

**Independent Auditor's Report on Half yearly audited Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Gujarat Road and Infrastructure Company Limited

**Report on the audit of the Financial Results****Opinion**

We have audited the accompanying statement of half-yearly audited financial results of Gujarat Road and Infrastructure Company Limited ('the Company') for the half year ended September 30, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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 the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the total comprehensive income comprising of net profit and other comprehensive income and other financial information of the Company for the half year ended September 30, 2019.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to note 7 of the accompanying financial results which describes the uncertainty in respect of extension of concession period for Rights under Concession agreement, which is pending final approval of Government of Gujarat. Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Interim Financial Results**

These financial results have been prepared on the basis of the interim condensed financial statements. The Board of Directors of the Company are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS -34), 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued

thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Results**

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

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

- ▶ Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the operating effectiveness of the company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ▶ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# SRBC & CO LLP

Chartered Accountants

Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Amyn A Jassani  
Partner

Membership Number: 46447

UDIN:19046447AAAAIG6309



Place of Signature: Gandhinagar

Date: November 13, 2019



# 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, 2019

Sr No	Particulars	Six months ended		(INR in Lakhs)	
		September 30, 2019	September 30, 2018	Year ended	
		(Audited)	(Audited)	March 31, 2019 (Audited)	
1	Revenue from operations (refer note 8 & 9)	12,348.79	9,778.51	21,127.14	
2	Other income	317.70	244.59	574.98	
3	<b>Total income (1+2)</b>	<b>12,666.49</b>	<b>10,023.10</b>	<b>21,702.12</b>	
4	<b>Expenses</b>				
	(a) Construction expenses (refer note 9)	4,264.28	2,488.75	5,933.40	
	(b) Operating expenses	1,431.75	1,545.78	3,163.81	
	(c) Employee benefit expenses	181.08	153.17	332.75	
	(d) Finance costs	1,330.19	1,577.94	3,095.14	
	(e) Depreciation and amortisation (refer note 7)	550.29	388.71	780.60	
	(f) Other expenses	467.84	439.00	1,095.86	
	<b>Total expenses</b>	<b>8,225.43</b>	<b>6,593.35</b>	<b>14,401.56</b>	
5	<b>Profit before tax (3-4)</b>	<b>4,441.06</b>	<b>3,429.75</b>	<b>7,300.56</b>	
6	<b>Tax expenses</b>				
	Current tax (including INR (390.00) lakhs tax impact related to earlier years)	528.36	1,096.45	2,364.57	
	Deferred tax (including INR 1,877.12 lakhs deferred tax credit related to earlier years)	(2,834.43)	(637.16)	(1,692.48)	
	<b>Total tax expenses</b>	<b>(2,306.07)</b>	<b>459.29</b>	<b>672.09</b>	
7	<b>Profit for the period / year (5-6)</b>	<b>6,747.13</b>	<b>2,970.46</b>	<b>6,628.47</b>	
8	Other Comprehensive Income (net of tax)				
	Item that will not be reclassified to profit & loss				
	- Remeasurements of the defined benefit plans	(3.37)	1.69	(3.65)	
	<b>Total comprehensive income (net of tax)</b>	<b>(3.37)</b>	<b>1.69</b>	<b>(3.65)</b>	
9	<b>Total comprehensive income for the period / year (net of tax)(7+8)</b>	<b>6,743.76</b>	<b>2,972.15</b>	<b>6,624.81</b>	
10	Paid-up equity share capital (face value - INR 10 per share)	5,546.23	5,546.23	5,546.23	
11	Other equity	24,907.13	14,510.71	18,163.37	
12	Basic and diluted earnings per share (EPS) (Face value of INR 10/- each) (not annualised for the six months)	12.17	5.36	11.95	
13	Debenture Redemption Reserve	2,202.50	2,356.00	2,515.00	
14	Capital Redemption Reserve	3,500.00	3,500.00	3,500.00	
15	Ratios (Refer Note 6)				
	(a) Debt/Equity Ratio (number of times)	0.73	1.21	0.99	
	(b) Debt Service Coverage Ratio (DSCR) (number of times)	2.24	1.77	1.86	
	(c) Interest Service Coverage Ratio (ISCR) (number of times)	4.34	3.17	3.36	
	(d) Asset cover available (ACA) (number of times)	2.66	2.34	2.50	
16	<b>Details of secured Non-Convertible Debenture as follows:</b>				
Sr. No.	Particulars	Previous due dates		Next due date	
		(April 1, 2019 to September 30, 2019)		(October 1, 2019 to March 31, 2020)	
		Principal	Interest	Principal	Interest
1	INE354H07064	30-Sep-19	-	31-Mar-20	-
2	INE354H07072	-	-	-	-
3	INE354H07080	-	-	-	-
4	INE354H07098	-	-	-	-
5	INE354H07106	-	-	-	-
6	INE354H07114	-	30-Jun-19 & 30-Sep-19	-	-
7	INE354H07122	-	-	-	-
8	INE354H07130	-	-	-	-
9	INE354H07148	-	-	-	-
10	INE354H07155	-	-	-	-
11	INE354H07163	-	-	-	-

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PURPOSES ONLY  
  
SRBC & CO LLP



# 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 ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

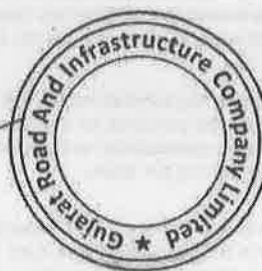
(INR in Lakhs)

Particulars	As at September 30, 2019		As at March 31, 2019	
	(Audited)		(Audited)	
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipments		591.06		141.47
Intangible assets		47,116.61		47,612.77
Financial assets				
(i) Other financial assets		15.06		14.60
Deferred tax assets (net)		2,327.74		-
Other non-current assets		763.82		853.86
<b>Total Non-current Assets</b>		<b>50,814.29</b>		<b>48,622.70</b>
<b>Current Assets</b>				
Financial assets				
(i) Investments	3,733.73		-	
(ii) Trade receivables	373.00		710.00	
(iii) Cash and cash equivalents	2,188.69		3,310.24	
(iv) Bank balances other than (iii) above	4,000.00		5,814.86	
(v) Other financial assets	232.32	10,527.74	175.80	10,010.90
Contract assets		364.71		250.44
Other current assets		85.77		142.21
<b>Total Current Assets</b>		<b>10,978.22</b>		<b>10,403.55</b>
<b>Total Assets</b>		<b>61,792.51</b>		<b>59,026.25</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		5,546.23		5,546.23
Other equity		24,907.13		18,163.37
<b>Total Equity</b>		<b>30,453.36</b>		<b>23,709.60</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
(i) Borrowings	19,383.81		20,594.94	
(ii) Other financial liabilities (refer note 10)		19,383.81	3,211.58	23,806.52
Provisions		1,330.93		1,118.84
Deferred tax liabilities (net)				889.26
Other non-current liabilities		400.25		355.68
<b>Total Non-current Liabilities</b>		<b>21,114.99</b>		<b>26,170.30</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	4.30			
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,433.18		1,408.98	
(ii) Other financial liabilities (refer note 10)	6,347.08	8,784.56	6,367.59	7,776.57
Provisions		1,324.65		1,255.14
Other current liabilities		114.95		114.64
<b>Total Current Liabilities</b>		<b>10,224.16</b>		<b>9,146.35</b>
<b>Total Liabilities</b>		<b>31,339.15</b>		<b>35,316.65</b>
<b>Total Equity and Liabilities</b>		<b>61,792.51</b>		<b>59,026.25</b>

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SRBC & CO LLP

*[Handwritten Signature]*





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## Notes:

- The Company is engaged in development, construction as well as operation & maintenance of road infrastructure projects. The Company has undertaken two road infrastructure projects i.e. Vadodara Halol project road and Ahmedabad Mehsana project road under concession agreement.
- The aforesaid audited financial results have been reviewed by the Audit Committee at their meeting on November 13, 2019 and approved by the Board of Directors at their meeting held on November 13, 2019. The statutory auditors have carried out the audit of the same.
- The Company is engaged in the business of setting up of infrastructure facility on BOOT basis. Accordingly, the Company has considered BOOT segment as a single operating segment in accordance with the Indian Accounting Standard (Ind AS) 108 on "Operating Segments".
- The listed non-convertible debenture of the Company amounting to INR 22,250 lakhs outstanding as on September 30, 2019 are secured by 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.
- The Company's NCDs credit rating are AAA from CARE and AAA(SO) from ICRA as per their letter dated June 27, 2019 and February 20, 2019 respectively.
- Formula used for the computation of the Ratios:
  - Debt/Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus). Debt means aggregate of non-current borrowings, current maturities of non-current borrowings and current borrowings excluding preference shares.
  - Debt Service Coverage Ratio (DSCR) = Profit before interest expenses and tax / (Interest expenses + Principal repayment excluding refinancing of loans)
  - Interest Service Coverage Ratio (ISCR) = Profit before interest expenses and tax / interest expenses
  - Assets cover available (ACA) = Net Assets available as defined by the management / NCDs outstanding as at reporting date
- The Services concession period for Vadodara Halol Road Project (VHRP) and Ahmedabad Mehsana Road Project (AMRP) has been granted for 30 years from operational date i.e. October 24, 2000 for VHRP and February 20, 2003 for AMRP. As per section 2.5 of the concession agreement, the Company is eligible for designated return and in the event, the Company is unable to earn the designated return, the concession period shall at the request of the Concessionaries be extended by Government of Gujarat (GoG) till the time the company earn the designated return. In view of the actual toll revenue being lower than estimated, the Company has submitted proposal vide letter date June 2, 2011 to GoG for extending the concession period upto March 31, 2040 for both project. GoG has vide letter No Toll/1004/75/7/pt-1/Pvt dated August 8, 2011 responded to the request wherein it has accepted that there is a strong case for extension of the time limit of the concession period, considering that the actual traffic is not as per original estimate and that competitive facilities are being created by NHAI which has affected the designated return of the Company. However, the proposal of the same will be considered after observing the traffic trends for a few years.

Pending final approval of GOG, based on the management's evaluation, the company is currently amortising its Right under Service Concession Arrangement over the concession period upto March 31, 2040 which include the extension of services concession period for additional 9.45 years for VHRP and 7.12 year for AMRP. The management has evaluated extension of concession period based on past years rate of return and expecting minimum extension of the Concession period upto March 31, 2040.
- Government of Gujarat (GoG) issued a letter dated August 12, 2016 informing the Company about its decision to grant exemption of Car/ Jeep/ Van/ 2 Wheeler/ 3Wheeler and passenger buses owned by Gujarat State Road Transport Corporation Ltd. from payment of Toll fee w.e.f. August 15, 2016 for use of the project highways operated by the Company. Till reporting date, the GoG has not formulated policy / modalities of compensating for the loss suffered by the company due to above exemption. However, based on interim approval letter and certainty of receipt from GoG, revenue of INR 2,238.00 lakhs has been recognised during the period ended September 30, 2019. As at the reporting date, total unpaid claim made by the Company on GoG toward above exemption amounts to INR 37,258.17 lakhs (including current period unpaid claim amounting to INR 7,016.02 lakhs), which has not been recognised as revenue, pending conclusion of modalities of compensation.
- The revenue from Operations includes construction revenue of INR 4,264.28 lakhs and INR 2,488.75 lakhs for six months ended September 30, 2019 and September 30, 2018 respectively, INR 5,933.40 lakhs for the year ended March 31, 2019 related to construction of VUPs executed through Company and accordingly the corresponding amount of construction expenses of INR 4,264.28 lakhs and INR 2,488.75 lakhs for six months ended September 30, 2019 and September 30, 2018 respectively, INR 5,933.40 lakhs for the year ended March 31, 2019 has been recognised in terms of requirement of Ind AS.
- The Board of Directors in their board meeting dated February 20, 2018 approved refund of advance of INR 10,500 Lakhs in three equal instalments viz April 1, 2018, April 1, 2019 and April 1, 2020 which was received towards Capital / debt from promoters i.e. IL&FS Transportation Networks Limited ("ITNL") and Government of Gujarat ("GoG") pursuant to Corporate debt restructuring plan. Accordingly, the Company has repaid first and second instalment of INR 2,500 lakhs to ITNL and INR 1,000 lakhs to GoG on due date i.e. April 1, 2018 and April 1, 2019.

During previous year, the Company has received intimation letter from ITNL dated October 11, 2018 stating that pursuant to the memorandum of understanding entered between ITNL and IL&FS Financial Services Limited ("IFIN") and confirmation letter, the right, title and interest of any nature whatsoever in the above advances toward capital/debts has been legally and irrevocably transferred from ITNL to IFIN with effect from March 31, 2018. Accordingly, the outstanding amount of INR 2,500 lakhs as on September 30, 2019 (March 31, 2019: INR 5,000 Lakhs) payable towards dues is considered as payable to IFIN.
- The Company has adopted Ind AS 116 'Leases' which is effective for annual periods beginning on or after April 1, 2019 using modified retrospective approach. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17. The adoption of the standard, however did not have any impact on the profit for the period and earning per share.
- Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') issued on September 20, 2019, the company has option to change its tax rates under section 115 BBA with effect from April 1, 2019 subject to certain conditions. The company has evaluated the options available under the Ordinance. Based on the its evaluation, the company has continue with existing tax structure and not elected the option given under the Ordinance.
- Previous year's figures have been regrouped where necessary, to conform to this period classification.

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PURPOSES ONLY  
SRBC & CO LLP

For and on behalf of the Board of Directors of  
Gujarat Road and Infrastructure Company Limited

Chief Executive Officer



Date : November 13, 2019  
Place : Gandhinagar