

Independent Auditor's Report on the 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 financial results of Gujarat Road and Infrastructure Company Limited ('the Company') for the year ended March 31, 2020 ('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 applicable 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 year ended March 31, 2020.

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 statements 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.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the total comprehensive income comprising of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards 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 is 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.
- 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.



S R B C & CO LLP

Chartered Accountants

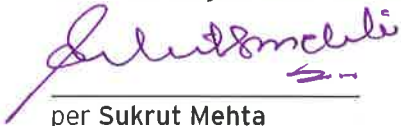
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Further, we report that the figures for the half year period between October 1, 2019 to March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published audited figures for the half year ended September 30, 2019, which were subjected to audit by us, as required under the Listing Regulations.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 20101974AAAACA1815

Place of Signature: Ahmedabad

Date: June 30, 2020

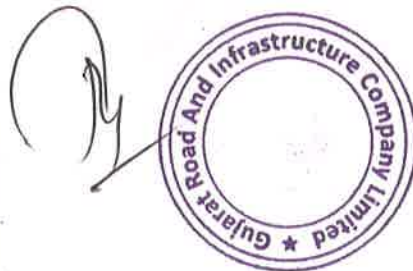


**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**Registered Office : Office of the Secretary, Roads & Buildings Department, Block 14,
Second Floor, Sachivalaya, Gandhinagar – 382 010 CIN: U65990GJ1999PLC036086**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020**

(INR in Lakhs)

Sr No	Particulars	Six months ended		Year ended	
		March 31, 2020 (Refer Note 13)	March 31, 2019 (Refer Note 13)	March 31, 2020	March 31, 2019
		(Audited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations (Refer note 8 & 9)	8,919.79	11,348.63	21,268.58	21,127.14
2	Other income	374.53	330.38	692.23	574.98
3	Total income (1+2)	9,294.32	11,679.01	21,960.81	21,702.12
4	Expenses				
	(a) Sub-contractor charges (Refer note 9)	520.88	3,444.65	4,785.16	5,933.40
	(b) Operating expenses	1,466.82	1,618.03	2,898.57	3,163.81
	(c) Employee benefit expenses	202.57	179.58	383.65	332.75
	(d) Finance costs	1,277.14	1,517.20	2,607.33	3,095.14
	(e) Depreciation and amortisation (Refer note 7)	1,931.97	391.89	2,482.26	780.60
	(f) Other expenses	515.35	656.86	983.19	1,095.86
	Total expenses	5,914.73	7,808.21	14,140.16	14,401.56
5	Profit before tax (3-4)	3,379.59	3,870.80	7,820.65	7,300.56
6	Tax expenses (refer note 14)				
	Current tax	745.42	1,268.12	1,664.00	2,364.57
	Deferred tax	(1,158.14)	(1,055.32)	(2,115.45)	(1,692.48)
	Adjustment of tax related to earlier years	(1.49)	-	(2,268.83)	-
7	Profit for the period / year (5-6)	3,793.80	3,658.00	10,540.93	6,628.47
8	Other Comprehensive Income (net of tax)				
	(a) Item that will not be reclassified to profit & loss in subsequent period				
	- Remeasurements of the defined benefit plans	1.65	(5.36)	(1.73)	(3.66)
	Total other comprehensive income (net of tax)	1.65	(5.36)	(1.73)	(3.66)
9	Total comprehensive income for the period / year (net of tax)(7+8)	3,795.45	3,652.64	10,539.20	6,624.81
10	Paid-up equity share capital (face value - INR 10 per share)	5,546.23	5,546.23	5,546.23	5,546.23
11	Other equity	28,702.57	18,163.37	28,702.57	18,163.37
12	Basic and diluted earnings per share (EPS) (Face value of Rs 10 each) (not annualised for the six months)	6.84	6.60	19.01	11.95
	See accompanying notes to the financial results				
13	Debenture Redemption Reserve	1,890.00	2,515.00	1,890.00	2,515.00
14	Capital Redemption Reserve	3,500.00	3,500.00	3,500.00	3,500.00
15	Ratios (Refer Note 6)				
	(a) Debt/Equity Ratio (number of times)	0.61	0.99	0.61	0.99
	(b) Debt Service Coverage Ratio (DSCR) (number of times)	1.84	1.95	2.04	1.86
	(c) Interest Service Coverage Ratio (ISCR) (number of times)	3.65	3.55	4.00	3.36
	(d) Asset cover available (ACA) (number of times)	2.90	2.50	2.90	2.50
16	Details of secured Non-Convertible Debenture as follows:				
Sr.		Previous due dates		Next due date	
No.	Particulars	(October 1, 2019 to March 31, 2020)		(April 1, 2020 to September 30, 2020)	
		Principal	Interest	Principal	Interest
1	INE354H07064	31-Mar-20		-	
2	INE354H07072	-		30-Sep-20	
3	INE354H07080	-		-	
4	INE354H07098	-		-	
5	INE354H07106	-		-	
6	INE354H07114	-	31-Dec-19 & 31-Mar-20	-	30-Jun-20 & 30-Sep-20
7	INE354H07122	-		-	
8	INE354H07130	-		-	
9	INE354H07148	-		-	
10	INE354H07155	-		-	
11	INE354H07163	-		-	

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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 MARCH 31, 2020

(INR in Lakhs)

Particulars	As at March 31, 2020 (Audited)		As at March 31, 2019 (Audited)	
	ASSETS			
Non-current Assets				
Property, plant and equipments		601.15		141.47
Intangible assets (refer note 7)		45,236.70		47,612.77
Financial assets				
(i) Other financial assets		15.48		14.60
Deferred tax asset (net)		3,485.88		-
Other non-current assets		931.25		853.86
Total Non-current Assets		50,270.46		48,622.70
Current Assets				
Contract assets		-		250.44
Financial assets				
(i) Investments	2,500.46		-	
(ii) Trade receivables	-		710.00	
(iii) Cash and cash equivalents	7,317.28		3,310.24	
(iv) Bank balances other than (ii) above	4,000.00		5,814.86	
(v) Other financial assets	15.96	13,833.70	175.80	10,010.90
Other current assets		186.89		142.21
Total Current Assets		14,020.59		10,403.55
Total Assets		64,291.05		59,026.25
EQUITY AND LIABILITIES				
Equity				
Equity share capital		5,546.23		5,546.23
Other equity		28,702.57		18,163.37
Total Equity		34,248.80		23,709.60
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
(i) Borrowings (refer note 4)	18,170.87		20,594.94	
(ii) Other financial liabilities (refer note 10)	-	18,170.87	3,211.58	23,806.52
Provisions		1,353.15		1,118.84
Deferred tax liabilities (Net)				889.26
Other non-current liabilities		401.83		355.68
Total Non-current Liabilities		19,925.85		26,170.30
Current liabilities				
Contract liabilities		182.41		-
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	2,086.80		1,408.98	
(ii) Other financial liabilities (refer note 10)	6,384.88	8,475.98	6,367.59	7,776.57
Provisions		1,348.00		1,255.14
Other current liabilities		110.01		114.64
Total Current Liabilities		10,116.40		9,146.35
Total Liabilities		30,042.25		35,316.65
Total Equity and Liabilities		64,291.05		59,026.25

See accompanying notes to the financial results

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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 June 29, 2020 and approved by the Board of Directors at their meeting held on June 30, 2020. 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 21,000 lakhs outstanding as on March 31, 2020 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(Stable) from ICRA as per their letter dated June 27, 2019 and March 30, 2020 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
- During the current year, the management has revisited its policy for amortising Toll Collection Right (Intangible assets). It has decided to amortise the Toll Collection Rights as per the existing concession period of 30 years from the commencement of Operations i.e. upto FY 2030 and FY 2033 respectively in case of its two toll assets i.e. Vadodara Halol Road Project (VHRP) and Ahmedabad Mehsana Road Project (AMRP) respectively. Hitherto, the company was amortising the same after including the proposed extended concession period i.e. FY 2040, which was pursuant to preliminary communications on the matter from Government of Gujarat. Consequent to this revision, an additional amount of INR 1,373.05 lakhs has been charged as amortisation, the effect of which has been given in the results for the half year and the year ended 31 March 2020.
- 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 4,476 lakhs (March 31, 2019: INR 4,260 lakhs) has been recognised during the year ended March 31, 2020. As at the reporting date, total unpaid claim made by the Company on GoG toward above exemption amounts to INR 44,378.69 lakhs (including current year unpaid claim amounting to INR 14,846.54 lakhs), which has not been recognised as revenue, pending conclusion of modalities of compensation.
- The revenue from Operations includes construction revenue of INR 520.88 lakhs and INR 3,444.65 lakhs for six months ended March 31, 2020 and March 31, 2019 respectively, INR 4,785.16 lakhs and INR 5,933.40 for the year ended March 31, 2020 and March 31, 2019 respectively related to construction of VUPs executed through Company as additional scope under existing concession agreement and accordingly the corresponding amount of construction expenses of INR 520.88 lakhs and INR 3,444.65 lakhs for six months ended March 31, 2020 and March 31, 2019 respectively, and INR 4,785.16 lakhs and INR 5,933.40 lakhs for the year ended March 31, 2020 and March 31, 2019 respectively, 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 each to ITNL and INR 1,000 lakhs each to GoG on due date i.e. April 1, 2018 and April 1, 2019.

During previous year, the Company had 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 March 31, 2020 (March 31, 2019: INR 5,000 Lakhs) payable towards dues is considered as paid / 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 periods and earning per share presented.
- The company has assessed the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of Toll collection rights and amortisation thereof, Minimum Alternative Tax credit included under the deferred tax and provision for overlay obligation. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at date of approval of these financial statements has used corroborative information. As on current date, the company has concluded that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties in future periods, if any.
- The results for the six months ended March 31, 2020 and March 31, 2019, are balancing figures between audited figures for the full financial year and the audited figures up to the half year ended September 30, 2019 and September 30, 2018 respectively.
- 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 its evaluation, the company has continued 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 year's classification.

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

Chief Executive Officer