Other Equity**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Surplus in profit and loss account	630,164,478	387,886,725	440,933,987
Capital redemption reserve	350,000,000	100,000,000	100,000,000
Debenture redemption reserve (DRR)	170,000,000	577,600,000	515,000,000
<b>Total</b>	<b>1,150,164,478</b>	<b>1,065,486,725</b>	<b>1,065,933,987</b>

**13.1 Movement in other equity:**

Particulars	For the year ended March 31, 2017	For the Year ended March 31, 2016
<u>Surplus in Statement of Profit and Loss</u>		
Balance at beginning of the period	387,886,725	440,933,987
Net profit for the period / year	285,101,334	9,831,131
Dividend on equity shares	(166,386,921)	-
Dividend tax on equity shares	(33,914,611)	-
Other Comprehensive Income / (Expense)	(122,048,000)	(278,393)
Transfer from / (to) Debenture Redemption Reserves	407,600,000	(62,600,000)
Transfer to Capital Redemption Reserves	(250,000,000)	-
<b>Balance at end of the period</b>	<b>630,164,478</b>	<b>387,886,725</b>
<u>Capital redemption reserve</u>		
Balance at beginning of the period	100,000,000	100,000,000
Addition during the year / period	250,000,000	-
<b>Balance at end of the period</b>	<b>350,000,000</b>	<b>100,000,000</b>
<u>Debenture redemption reserve (DRR) (Refer Footnote)</u>		
Balance at beginning of the period	577,600,000	515,000,000
Transfer to / (from) statement of P&L	(407,600,000)	62,600,000
<b>Balance at end of the period</b>	<b>170,000,000</b>	<b>577,600,000</b>
<b>Total</b>	<b>1,150,164,478</b>	<b>1,065,486,725</b>

**Footnote:**

During the year, the Company has repaid all the NCDs & DDBs holders existing as at March 31, 2016. Hence, the DRR balance existing as at March 31, 2016 has been reversed to Surplus in Statement of Profit and Loss.

The Company issued NCDs on April 13, 2016, in terms of Section 71(4) of the Companies Act, 2013 read with rule 18(7)(b)(iii) of the Companies (Share capital and Debentures) Rules 2014, the Company being an Infrastructure Company is required to create Debenture Redemption Reserve to the extent of 25% of the value of privately placed NCDs until such NCDs are redeemed, to which adequate amounts shall be credited from out of its profits every year.

For the year ended March 31, 2017, the transfer to Debenture Redemption Reserve in accordance with above provisions amounts to Rs. 170,000,000.





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**14. Long-term Borrowings**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured – at amortised cost</b>			
(i) Non Convertible Debentures from Related Parties			
- from other parties	2,733,385,416		
- from related parties	-	120,000,000	160,000,000
(ii) Deep Discount Bonds			
-from Banks	-	401,005,553	121,255,000
-from Related Parties	-	1,072,586,903	141,085,000
-from Others	-	1,183,495,886	55,485,000
Less: Current portion of long-term borrowings	(200,000,000)	(2,166,056,585)	(40,000,000)
<b>Total long-term borrowings</b>	<b>2,533,385,416</b>	<b>611,031,757</b>	<b>437,825,000</b>

**Note:**

**As at March 31, 2017**

**Non Convertible Debentures:**

(Secured By:

a pari-passu first charge in favour of the Trustee of the Company on the project assets and all tangible 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.)

(Redemption Details:

3,000 Non-Convertible Debentures issued on April 13, 2016, at Rs. 1,000,000 each are carrying interest of 9% p.a. and redeemable / repayable as follows:

Redemption Date	No. of NCDs	NCD Value (Rs.)
31-Mar-30	150	75,000,000
30-Sep-29		75,000,000
31-Mar-29	150	75,000,000
30-Sep-28		75,000,000
31-Mar-28	150	75,000,000
30-Sep-27		75,000,000
31-Mar-27	150	75,000,000
30-Sep-26		75,000,000
31-Mar-26	250	125,000,000
30-Sep-25		125,000,000
31-Mar-25	250	125,000,000
30-Sep-24		125,000,000
31-Mar-24	250	125,000,000
30-Sep-23		125,000,000
31-Mar-23	250	125,000,000
30-Sep-22		125,000,000
31-Mar-22	250	125,000,000
30-Sep-21		125,000,000
31-Mar-21	250	125,000,000
30-Sep-20		125,000,000
31-Mar-20	250	125,000,000
30-Sep-19		125,000,000
31-Mar-19	250	125,000,000
30-Sep-18		125,000,000
31-Mar-18	200	100,000,000
30-Sep-17		100,000,000
31-Mar-17	200	100,000,000
30-Sep-16		100,000,000
<b>Total</b>		<b>3,000,000,000</b>

**As at March 31, 2016:**

**Non Convertible Debentures:**

(Secured By:

a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the project assets and all tangible 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.)





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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**(Redemption Details:**

4,000 Non-Convertible Debentures issued on July 1, 2003, at Rs. 50,000 each are redeemable / repayable in five equal annual instalments of Rs. 40,000,000 each commencing at the end of 11th year from the date of allotment (i.e. July 1, 2014) carrying interest of 13% p.a. till redemption and 23.275% additional premium w.e.f. January 1, 2015 upto the redemption payable monthly ). Balance outstanding as on March 31, 2015 for 2,400 (P. Y. 3,200) Non-Convertible Debentures of Rs. 50,000 each are redeemable on July 1, 2016, July 1, 2017 and July 1, 2018

**Deep Discount Bonds:**

**(Secured By:**

a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the respective project assets and all tangible 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).

**(Redemption Details:**

2,000 Deep Discount Bonds (DDBs) issued on July 1, 2003 at Rs. 50,000 each are redeemable at Rs. 284,521 each at the end of the 15th year from the date of allotment (i.e. July 1, 2018) and additional redemption premium of Rs. 170,736 each payable on redemption w.e.f. January 1, 2015.

43,565 DDBs issued at Rs. 5,000 each under 3 tranches, which are redeemable at Rs. 34,362 each at the end of 16th year from the date of allotment (i.e. April 16, 2016, April 17, 2016 and November 29, 2016) and additional redemption premium of Rs. 15,788 each payable on redemption w.e.f. January 1, 2015.

These loans have been prepaid in the month of April 2016

**15. Other non-current financial liabilities**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Others :-			
-Interest accrued and Redemption premium accrued but not due on Deep Discount Bonds	-	-	1,512,330,851
-Commitment charges payable	-	61,128,546	61,128,546
-Advance towards Capital / debt (Refer Footnote 1)	1,050,000,000	1,050,000,000	1,050,000,000
<b>Total</b>	<b>1,050,000,000</b>	<b>1,111,128,546</b>	<b>2,623,459,397</b>

Footnote 1- As required by the restructuring package approved by the Corporate Debt Restructuring ("CDR") Cell on June 17, 2004, the promoters advanced the following amounts as advance towards share capital:

Name of Investor	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at April 1, 2015 Rupees
a. Government of Gujarat (GoG)	300,000,000	300,000,000	300,000,000
b. Infrastructure Leasing & Financial Services Ltd. (IL&FS)	-	-	150,000,000
c. IL&FS Transportation Networks Limited (ITNL)	300,000,000	300,000,000	150,000,000
d. ITNL	450,000,000	450,000,000	450,000,000
<b>Total</b>	<b>1,050,000,000</b>	<b>1,050,000,000</b>	<b>1,050,000,000</b>

Against Rs. 600,000,000 received in respect of items (a) (b) and (c) above the Company was required to issue 1% Non-Cumulative Convertible Preference Shares ("NCCPS") which, at the end of the 13th year were to be redeemed and convertible into Deep Discount Bonds. Also, against Rs. 450,000,000 received in respect of item (d) above, the Company was required to issue 8% Redeemable Convertible Preference Shares redeemable at the end of 10 years from the date of allotment or on full repayment of dues to lenders, whichever is earlier.

The Company has fully repaid the loans to the senior lenders in December 2012 and subsequently paid the restructuring charges in December 2013 to the senior lenders. The Company has submitted the "No Dues" confirmation received from all the lenders to CDR cell. The Company has received a communication from CDR cell vide letter no. BYCDR (SSA) No. 120/2014-15, dated May 20, 2014 that the Company's account stands exited from the CDR System.

During the year ended March 31, 2015, the IL&FS has vide letter dated April 22, 2015 assigned the above advance towards Capital / Debt of Rs. 150,000,000 in favour of ITNL, with all the risk and rewards attached to the said advances. Accordingly, the Company has made changes in its books of accounts and transferred the above advance towards Capital / Debt in the name of ITNL.

Since, the Company now stands exited from CDR in May 20, 2014 and considering the repayment of the existing lenders during the current half year, the matter with respect to conversion / refund of Advance towards Capital / Debt given by IL&FS Transportation Networks Ltd. ("ITNL") and Government of Gujarat ("GOG") is yet to be finalised after mutual agreement with ITNL & GoG. Pending such agreement the advances towards Capital / Debt has been carried forward as such. The Auditors have given an emphasis of matter in their Auditors report.





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**16. Provisions (Non current)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for leave encashment	498,038	375,596	639,195
Provision for Overlay (refer foot note of 21(b))	41,924,787	-	-
Provision for redemption premium on NRCPS	-	-	-
<b>Total</b>	<b>42,422,825</b>	<b>375,596</b>	<b>639,195</b>

**17. Deferred Tax**

Having regard to the assured return on the toll road projects and the toll collection contracts and since the Company will not avail section 80(A) benefit available under the Income Tax Act 1961, the Company has recognised deferred tax assets on temporary differences, unabsorbed depreciation and brought forward business losses:

Deferred Tax Arising From	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Deferred Tax Liability:	1,144,709,000	1,109,544,000	1,091,162,000
Deferred Tax Asset:	992,595,000	1,017,539,500	993,310,500
<b>Deferred Tax Liability (Net)</b>	<b>152,114,000</b>	<b>92,004,500</b>	<b>97,851,500</b>

**Year ended March 31, 2017**

Particulars	Opening Balance	Recognised in profit or loss	Closing Balance
<b>Deferred tax (liabilities)/ assets in relation to:</b>			
Depreciation & Amortisation	(1,109,544,000)	(12,111,000)	(1,121,655,000)
Upfront fees unamortised	-	(23,054,000)	(23,054,000)
In respect of retirement benefits	195,000	79,000	274,000
In respect of provision for doubtful debts	183,000	-	183,000
In respect of provision for performance related pay	381,000	138,000	519,000
Provision for overlay	-	39,549,000	39,549,000
Unabsorbed depreciation	460,476,000	(158,411,000)	302,065,000
MAT credit entitlement	556,304,500	93,700,500	650,005,000
<b>Total</b>	<b>(92,004,500)</b>	<b>(60,109,500)</b>	<b>(152,114,000)</b>

**Year ended March 31, 2016**

Particulars	Opening Balance	Recognised in profit or loss	Closing Balance
<b>Deferred tax (liabilities)/ assets in relation to:</b>			
Depreciation & Amortisation	(1,091,162,000)	(18,382,000)	(1,109,544,000)
Upfront fees unamortised	-	-	-
In respect of retirement benefits	222,000	(27,000)	195,000
In respect of provision for doubtful debts	180,000	3,000	183,000
In respect of provision for performance related pay	850,000	(469,000)	381,000
Provision for overlay	-	-	-
Unabsorbed depreciation	468,754,000	(8,278,000)	460,476,000
MAT credit entitlement	523,304,500	33,000,000	556,304,500
<b>Total</b>	<b>(97,851,500)</b>	<b>5,847,000</b>	<b>(92,004,500)</b>

**18. Other non-current liabilities**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income received in advance	20,472,203	23,076,263	23,110,934
<b>Total</b>	<b>20,472,203</b>	<b>23,076,263</b>	<b>23,110,934</b>

**19. Trade payables (Current)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	13,952,850	11,199,669	22,126,381
<b>Total</b>	<b>13,952,850</b>	<b>11,199,669</b>	<b>22,126,381</b>

Based on information received by the Company from its vendors, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil. There were no delays in the payment of dues to Micro and Small Enterprises.

**20. Other financial liabilities (Current)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term debt			
-Secured Debentures from Related Parties	-	40,000,000	40,000,000
-Secured Debentures from Others	200,000,000	-	-
-Secured Deep discount bonds from Banks	-	401,005,553	-
-Secured Deep discount bonds from Related Party	-	541,555,146	-
-Secured Deep discount bonds from Others	-	1,183,495,886	-
- Non Cumulative Redeemable Convertible Preference Shares of Rs. 10/- each fully paid-up	-	394,219,835	382,659,507
(b) Others :-			
-Payable towards capital asset	-	1,624,443	10,881,133
-Retention money	29,334,787	26,007,386	24,276,115
-Payable to Government of Gujarat towards project management fees	39,856,193	39,856,193	39,856,193
-Security Deposit	1,297,150	1,297,150	297,150
<b>Total</b>	<b>270,488,130</b>	<b>2,629,081,592</b>	<b>468,070,088</b>





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**21. Provisions (Current)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Provision for Employee benefits</b>			
Provision for Performance Related Pay	1,500,000	1,100,000	2,500,000
Provision for leave encashment	139,960	141,108	14,268
<b>(b) Provision for overlay (refer foot note)</b>	72,352,500	-	-
<b>(c) Provision for dividend on NRCPS</b>	-	1,253,425	1,253,425
<b>(d) Provision for tax on dividend on NRCPS</b>	-	213,020	213,020
<b>Total current provisions</b>	<b>73,992,460</b>	<b>2,707,553</b>	<b>3,980,713</b>

**Foot note:**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening Balance	-	-	61,500,000
Utilised during the year	81,481,904	134,973,708	76,825,350
Provision made during the year	195,759,190	134,973,708	15,325,350
Closing Balance	114,277,286	-	-

**Note :** Closing balance of provision for overlay amounts to Rs. 114,227,286. Out of which current portion is Rs. 72,352,500 and non current portion is Rs. 41,924,785.

**22. Other current liabilities**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Statutory dues	745,582	3,523,121	5,298,228
(b) Income received in advance	6,335,188	6,019,609	5,989,199
<b>Total</b>	<b>7,080,770</b>	<b>9,542,730</b>	<b>11,287,427</b>

**23 - Contingent Liabilities and Commitments (to the extent not provided for) and Contingent Asset**

Particulars	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at April 1, 2015 Rupees
<b>a. Contingent Liabilities</b> 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 - Rs. 2,667,756,836 (March 31, 2016 Rs. 2,463,669,211) for the above assessment years. The tax impact and consequential interest and penalty for each assessment year cannot be ascertained.	Not Ascertainable	Not Ascertainable	Not Ascertainable
<b>b. Commitments</b> Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances (net of advances of Rs. 7,887,934, March 31, 2016 Rs. Nil)	70,991,402	-	101,801,720
<b>c. Contingent Asset</b> During the current year, 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 GoG has released an interim payment of claim of Rs. 2,351 lakhs, which has been accounted under Revenue from Operations for the year ended March 31, 2017.	Not Ascertainable	NA	NA





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**24. Revenue from operations**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Toll Revenue (Refer Note 23 (c)) (from Ahmedabad Mehsana Road and Vadodara Halol Road)	1,458,970,695	1,289,649,133
<b>Total</b>	<b>1,458,970,695</b>	<b>1,289,649,133</b>

**Footnote:** During the period from November 09, 2016 to December 02, 2016, due to demonitisation, both the toll roads experienced loss of toll revenues. The Company and the Toll Collecting Agent have mutually agreed to waive off the amount payable by the Toll Collecting Agent to the Company due to reduced collections. Thus, income for the year does not include toll revenue for the period November 09, 2016 to Decemebr 02, 2016.

**25. Other Income**

a) Interest Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on bank deposits	41,498,793	43,241,619
Interest on income tax refund	1,721,390	3,489,019
<b>Total (a)</b>	<b>43,220,183</b>	<b>46,730,638</b>

b) Other Non-Operating Income

Income for laying cables, pipelines, etc.	9,704,826	9,640,294
Excess receipt of Insurance claim	-	1,546,000
Excess provision of performance related pay written back	1,682,158	1,397,274
Profit on sale of fixed assets	22,088	27,345
Others	-	49,620
<b>Total (b)</b>	<b>11,409,072</b>	<b>12,660,533</b>
<b>(a+b)</b>	<b>54,629,255</b>	<b>59,391,171</b>





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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**26. Operating Expenses**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Operating Expenses</b>		
Operation and maintenance expenses	166,113,983	161,633,815
Provision for overlay expenses	195,759,191	134,973,708
<b>Total</b>	<b>361,873,174</b>	<b>296,607,523</b>

**27. Employee benefits expense**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	5,426,735	3,759,497
Contribution to provident and other funds	396,959	273,943
Deputation Cost	8,219,245	7,934,316
Staff Welfare Expenses	1,430,251	1,422,827
<b>Total</b>	<b>15,473,190</b>	<b>13,390,583</b>

**Footnote:**

**Employee Benefit Obligations:**

Defined-Contribution Plans: The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain fiduciary-type/statutory arrangements and Life Insurance Corporation of India ("LIC"). While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contributions to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

A sum of Rs. 300,051 (March 31, 2016 Rs. 216,380) has been charged to Statement of Profit and loss in this respect.

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. Gains and losses of changed actuarial assumptions are charged to Statement of Profit and loss.

The net value of the defined-benefit commitment is detailed below:

Gratuity (Funded Plan)	As At March 31, 2017 ₹	As At March 31, 2016 ₹
Present Value of Commitments	831,428	588,287
Fair Value of Plans	677,415	541,794
Liability / (Asset) taken to the balance sheet	154,013	46,493

**Defined benefit commitments:**

Gratuity (Funded Plan)	As At March 31, 2017 ₹	As At March 31, 2016 ₹
Opening Balance	588,287	576,160
Current Service Cost	71,075	60,213
Interest Expenses	46,828	45,632
Benefits Paid	-	(372,808)
Actuarial (Gain) / Loss	125,238	279,090
Closing Balance	831,428	588,287

**Plan assets: Gratuity**

Gratuity (Funded Plan)	As At March 31, 2017 ₹	As At March 31, 2016 ₹
Opening Balance	541,794	846,836
Expected return on scheme assets	43,127	67,069
Contributions by the Company	89,304	-
Actuarial Gain / (Loss)	3,190	697
Benefits Paid	-	(372,808)
Closing Balance	677,415	541,794

The entire amount is funded with the Life Insurance





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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Return on plan assets: Gratuity

Gratuity (Funded Plan)	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
Expected return on plan assets	43,127	67,069
Actuarial Gain / (Loss)	3,190	697
Actual return on plan assets	46,317	67,766

Expenses on defined benefit plan recognised in the statement of profit and loss:

Gratuity (Funded Plan)	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
Current service costs	71,075	60,213
Interest expense	3,701	45,632
Expected return on investment	-	(67,069)
Net actuarial loss	-	278,393
Amount charged to the statement of profit and loss	74,776	317,169

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.

Particulars	As At March 31, 2017	As At March 31, 2016	As At March 31, 2015
Rate for discounting liabilities	7.27% p.a.	7.96% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	7.27% p.a.	7.96% p.a.	8.00% p.a.
Attrition	2.00% p.a.	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	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 present values of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets as at March 31, 2017 is given below:

Gratuity (Funded Plan)	₹ As At March 31, 2017	₹ As At March 31, 2016	₹ As At March 31, 2015	₹ As At March 31, 2014	₹ As At March 31, 2013
Defined benefit commitments	831,428	588,287	576,160	538,299	470,887
Plans assets	677,415	541,794	846,836	779,010	585,576
(Surplus) / Deficit	154,013	46,493	(270,676)	(240,711)	(114,689)

Gratuity (Funded Plan)	₹ For the year ended March 31, 2017	₹ For The Year Ended March 31, 2016	₹ For The Year Ended March 31, 2015	₹ For The Year Ended March 31, 2014	₹ For The Year Ended March 31, 2013
Experience adjustments on plan commitments – (loss)	(60,891)	(281,862)	(152,563)	(27,815)	(35,001)
Experience adjustments on plan assets – gain / (loss)	3,190	697	52	14,549	12,038

The contributions expected to be made by the Company during the financial year 2017-18 is Rs. Nil.





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Notes to the financial statements

**28. Finance costs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>(a) Interest costs :-</u>		
Interest on deep discount bonds	230,274,875	220,441,202
Interest on debentures	303,240,070	16,939,178
Interest on Preference Shares	-	-
	<b>533,514,945</b>	<b>237,380,380</b>
(b) Dividend on redeemable preference shares		
(b) Premium on debentures	1,147,808	30,327,641
(c) Redemption premium on deep discount bonds	26,999,228	606,491,289
(d) Redemption premium on preference shares	5,780,165	11,560,328
(e) Other borrowing costs	5,244,338	5,535,876
<b>Total</b>	<b>572,686,484</b>	<b>891,295,514</b>

**29. Other expenses**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Legal and consultation fees	12,090,871	6,954,590
Travelling and conveyance	4,729,966	4,000,721
Rates and taxes	2,085,729	87,238
Repairs and Maintenance	2,557,558	3,979,214
Communication expenses	1,745,408	1,739,627
Insurance	9,820,604	11,851,049
Printing and Stationary	408,848	432,164
Electricity Charges	537,635	556,813
Directors Fees	574,050	500,838
Loss on sale of Property, Plant and Equipment (Net)	138,205	1
Auditors Remuneration	4,379,425	3,295,889
CSR Expenses	12,175,030	16,734,400
Advertisement fees	2,946,228	2,814,512
Miscellaneous expenses	923,025	702,120
<b>Total</b>	<b>55,112,582</b>	<b>53,649,176</b>

Payments to auditors	For the year ended March 31, 2017	For the year ended March 31, 2016
a) For audit	3,015,000	2,865,310
b) For taxation matters	200,000	430,579
c) For other services	600,000	-
d) Service tax on above	564,425	-
<b>Total</b>	<b>4,379,425</b>	<b>3,295,889</b>





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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**30. Income tax recognised in profit or loss**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Current tax</b>		
In respect of the current period	93,700,000	33,000,000
	93,700,000	33,000,000
<b>Deferred tax</b>		
In respect of the current period	60,109,500	(5,847,000)
	60,109,500	(5,847,000)
<b>Total income tax expense recognised in the current period</b>	<b>153,809,500</b>	<b>27,153,000</b>

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	438,910,834	36,984,131
Tax on PBT at Normal Tax rate	151,898,000	12,799,000
Addition in Defererd Tax due to increase in Tax rate	-	10,353,202
Preference Interest adjustment as per IND AS working	2,000,400	4,000,798
Others	(88,900)	-
Tax expense (rounded off)	153,809,500	27,153,000
Income tax expense recognized in profit or loss	153,809,500	27,153,000

**31. Earnings per share**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Face value per share</b>		
Basic earnings per share	5.14	0.18
Diluted earnings per share	5.14	0.18

**32.1 Basic earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	285,101,334	9,831,131
Weighted average number of equity shares for the purposes of basic earnings per share (B)	55,462,307	55,462,307
<b>Basic and Diluted Earnings per share (A/B)</b>	<b>5.14</b>	<b>0.18</b>





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
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**32. Financial instruments**

**32.1 Capital management**

The Company manage their capital to ensure that they will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 and 20 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and surplus in the statement of profit and loss as detailed in notes 12 to 13).

**32.1.1 Gearing Ratio**

The gearing ratio at end of the reporting period was as follows:

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Debt	2,733,385,416	2,777,088,342
Cash and bank balance	(799,213,118)	(1,077,341,185)
Net Debt	1,934,172,298	1,699,747,157
Total equity	1,704,787,548	1,620,109,795
<b>Net debt to equity ratio</b>	<b>113.46%</b>	<b>104.92%</b>

Debt is defined as long-term, current maturity of long-term and short-term borrowings

Total equity is defined as equity share capital and reserves and surplus

**32.2 Categories of financial instruments**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Financial assets</b>		
Measured at amortised cost		
Cash and bank balances (including restricted balances)	799,213,118	1,077,341,185
Trade receivables	15,970	11,650,479
<b>Financial liabilities</b>		
Measured at amortised cost		
Borrowings (including Interest Accrued)	2,733,385,416	2,777,088,342
Trade Payables	13,952,850	11,199,669

**32.3 Financial risk management objectives**

The Companies' financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk





## **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

### **Notes to the financial statements**

#### **32.4 Market risk**

The Proposed activities expose it primarily to the financial risks of changes in interest rates. However there are no such risk currently as the borrowings of the Company is at fixed rate.

There has been no significant change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

#### **32.5 Interest rate risk management**

The Company is not exposed to interest rate risk because it borrows funds at fixed interest rates.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

##### **32.5.1 Interest rate sensitivity analysis**

The Company is not exposed to interest rate risk because it has borrowed funds at fixed interest rates.

#### **32.6 Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

Trade receivables mainly consist receivable from toll collection agent which is secured against the Fixed deposit and Bank Guarantee. Hence there is no major risk





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### 32.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### 32.8 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	As at March 31, 2017		As at March 31, 2016	
	Non - interest bearing	Fixed interest rate instruments	Non - interest bearing	Fixed interest rate instruments
Less than 1 year	13,952,850	447,512,329	11,199,669	2,224,784,750
1-3 years	-	934,829,452	-	990,514,000
3 - 5 years	-	844,280,822	-	-
5+ years	-	2,140,493,151	-	-
<b>Total</b>	<b>13,952,850</b>	<b>4,367,115,753</b>	<b>11,199,669</b>	<b>3,215,298,750</b>
<b>Carrying Value</b>	<b>13,952,850</b>	<b>2,733,385,416</b>	<b>11,199,669</b>	<b>2,777,088,342</b>
<b>Weighted average effective interest rate (%)</b>	<b>NA</b>	<b>9.55%</b>	<b>NA</b>	<b>15.50%</b>

### 32.9 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed the fair value of the cash and cash equivalents, trade receivable, trade payable, bank overdraft and other current liabilities approximate their carrying amounts largely due to short term maturity of these instruments, except for Fixed Term long term borrowings, and considered their in level 3 hierarchy of fair value

	As at March 31, 2017		As at March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortised cost:	<b>799,229,088</b>	<b>799,229,088</b>	<b>1,088,991,664</b>	<b>1,088,991,664</b>
Cash and bank balances	799,213,118	799,213,118	1,077,341,185	1,077,341,185
Trade receivables	15,970	15,970	11,650,479	11,650,479
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:	<b>2,747,338,266</b>	<b>3,010,971,048</b>	<b>2,788,288,011</b>	<b>2,788,288,011</b>
Borrowings (including Interest Accrued)	2,733,385,416	2,997,018,198	2,777,088,342	2,777,088,342
Trade Payables	13,952,850	13,952,850	11,199,669	11,199,669

The fair values of the financial assets and financial liabilities included in the level 3 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### 33 Segment

The Company is engaged in the business of setting up of infrastructure facility by way of development of infrastructure projects, operation and maintenance of infrastructural facilities. As such, all activities undertaken by the Company are incidental to the main business. There are no separate reportable business segments as per IND AS 108 on "Operating Segment".





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**34. Related Party Disclosures**

Disclosures as required by the Ind AS 24 – “Related Party Disclosures” are made below:

**CURRENT YEAR:**

(A) Name of the related parties and description of relationship:

Holding Company	MAIF Investments India Pte. Ltd.
Company having significant influence over the reporting enterprise	IL&FS Transportation Networks Limited (ITNL)
Subsidiaries of ITNL: (only those with whom there has been transactions during the period or there has been a balance at the half year end)	GRICL Rail Bridge Development Company Limited (GRBDCL) Elsamex Maintenance Services Limited (EMSL)
Key Management Personnel:	Mr. Rajiv Dubey (Manager) Mr. Parimal Mistry (Chief Financial Officer) Mr. Ankit Sheth (Company Secretary)

(B) Transactions for the year ended:

Nature of Transaction	Name of the Party	Rupees
		March 31, 2017
Commitment Charges paid	ITNL	32,396,861
Operation & Maintenance Expenses	ITNL	113,445,692
Overlay Expenses	EMSL	81,481,904

(C) Balances outstanding as at:

Balance Outstanding	Name of the Party	Rupees
		March 31, 2017
Advance towards Capital/Debt	ITNL	750,000,000
Trade payable	ITNL	2,091,069
Others advances	EMSL	7,887,934
Retention money payable	EMSL	5,517,412

**PREVIOUS YEAR:**

(A) Name of the related parties and description of relationship:

Holding Company of the Company (ITNL) having significant influence over the reporting enterprise	Infrastructure Leasing & Financial Services Limited (IL&FS)
Company having significant influence over the reporting enterprise	IL&FS Transportation Networks Limited (ITNL) (Erstwhile Holding Company)
	MAIF Investments India Pte. Ltd.
Subsidiary (upto March 30, 2016)	GRICL Rail Bridge Development Company Limited (GRBDCL)
Subsidiaries of ITNL & IL&FS: (only those with whom there has been transactions during the year or there has been a balance at the year end)	IL&FS Trust Company Limited (ITCL)
	GRICL Rail Bridge Development Company Limited (GRBDCL)
	Elsamex Maintenance Services Limited (EMSL)
	IL&FS Environmental Infrastructure & Services Ltd. (IEISL)
Key Management Personnel:	Mr. Rajiv Dubey (Manager) Mr. Parimal Mistry (Chief Financial Officer) Mr. Ankit Sheth (Company Secretary)





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes To The Financial Statements**

**34. Related Party Disclosures**

(B) Transactions for the year ended:

<b>Nature of Transaction</b>	<b>Name of the Party</b>	<b>March 31, 2016</b>
Interest on debentures	IL&FS	47,266,819
Interest on deep discount bonds	IL&FS	248,039,697
Non Convertible Debentures repaid	ITNL	40,000,000
Security Agent Fees	IL&FS	1,123,600
Takeout Assistance fees	IL&FS	4,314,058
Operation & Maintenance Expenses	ITNL	100,641,696
Sale of a subsidiary (GRBDCL)	ITNL	500,000
Deputation Cost	Mr. Parimal Mistry (CFO)	1,579,292
Remuneration	Mr. Ankit Sheth (Manager & Company Secretary)	1,680,651

**Footnote:**

Reimbursement of cost is not included above.

(C) Balances outstanding as at:

<b>Balance Outstanding</b>	<b>Name of the Party</b>	<b>March 31, 2016</b>
Non Convertible Debentures outstanding - Long term	IL&FS	80,000,000
Non Convertible Debentures outstanding - Current maturities of	IL&FS	40,000,000
Deep Discount Bonds outstanding (Long Term)	IL&FS	371,872,631
Deep Discount Bonds outstanding (Short Term)	IL&FS	41,085,000
Redemption premium accrued but not due on DDBs (Long Term)	IL&FS	159,159,126
Redemption premium accrued but not due on DDBs (Short Term)	IL&FS	337,682,126
Commitment Charges Payable	IL&FS	28,731,685
Commitment Charges Payable	ITNL	32,396,861
Advance towards Capital/Debt	ITNL	750,000,000
Trade payable	ITNL	5,737,662
Trade receivable	GRBDCL	59,723





**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Notes To The Financial Statements**

**34. Related Party Disclosures**

**35. Events after the reporting period**

There were no events occurring after the balance sheet date affecting the aforesaid financial statements.

**36. Approval of financial statement**

The financial statements were approved for issue by the board of directors on May 5, 2017

Notes 1 to 36 forms part of the Financial Statements

For and on behalf of the Board



  
Chief Financial Officer

  
Director

  
Director

  
Manager

  
Company Secretary

DATE : May 5, 2017  
PLACE : Gandhinagar