

**INDEPENDENT AUDITOR'S REPORT
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 year ended March 31, 2017 ("the Statement"), 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, to the extent applicable.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting on May 5, 2017, has been compiled from the related financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. 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.

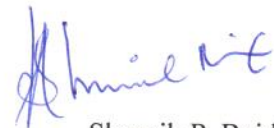
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making 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 obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.



4. 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 Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2017.
5. We draw attention to Note 13 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.
6. The Statement includes the results for the half year ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the audited year to date figures up to half year ended September 30, 2016.

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



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, 2017

(Rs. in Lakhs)

Particulars	Half year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Audited)	(Audited)	(Audited)	(Audited)
1 (a) Revenue from operations	7,511	6,670	14,590	12,896
(b) Other income	289	405	546	594
Total income	7,800	7,075	15,136	13,490
2 Expenses				
(a) Operating expenses	1,850	1,686	3,619	2,966
(b) Employee benefit Expenses	85	60	155	134
(c) Finance Costs	1,352	4,490	5,727	8,913
(c) Depreciation and amortisation expense	377	293	695	571
(d) Other expenses	316	301	551	536
Total expenses	3,980	6,830	10,747	13,121
3 Profit before Tax	3,820	245	4,389	370
4 Less : Tax expense				
(1) Current Tax	815	220	937	330
(2) Deferred Tax	507	(38)	601	(58)
5 Profit for the period	2,498	63	2,851	98
6 Other Comprehensive Income / (Expense) (after tax)	1	(3)	(1)	(3)
7 Total comprehensive income (after tax)	2,499	60	2,850	95
8 i Paid-up equity share capital (face value - ₹ 10 per share)	5,546	5,546	5,546	5,546
8 ii Paid-up Debt Capital	27,334	23,585	27,334	23,585
9 Net worth	17,048	16,201	17,048	16,201
10 Debenture Redemption Reserve	1,700	5,150	1,700	5,150
11 Earnings per share (of ₹ 10/- each) (* Not annualised) :				
(a) Basic	4.5*	0.11*	5.14	0.18
(b) Diluted	4.5*	0.11*	5.14	0.18
12 Ratios (Refer Note 7 below)				
(a) Debt/Equity Ratio (number of times)	1.60	1.46	1.60	1.46
(b) Debt Service Coverage Ratio (DSCR) (number of times)	2.20	1.05	1.50	1.00
(c) Interest Service Coverage Ratio (ISCR) (number of times)	3.83	1.05	1.77	1.04
See accompanying Notes 1 to 17 to the financial results				

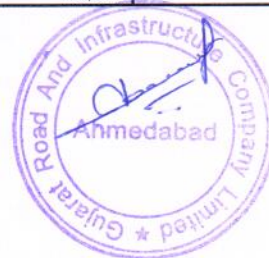




Balance sheet for the year ended March 31, 2017

(Rs. in Lakhs)

	As at March 31, 2017 (Audited)		As at March 31, 2016 (Audited)	
ASSETS				
Non-current Assets				
Property, plant and equipment		191		181
Intangible assets				
(i) under SCA	48,939		49,554	
(ii) others	1	48,940	2	49,556
Financial assets				
(i) Investments		-		-
(ii) Other financial assets		89		14
Tax assets				
(i) Current Tax Asset (Net)		861		358
Other non-current assets				
(i) Capital advance		79		-
Total Non-current Assets		50,160		50,109
Current Assets				
Financial assets				
(i) Trade receivables	-		116	
(ii) Cash and cash equivalents	3,991		10,773	
(iii) Restricted bank balance	4,001		-	
(iv) Investments	450		-	
(v) Other financial assets	2	8,444	3	10,892
Other current assets		83		101
Total Current Assets		8,527		10,993
Total Assets		58,687		61,102
EQUITY AND LIABILITIES				
Equity				
Equity share capital	5,546		5,546	
Other Equity	11,502		10,655	
Equity attributable to owners of the Company		17,048		16,201
Total Equity		17,048		16,201
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
(i) Long-term borrowings	25,334		6,110	
(ii) Other financial liabilities	10,500	35,834	11,111	17,221
Provisions		424		4
Deferred tax liabilities (Net)		1,521		920
Other non-current liabilities		205		231
Total Non-current Liabilities		37,984		18,376
Current liabilities				
Financial liabilities				
(i) Trade payables	140		112	
(ii) Other financial liabilities	2,704	2,844	26,291	26,403
Provisions		740		27
Other current liabilities		71		95
Total Current Liabilities		3,655		26,525
Total Liabilities		41,639		44,901
Total Equity and Liabilities		58,687		61,102



**Notes to the Audited Financial Results for the Year ended March 31, 2017:**

- 1 The above financial results of the Company for the year ended March 31, 2017 has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 5, 2017. An audit of the financial results for the year ended March 31, 2017 has been completed by the Statutory Auditor of the Company

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

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2016 (Audited)	Half Year Ended March 31, 2016 (Audited)
Net Profit (after tax) under Previous GAAP	742	510
Accrual of overlay expenses	(1,350)	(900)
Accounting for preference shares as a financial liability under Ind AS	(116)	(58)
Reduction in depreciation on Intangible assets due to charge off overlay expenses under IND AS	310	157
Amortisation of toll receivable not required under IND AS since fully adjusted against opening reserves	197	99
Deferred tax on above	312	252
Net Profit (after tax) under IND AS	95	60

- 3 Reconciliation of total equity

Particulars	As at March 31, 2016 (End of last period presented under previous GAAP)
Total equity / shareholders' funds under previous GAAP	33,465
Adjustments:	
Accounting for preference shares as a financial liability under Ind AS	(2,500)
Adjustment for SCA accounting (Margins)	4,690
Reversal of the additional depreciation in IGAAP	6,521
Past overlay expenses charged of to P&L under SCA, whereas capitalised in IGAAP	(4,512)
Deferred Tax	(2,318)
Derecognition of toll receivable account	(19,145)
Total adjustment to equity	(17,264)
Total equity under Ind AS	16,201

- 4 The end use of proceeds of issue of NCDs has been inline with the objects stated in the respective 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

- 5 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.

- 6 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".

- 7 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 excluding preference shares

c) Debt Service Coverage Ratio (DSCR) = Profit before Interest Expenses and Tax / (Interest Expenses + Principal Repayment excluding refinancing of loans)

d) Interest Service Coverage Ratio (ISCR) = Profit before Interest Expenses and Tax / Interest Expenses

- 8 Net worth as per Listing Regulations means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

- 9 The asset cover available as on March 31, 2017 in case of Non-convertible debentures issued by the Company is 2.04. Asset cover available = Net Assets available as defined by the management / NCDs outstanding as at March 31, 2017.

- 10 Details of Credit Rating:

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

No change in credit rating

- 11 The Previous due date for the payment of interest and repayment of NCDs was on March 31, 2017, which has been paid.

- 12 The next due date for the payment of interest on NCD is on June 30, 2017 and repayment of NCDs is on September 30, 2017.

- 13 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. The Auditors have given an emphasis of matter paragraph on the same.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Registered Office : Office of the Secretary, Roads & Buildings Department, Block 14, Second Floor, Sachivalaya, Gandhinagar – 382 010
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- 14 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 half year ended March 31, 2017.
- 15 During the period from November 09, 2016 to December 02, 2016, due to demonetisation, 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 December 02, 2016. The Company has made claim in this respect to the GoG and response from GoG is awaited.
- 16 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. 2,003 lakhs (including dividend tax Rs. 340 Lakhs). The Board of Directors of the Company has now subject to approval of the members at the ensuing general meeting, recommended payment of final dividend @ 50% i.e. Rs. 5/- per equity share of Rs.10 each fully paid up for the year ended March 31, 2017. Pursuant to Indian Accounting Standard (Ind AS) 10 – Events after the Reporting Period, final dividend declared after the balance sheet date but before the Financial Statements are approved for issue is not recognised as a liability at the balance sheet date as no obligation exist that time. Accordingly, the Company has not appropriated proposed dividend on equity shares for the year ended March 31, 2017 of Rs. 3,338 lakhs (including dividend tax Rs. 565 Lakhs) pending for shareholders approval.
- 17 The Statement includes the results for the half year ended March 31, 2017 and March 31, 2016 being the balancing figure between audited figures in respect of the full financial year and the audited year to date figures up to the half year ended September 30, 2016 and September 30, 2015



For and on behalf of the Board

DATE : May 5, 2017
PLACE : Gandhinagar



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For and on behalf of the Board

Manager

DATE : May 5, 2017
PLACE : Gandhinagar