

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF
GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

1. We have audited the accompanying Statement of Financial Results of **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** ("the Company"), for the six months ended September 30, 2016 being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DFI/69/2016 dated August 10, 2016 ("the Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related interim financial statements prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement, which is initialled by us for identification purposes only.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DFI/69/2016 dated August 10, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the six months ended September 30, 2016.
4. We draw attention to Note 12 of the Statement, with respect to the pending matter of conversion / refund of the advance towards Capital / Debt. The advance towards Capital / Debt has been carried forward as such.

Our opinion is not modified in respect of this matter.

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



Shrenik P. Baid
Partner
Membership No. 103884

MUMBAI, November 07, 2016

**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

Registered Office : Office of the Secretary, Roads & Buildings Department, Block 14, Second Floor, Sachivalaya, Gandhinagar – 382 010 CIN: U65990GJ1999PLC036086

Statement of Audited Financial Results for the half year ended September 30, 2016

(Rs. in Lakhs)

Particulars	Half Year ended	
	September 30, 2016 (Audited)	September 30, 2015 (Audited)
1 (a) Income from operations	7,079	6,226
(b) Other operating income	-	-
Total income from operations	7,079	6,226
2 Expenses		
(a) Operating expenses	1,769	1,280
(b) Employee cost	70	74
(c) Depreciation and amortisation expense	318	278
(d) Other expenditure	235	235
Total expenses	2,392	1,867
3 Profit from operations before other income, interest and exceptional items (1-2)	4,687	4,359
4 Other income	257	189
5 Profit before interest and exceptional items (3 + 4)	4,944	4,548
6 Interest Expenses	4,375	4,423
7 Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	569	125
8 Exceptional items	-	-
9 Profit from ordinary activities before tax (7 - 8)	569	125
10 Tax expense (net)	216	90
11 Net Profit from ordinary activities after tax (9 - 10)	353	35
12 Extraordinary Items (net of tax expense ₹ Nil)	-	-
13 Net Profit for the period (11 - 12)	353	35
14 Other Comprehensive (Income) / Expense (after tax)	2	-
15 Total comprehensive income (after tax)	351	35
16 i Paid-up equity share capital (face value - ₹ 10 per share)	5,546	5,546
16 ii Paid-up Debt Capital	28,288	23,585
17 Net worth	16,554	16,201
18 Debenture Redemption Reserve	-	5,150
19 Earnings per share (of ₹ 10/- each) Not annualised :		
(a) Basic	0.64	0.06
(b) Diluted	0.64	0.06
20 Ratios (Refer Note 6 below)		
(a) Debt/Equity Ratio (number of times)	1.71	1.46
(b) Debt Service Coverage Ratio (DSCR) (number of times)	0.74	1.02
(c) Interest Service Coverage Ratio (ISCR) (number of times)	1.13	1.03
See accompanying Notes 1 to 14 to the financial results		





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Statement of Audited Financial Results for the half year ended September 30, 2016

Notes to the Audited Financial Results for the Half Year ended September 30, 2016:

- 1 The above financial results of the Company for the ^{half} year ended September 30, 2016 has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 07, 2016. An audit of the financial results for the half year ended September 30, 2016 has been completed by the Statutory Auditor of the Company

- 2 Reconciliation of Profit after tax between Previous GAAP and IND AS as under:

Particulars	(Rs. in Lakhs)
	Half Year Ended September 30, 2015 (Audited)
Net Profit (after tax) under Previous GAAP	232
Accrual of overlay expenses	(450)
Accounting for preference shares as a financial liability under Ind AS	(58)
Reduction in depreciation on Intangible assets due to charge off overlay expenses under IND AS	153
Amortisation of toll receivable not required under IND AS since fully adjusted against opening reserves	98
Deferred tax on above	60
Net Profit (after tax) under IND AS	35

- 3 The end use of proceeds of issue of NCDs has been inline with the objects stated in the resepective offer documents. The details of the same is as below:

Particulars	Rs. in Lakhs
Total amount of repayment of Deep Discount Bonds (DDB's) (including the principal amount, interest accrued and redemption premium payable)	29,140
Total amount of repayment of existing NCD (including the principal amount, interest accrued and redemption premium payable)	860
Total	30,000

- 4 All secured borrowings obtained by the Company are covered under a pari-passu first charge in favour of the Debenture Trustee 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.
- 5 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".
- 6 Formula used for the computation of the Ratios:
a) Debt/Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus)
b) Debt = Aggregate of Long-term borrowings, Current maturities of Long-term borrowings and Short-term borrowings
c) Debt Service Coverage Ratio (DSCR) = Profit before Interest Expenses and Tax/ (Interest Expenses + Principal Repayment)
d) Interest Service Coverage Ratio (ISCR) = Profit before Interest Expenses and Tax/ Interest Expenses
- 7 Net worth as per Listing Regulations means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- 8 The asset cover available as on September 30, 2016 in case of Non-convertible debentures issued by the Company is 1.96. Asset cover available = Net Assets available as defined by the management / NCDs

- 9 Details of Credit Rating:

Non-convertible debentures ("NCDs"): CARE AAA(SO), ICRA AAA(SO)

No change in credit rating





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Statement of Audited Financial Results for the half year ended September 30, 2016

- 10 The Previous due date for the payment of interest and repayment of NCDs was on September 30, 2016, which has been paid.
- 11 The next due date for the payment of interest on NCD is on December 31, 2016 and repayment of NCDs is on March 31, 2017.
- 12 Consequent to Company's exit from CDR in May 20, 2014 and 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.
- 13 During the current half 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.

Pending the resolution / agreement on the compensation from GoG, the Company has accounted for the user fee auctioned income as per their agreement with M/s Eagle upto August 14, 2016 at normal agreed rate and for the period from August 15, 2016 till September 30, 2016 at a negotiated discounted rate agreed between the parties.

- 14 The Board of Directors at its meeting held on November 7, 2016 has declared an interim dividend of Rs. 3.00 per equity share



For and on behalf of the Board

Manager

DATE : November 7, 2016

PLACE : Gandhinagar