RAJAHMUNDRY GODAVARI BRIDGE LIMITED

DIRECTORS' REPORT

To
The Shareholders of
Rajahmundry Godavari Bridge Limited

Your Directors have pleasure in submitting their Ninth Annual Report, together with the Audited Accounts of the Company, for the financial year from 1st April, 2016 to 31st March, 2017 (the "**Period**").

Pursuant to the notification dated February 16, 2015 of the Ministry of Corporate Affairs, your Company has adopted the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 in preparing and presenting the Financial statements beginning the financial year under report, the figures for the previous financial year ended on March 31, 2016 and the balances as on October 1, 2014 have been restated accordingly in order to make these comparable.

1. ACCOUNTS:

The Company has a loss of Rs.64,70,22,000/- for the Period; which has been carried forward to the Balance Sheet.

2. PROJECT STATUS:

Your Company is in commercial operations of the project to "Design, construct finance, operate & maintain a major bridge across river Godavari starting at km. 82/4 of Eluru-Gundugolnu-Kovvur road on kovvur side and joining NH-5 at km. 197/4 on Rajahmundry side in the State of Andhra Pradesh, on Build-Operate-Transfer (BOT) Basis" since 1st November 2015 on receipt of Provisional Commercial Operation Date (PCOD) Certificate. Since January 2017 there is gradual increase in traffic using our toll road. The company has received approval for revised Toll rates since June'2017. There is gradual increase in Toll collection since then.

3. DIVIDEND/TRANSFER TO RESERVES:

In view of the loss during the year, the Directors have not recommended any dividend for the financial year under review. No amount is transferred to any reserves.

4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

Regd. Office : ''Gammon House'', Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6744 4000 / 6748 7200 • Fax : 91 - 22 - 6744 4025 / 6748 7201• CIN : U45203MH2008PLC185941

5. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

In view of the nature of business activities currently being carried out by the Company, your Directors have nothing to report with respect to Conservation of Energy and Technology Absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. The Company has neither earned nor spent any foreign exchange during the Period.

6. **PARTICULARS OF EMPLOYEES:**

During the Financial Year / Period or any part of it, the Company has not employed any employee in receipt of remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

7. **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and ability confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
ii. 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 loss of the Company for that Period;
iii. 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;
iv. they have prepared the annual accounts on a going concern basis;
v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. **BOARD OF DIRECTORS:**

Mr. Kaushik Chaudhuri and Mr. Sanjay Chaudhary joined the Board as the Additional Directors w.e.f 4th January, 2017 and 27th April, 2017 respectively and they both hold office upto the date of the ensuing Annual General Meeting of the Company.

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The notices under Section 160 of the Companies Act, 2013, along with the requisite deposits have been received from the members signifying their intention to propose candidature of Mr. Kaushik Chaudhuri and Mr. Sanjay Chaudhary to the office of the Directors of the Company.

Mr. Kulldip Daryani joined the Board as an Additional Director of the Company w.e.f. 11th November, 2016 and he resigned from the Directorship of the Company w.e.f. 9th December, 2016.

Mr. Monesh Bhansali resigned from the Directorship of the Company w.e.f 28th April, 2016. Mr. Raja Mukherjee and Mr. M.S.S.V. Ramanamurthy resigned from the Directorship of the Company w.e.f. 11th November, 2016 and 10th April, 2017 respectively.

Ms. Renuka Shitut, Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

9. NUMBER OF MEETINGS OF THE BOARD:

Six Board Meetings were held during the financial year. These were held on 28th April, 2016, 28th May, 2016, 6th June, 2016, 19th July, 2016, 11th November, 2016 and 4th January, 2017.

The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:

Name of Director (s)	Number of Meetings held	Attended
Ms. Renuka Shitut	6	6
Mr. Monesh Bhansali*	1	1
Mr. Raja Mukherjee**	5	5
Mr. Kulldip Daryani***	1	1
Mr. Kaushik Chaudhuri****	1	1
Mr. Subramanya Venkata Ramana Murthy Satya Manapragada*****	6	2

* Ceased to be a Director w.e.f. 28th April, 2016.
** Ceased to be a Director w.e.f. 11th November, 2016
*** Appointed as the Additional Director w.e.f. 11th November, 2016 and Ceased to be the Director w.e.f. 9th December, 2016.
**** Appointed as the Director w.e.f. 4th January, 2017.
***** Ceased to be a Director w.e.f. 10th April, 2017.

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17. AUDITORS' REPORT & SECRETARIAL AUDITORS' REPORT:

In the opinion of the Board, the observations made by the Auditors are self-explanatory and do not require any further clarification from the Board.

The Secretarial Auditors' have qualified their report by stating:

1. The Company has not appointed any KMP, as envisaged in Section 203 of the Companies Act, 2013.
2. The Board composition is not as per Section 149 of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
3. The Company has not constituted any - Nomination & Remuneration Committee. The Composition of the Audit Committee is not as per Section 177 of the Companies Act, 2013. The Company has not established any Vigil Mechanism for their Directors & employees.

The Board would like to inform that necessary steps are being taken for the appointment of relevant managerial personnel and committees.

The Report of the Secretarial Auditor is given in Annexure II in the prescribed Form MR-3, which forms part of this report.

18. AUDIT COMMITTEE:

The Audit Committee of the Board oversees and reviews the financial reporting system and disclosures of its financial results. This Committee reviews the adequacy of internal audit procedures, systems and quality of audits, recommends the appointment of statutory auditors and discusses with them the internal control system. The composition of the Audit Committee is as follows:

Mr. Kaushik Chaudhuri, Chairman
Ms. Renuka Shitut, Member
Mr. Sanjay Chaudhary, Member

One meeting of the Audit Committee was held during the financial year. This was held on 6th June, 2016. Details of attendance by each members at the said Audit Committee Meeting is as under:

Name of Director (s)	Number of Meetings held	Attended
Mr. Monesh Bhansali*	0	0
Ms. Renuka Shitut	1	1
Mr. Raja Mukherjee**	1	1
Mr. Kulldip Daryani***	0	0
Mr. Subramanya Venkata Ramana Murthy Satya Manapragada****	1	0
Mr. Kaushik Chaudhuri*****	0	0

* Ceased to be a Chairman of the Audit Committee w.e.f. 28th April, 2016.
** Ceased to be a Member of the Audit Committee w.e.f. 11th November, 2016
*** Ceased to be a Member of the Audit Committee w.e.f. 9th December, 2016.
**** Ceased to be a Member of the Audit Committee w.e.f. 10th April, 2017.
***** Appointed as the Chairman of the Audit Committee w.e.f. 4th January, 2017.

19. CHANGE IN THE NATURE OF BUSINESS;

There has been no change in the nature of business during the year under review.

20. DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Act.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant / material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

22. INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY:

Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements.

23. CORPORATE SOCIAL RESPONSIBILTY

CSR related provisions of the Companies act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.

24. DISCLOSURE ON WOMEN AT WORKPLACE:

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no case was reported in this regard.

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25. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is in the process of establishing a vigil mechanism / whistle blower policy.

26. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

The Company does not have any subsidiary or associate company or joint venture.

27. KEY MANAGERIAL PERSONNEL:

The Board would like to inform that necessary steps are being taken for the appointment of relevant managerial personnel.

28. NOMINATION & REMUNERATION COMMITTEE;

The Board is in the process of constituting Nomination & the Remuneration Committee.

29. ACKNOWLEDGEMENT:

The Directors wish to express their sincere gratitude to APRDC, the State Government, lenders and employees for their continued co-operation and assistance.

For and on behalf of the Board
Rajahmundry Godavari Bridge Limited

Renuka Shitut	Kaushik Chaudhuri
Director	Director
DIN: 07225453	DIN: 06757692

Place: Mumbai
Date: 05.09.2017

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ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[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	U45203MH2008PLC185941
ii.	Registration Date	19.08.2008
iii.	Name of the Company	Rajahmundry Godavari Bridge Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025. Phone no.: (022) 6748 7200.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N. A.

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025. Phone no.: (022) 6748 7200	L45203MH2001PLC131728	Holding Company	75.28%	Section 2(46)

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	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	--	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	15,35,37,644	6	15,35,37,650	75.28	15,35,37,645	5	15,35,37,650	75.28	-
e) Banks / FI	-	-	-	-		-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	**15,35,37,644**	**6**	**15,35,37,650**	**75.28**	**15,35,37,645**	**5**	**15,35,37,650**	**75.28**	-
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-		-	-	-	-
Total Promoter Shareholding (A)=(A)(1)+(A)(2)	**15,35,37,644**	**6**	**15,35,37,650**	**75.28**	**15,35,37,645**	**5**	**15,35,37,650**	**75.28**	-
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	4,99,80,000	-	4,99,80,000	24.50	4,99,80,000	-	4,99,80,000	24.50	-
c) Central Govt	-	-	-	-		-	-	-	-
d) State Govt(s)	-	-	-	-	-	-		-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**4,99,80,000**	-	**4,99,80,000**	**24.50**	**4,99,80,000**	-	**4,99,80,000**	**24.50**	-
2. Non Institutions									
a) Bodies Corp.	4,41,250	-	4,41,250	0.22	4,41,250	-	4,41,250	0.22	-

(i) Indian (ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**4,41,250**	-	**4,41,250**	**0.22**	**4,41,250**	-	**4,41,250**	**0.22**	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5,04,21,250**	-	**5,04,21,250**	**24.72**	**5,04,21,250**	-	**5,04,21,250**	**24.72**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**20,39,58,894**	6	**20,39,58,900**	**100**	**20,39,58,895**	5	**20,39,58,900**	**100**	-

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1.	Gammon Infrastructure Projects Ltd.	15,35,37,650	75.28	68.90	15,35,37,650	75.28	68.90	-
	Total	**15,35,37,650**	**75.28**	**68.90**	**15,35,37,650**	**75.28**	**68.90**	-

iii. Change in Promoters' Shareholding (please specify, if there is no change: N.A.

Sr. 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
	At the beginning of the year	-	-	-	-
-	Date wise Increase / Decrease in Promoters Shareholding during	-	-	-	-

	the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs): N.A.

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders IFCI Limited	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,99,80,000	24.50	4,99,80,000	24.50
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	4,99,80,000	24.50	4,99,80,000	24.50

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders Gammon India Limited	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,41,250	0.22	4,41,250	0.22
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	4,41,250	0.22	4,41,250	0.22

v. Shareholding of Directors and Key Managerial Personnel: N.A.

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				

	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V.INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs. in Lakhs)	Unsecured Loans	Deposits	Total Indebtedness (Rs. in Lakhs)
Indebtedness at the beginning of the financial year (01-Apr-2016)				
i) Principal Amount	65049.78	-	-	65049.78
ii) Interest due but not paid	1776.55	-	-	1776.55
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	66826.33			66826.33
Change in Indebtedness during the financial year - Addition - Reduction	4845.49			4845.49
Net Change	4714.49			4714.49
Indebtedness at the end of the financial year (31-Mar-2017)				
i) Principal Amount	64929.00			64929.00
ii) Interest due but not paid	6742.82			6742.82
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	71671.82			71671.82

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

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: NIL

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (1)					
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD: N.A.

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				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify…				
5.	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

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)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board
Rajahmundry Godavari Bridge Limited

Renuka Shitut
Director
DIN: 07225453

Kaushik Chaudhuri
Director
DIN: 06757692

Place: Mumbai
Date: 05.09.2017

Veeraraghavan. N
Practicing Company Secretary

First Maritime Private Limited
201, Gheewala Building,
M. P. Road, Mulund (East),
Mumbai – 400081
Mob: 98215 28844
Email: nvr54@ymail.com

Form No. MR – 3

SECRETRIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017.

To,
The Members,
Rajahmundry Godavari Bridge Limited
(CIN: U45203MH2008PLC185941)

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rajahmundry Godavari Bridge Limited(hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 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.

M. VEERARAGHAVAN
COMPANY SECRETARY

(iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder

(iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

(v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

The Company being a unlisted public company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as not applicable to the Company.

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

(a) Secretarial Standard issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. --- *The Company being an unlisted public company, the listing agreements are not applicable to the Company.*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. ***The Company has not appointed any KMP, as envisaged in Section 203 of the Act.***

2. ***The Board composition is not as per Section 149 of the Act and*** **Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.**

3. ***The Company has not constituted any -Nomination & Remuneration Committee. The Composition of the Audit Committee is not as per Section 177 of the Act. Also the Company hasnot established any Vigilance Mechanism for their Directors and Employees.***

I further report that:

The Board of Directors of the Company is not duly constituted.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

M. VEERARAGHAVAN
COMPANY SECRETARY

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and insure compliance with applicable laws, rules, regulations and guidelines.

Veeraraghavan N.
ACS NO: 6911
CP NO: 4334

N. VEERARAGHAVAN COMPANY SECRETARY

Place: Mumbai
Date: 5th September 2017

G. M. KAPADIA & CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021. INDIA
PHONE : (91-22) 6611 6611 FAX : (91-22) 6611 6600

Independent Auditor's Report
TO THE MEMBERS OF RAJAHMUNDRY GODAVARI BRIDGE LIMITED

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS 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) specified under section 133 of the Act, read with relevant rules issued thereunder. 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 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 standalone Ind AS 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 standalone Ind AS financial statements based on 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 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 standalone Ind AS financial statements are free from material misstatement.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to note 29, which explains in detail that with respect to the level of operations of the Company. The Company has been unable to meet the interest obligations to the lenders based on the current level of operations. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Due to continued liquidity issues the Company has approached the lenders for a Scheme for Sustainable Structuring of Stressed Assets (S4A). The response of the lenders is awaited. In view of the financial conditions, along with other matters as set forth in the said note, the Company's ability to continue as a going concern is dependent upon the final approval of Managing Committee of the lenders.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report 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;

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

(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 Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder;

(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 II and

(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 by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 25 to the standalone Ind AS financial statements;

(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 and

(iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 8 to the standalone Ind AS financial statements.

For G. M. KAPADIA & CO.
Chartered Accountants
Firm Regn No. : 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

RAJEN ASHAR
Partner
Membership No. 048243

Place : Mumbai
Date : June 18, 2017

Annexure I referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its property, plant and equipment (Fixed Assets).

(b) According to the information and explanations given to us, the property, plant and equipment are physically verified by the management at reasonable intervals and any material discrepancies noticed on such verification have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note no. 3 to the standalone financial statements, are held in the name of the Company.

(ii) The company is not a manufacturing company, hence paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise.

(iv) The Company has not granted any loans or under section 185, made any investment, provide any guarantee or security. Hence, the question of reporting under clause 3(iv) of the Order does not arise.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.

(vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.

(vii) (a) According to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2017, for a period of more than six months from the date they became payable.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the bank account of the Company is classified as non performing, the Company has defaulted in repayment of dues to banks during the period to the extent of Rs. 6,873 lacs. The delay was for the period upto 270 days as on the Balance Sheet date. The Company has not raised any funds through debentures.

(ix) The Company has not raised money raised by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, we state that the Company has prima facie applied the term loan for the purpose for which it was obtained.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period by the Company.

(xi) The Company has not paid any managerial remuneration to any of its directors. Hence this clause is not applicable.

(xii) The Company is not a chit fund or a Nidhi company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.

(xiii) The Company has complied with the provisions of sections 177 and 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. M. KAPADIA & CO.
Chartered Accountants
Firm Regn No. : 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

RAJEN ASHAR
Partner
Membership No. 048243

Place : Mumbai
Date : June 18, 2017

Annexure II to our report of even date

Report on the Internal Financial Controls 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 **RAJAHMUNDRY GODAVARI BRIDGE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period 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 (ICAI). 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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, 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 G. M. Kapadia & Co.
Chartered Accountants
Firm's Registration No: 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Rajen Ashar
Partner
Membership No: 048243

Place : Mumbai
Dated: June 18, 2017

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Notes	As on 31.03.2017 (Rs in lacs)	As on 31.03.2016 (Rs in lacs)	As on 01.10.2014 (Rs in lacs)
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	24.38	28.15	19.59
(b) Other Intangible assets	4	105,250.20	107,020.98	-
(c) Intangible Assets Under Development	5	164.32	-	94,393.73
(d) Financial Assets		-	-	-
(i) Others	6	10.24	1.78	0.01
(e) Other Non-current assets	7	2,928.02	4,117.50	482.99
Total Non - Current Assets (A)		**108,377.16**	**111,168.41**	**94,896.32**
(2) Current Assets				
(a) Financial Assets				
(i) Cash and cash equivalents	8	534.65	78.94	109.15
(ii) Others	6	-	434.47	-
(b) Other current assets	7	1,164.21	72.21	17.16
Total Current Assets (B)		**1,698.86**	**585.62**	**126.30**
Total Assets (A+B)		**110,076.02**	**111,754.03**	**95,022.63**
EQUITY & LIABILITIES				
Equity				
(a) Equity Share capital	9	20,395.89	20,395.89	17,650.00
(b) Other Equity	10	(3,294.41)	3,175.92	2,709.09
Total Equity (A)		**17,101.48**	**23,571.81**	**20,359.09**
Liabilities				
Non-Current Liabilites				
(a) Financial Liabilities				
(i) Borrowings	11.1	64,668.00	64,919.79	53,125.68
(b) Provisions	12	396.25	104.57	6.11
(c) Grant	13	20,269.43	20,611.70	18,547.00
(d) Deferred Tax Liability (Net)	14	-	-	
Total Non-Current Liabilities (B)		**85,333.68**	**85,636.06**	**71,678.79**
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	15	50.73	74.11	-
(ii) Other financial liabilities	11.2	7,585.55	2,470.69	2,960.44
(b) Other current liabilities	16	4.38	-	14.99
(c) Provisions	12	0.19	1.35	0.46
(d) Current Tax Liabilities (Net)	17	-	-	8.86
Total Current Liabilities (C)		**7,640.86**	**2,546.15**	**2,984.75**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**110,076.02**	**111,754.03**	**95,022.63**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. : 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Rajen Ashar
Partner
Membership No. : 48243

Place : Mumbai
Date : 18th June 2017

RAJAHMUNDRY GODAVARI BRIDGE LTD. Mumbai

For and behalf of the Board of Directors of
Rajahmundry Godavari Bridge Limited

Kaushik Chaudhuri
DIN : 06757692

Renuka Shitut
DIN : 07225453

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2017

	Particulars	Note Ref	For 12 months ended March 31, 2017 (Rs in lacs)	For 18 months ended March 31, 2016 (Rs in lacs)
I	**Revenue from Operations (Gross):**	18	5,069.59	6,600.79
	Revenue from Operations		**5,069.59**	**6,600.79**
II	**Other Income:**	19	344.34	143.83
III	**Total Revenue (I + II)**		**5,413.93**	**6,744.62**
IV	**Expenses:**			
	EPC, Tolling and Maintenance Expenses	20	410.72	4,606.36
	Employee Cost	21	56.73	21.78
	Finance Charges	22	9,255.14	3,872.61
	Depreciation and amortisation expense	3 & 4	1,774.56	742.94
	Administrative Expenses	23	387.00	223.66
	Total Expenses		**11,884.14**	**9,467.35**
V	**Profit Before Tax (III-IV)**		**(6,470.22)**	**(2,722.73)**
VI	Tax Expense			
	1. Current Tax			(1.52)
	2. Deferred Tax			
VII	**Profit for the period (V-VI)**		**(6,470.22)**	**(2,721.22)**
VIII	**Other Comprehensive Income (net of tax)**			
	Remeasurement of defined benefit plans		(0.12)	0.46
IX	**Total Comprehensive Income (VII + VIII)**		**(6,470.33)**	**(2,720.76)**
X	Earnings per Equity Share (face value Rs. 10):			
	Basic & Diluted	24	(3.17)	(1.33)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. : 104767W

Rajen Ashar
Partner
Membership No. : 48243

Place : Mumbai
Date : 18th June 2017

For and behalf of the Board of Directors of
Rajahmundry Godavari Bridge Limited

Kaushik Chaudhuri
DIN : 06757692

Renuka Shitut
DIN : 07225453

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2017

Rs in lacs

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities		
Profit Before Tax	(6,470.22)	(2,722.73)
Non-cash & non operating adjustment to Profit Before Tax:		
Depreciation and amortization expense	1,774.56	742.94
Deferred guarantee commission	324.29	135.27
Construction margin recognised as per IND AS 11	(1.63)	(45.21)
Upfront fees amortisation	19.38	18.29
Grant amortisation	(342.27)	(143.30)
Finance costs	8,911.47	3,719.06
	10,685.80	4,427.05
Change in operating assets and liabilities :		
Increase/(decrease) in trade payables	(23.38)	74.11
Increase/(decrease) in other financial assets	426.01	(436.24)
Decrease/(increase) in other non-current assets	818.64	(750.38)
Decrease/(increase) in other current assets	(1,092.00)	(55.05)
Increase/(decrease) in provisions	290.52	99.35
Increase/(decrease) in current liabilities	-	(8.86)
Increase/(decrease) in other current liabilities	4.38	(14.99)
Increase/(decrease) in other current financial liabilities	148.49	(1,074.53)
Cash generated from operations	4,788.25	(462.29)
Direct taxes paid (net of refunds)	27.15	-
Net cash flow from/(used in) operating activities (A)	4,815.40	(462.29)
Cash flow from investing activities		
Payments towards intangible asset under development and capital advances	(162.70)	(13,148.20)
Net cash flow from/(used in) investing activities (B)	(162.70)	(13,148.20)
Cash flows from financing activities		
Proceeds from Grants received	-	2,208.00
Proceeds from borrowings	-	11,794.11
Incresing in share capital	-	2,745.89
Repayment of borrowings	(251.79)	(37.25)
Interest paid	(3,945.20)	(3,130.47)
Net cash flow from/(used in) in financing activities (C)	(4,196.99)	13,580.28
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	455.71	(30.21)
Cash and cash equivalents at the beginning of the year	78.94	109.15
Cash and cash equivalents at the end of the year	534.65	78.94
Reconciliation of cash and cash equivalents as per the cash flow statement :		
Cash and cash equivalents	534.65	78.94
Bank overdrafts	-	-
Balance as per the cash flow statement :	534.65	78.94

The cash flow statement is prepared as per indirect method

Significant accounting policies 2

As per our report of even date

For G. M. Kapadia & Co.
Chartered Accountants

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Rajen Ashar
Partner
Membership No. : 48243

Place: Mumbai
Date: 18 June 2017

RAJAHMUNDRY GODAVARI BRIDGE LTD. Mumbai

For and on behalf of the Board of Directors
Rajahmundry Godavari Bridge Limited

Kaushik Chaudhuri
DIN : 06757692

Renuka Shitut
DIN : 07225453

Place: Mumbai
Date: 18 June 2017

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941

Statement of Changes in Equity

Rs in lacs

Particulars	Capital Contribution	Retained Earnings	Other Comprehensive Income	Total
Balance as at October 1, 2014 as per IND AS	**2,250.00**	**457.74**	**1.35**	**2,709.09**
Profit for the year	-	(2,721.22)	-	(2,721.22)
Adjustments :	-	-	-	-
Adjustment of additional depreciation (refer note 3)	-	(0.69)	-	(0.69)
Further Capital Contribution including Corporate Guarantee issued (net)	3,188.28	-	-	3,188.28
Remeasurement on Actuarial Gain/Loss	-	-	0.46	0.46
Balance as at 31 March 2016	**5,438.28**	**(2,264.17)**	**1.81**	**3,175.92**
Profit for the year	-	(6,470.22)	-	(6,470.22)
Adjustments :	-	-	-	-
Remeasurement on Actuarial Gain/Loss	-	-	(0.12)	(0.12)
Balance as at 31 March 2017	**5,438.28**	**(8,734.38)**	**1.69**	**(3,294.41)**

Notes

Retained earnings:
It represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

Capital Contribution:
This represents equity portion of Inter Corporate Deposits which is treated as quasi equity.

Other Comprehensive income:
It represents remeasurement of defined benefit plans.

RAJAHMUNDRY GODAVARI BRIDGE LTD. Mumbai *

G. M. KAPADIA & CO. MUMBAI * Chartered Accountants *

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1 **A. Corporate profile**

Rajahmundry Godavari Bridge Limited (RGBL) was incorporated under the Companies Act, 1956, on August 19, 2008 to develop, maintain, operate a 4-lane major bridge across river Godavari including its approaches starting at km. 82/4 of Eluru-Gundugolanu-Kovvur Road on Kovvur side and joining at km. 197/4 on Rajahmundry side on NH-5 in the state of Andhra Pradesh on Build-Operate-Transfer (BOT) basis. The Company has entered into a concession agreement for a period of 25 year's on November 5, 2008 with Andhra Pradesh Road Development Corporation. Company in exchange has received right to collect toll for a period of 25 years from appointed date.

Authorization of financial statements:
The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 18th June, 2017

B. Basis of Preparation

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2 and other relevant provisions of the Act and Rules thereunder.
For all periods upto and including the period ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rule, 2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The Financial Statements are prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value (refer note 33).

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). The financial statements for the year ended March 31, 2017 are the first financial statement prepared in accordance with Ind AS. The previous period comparatives for the eighteen months period ended March 31, 2016 which were earlier prepared as per IGAAP have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore October 1, 2014 for which the Opening Balance Sheet is prepared. Refer note 32 for an explanation of how the transition from previous Generally Accepted Accounting Principles (GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

The standalone financial statements are presented in INR and all values are rounded to the nearest Rupees in lacs, except otherwise stated.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Use of estimates

The preparation of the financial statememts in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates,judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the finacial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Fair value measurements of financial instruments
- Useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Impairment of intangible assets;
- Evaluation of recoverability of deferred tax assets and
- Percentage of margin on construction cost

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Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2 Significant Accounting Policy

a) Revenue Recognition

i) Construction contract revenues :
Construction contract revenue is recognises based on percentage completion accounted at the fair value for service rendered.

ii) Toll income :
Toll revenue from operations of toll roads is recognised on usage and recovery of the usage charge thereon.

iii) Interest income:
Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

iv) Dividend income:
Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

b) Property, Plant and Equipment (PPE)

i) Freehold lands are carried at historical cost. Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

ii) Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.

iii) Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv) Decomissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v) Depreciation on property, plant and equipment is charged on straight line method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.
The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

vi) The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components have been assessed based on the historical experience and internal technical inputs.

vii) Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

viii) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

ix) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

x) On date of transition to Ind AS i.e 1st October 2014, the Company has elected to continue with the carrying value of the Property, Plant and Equipment existing as per previous GAAP .

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c) Intangible assets

i) The tolling rights received in exchange for the Construction Service rendered to the grantor of tolling rights are recognied as an intangible asset as per the Concession agreement. Intangible assets is recognised at cost of construction. Cost include direct costs of construction of the project asset and related to the construction activity. Costs incidental to the construction activity, including financing costs on borrowing attributable to constructin of the project asset, have been capitalised to the project asset till the date pre Commercial Operation Date (COD) certificate. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

ii) Intangible assets are amortised over the concession period from the date of capitalization. The toll concession rights are being amortised over the traffic count projected by the company as per the provisions of the concession agreement.

iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

iv) The expenditure incurred on the development of intangible asset is classified as Intangible Asset Under Development .

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

e) Impairment

At each balance sheet date, an assessment is made of whether there is any indication of impairment. If indication exists, assets are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units).

f) Government grant :

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the government grant relates to an asset, the asset and grant are recorded at fair value. Grant is recognised in statement of profit and loss as income based on projected traffic numbers over the expected useful life of the related asset.

g) Non-current assets held for sale :

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

Non current assets are not depreciated or amortized once classified as held for sale.

h) Service concession arrangement :

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measure at cost, less any accumulated amortisation and accumulated impairment losses.

i) Inventories

Inventories are valued at the lower of cost and net realisable value.

a) Stores and materials are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price less estimated cost necessary to make the sale. The weighted average method of inventory valuation is used to determine the cost.

b) Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost. Surplus, obsolete and slow moving stores and spares, if any, are valued at cost of net realizable value whichever is lower. Surplus items, when transferred from completed projects are valued at cost / estimated value, pending periodic assessment / ascertainment of condition. Stores and Spares in transit are valued at cost.

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j) Taxation

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of 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.

i) Current Tax

Current tax expense is determined as the amount of tax payable in respect of taxable income for the year.
Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting.

ii) Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Earnings per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Provisions, Contingent Liabilities and Contingent Assets

i) Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used,theincrease in the provision due to the passage of time is recognized as a finance cost.

ii) Contingent liabilities

Contingent liabilities are disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

iii) Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

m) Employee Benefits

i) Short-term obligations :

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which employees render service) are measured at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

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ii) Post-employment obligations :

Retirement benefit in the form of gratuity is a defined benefit plan. Gratuity is measured on a discounted basis by projected Unit Credit Method provided on the basis of an actuarial valuation made at the end of each period.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets.

Defined benefit costs are categorized 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
- remeasurement

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they incurr, immediately in Other Comprehensive Income. They are included in Other Comprehensive Income in the statement of changes in equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest expense or income is included in employee benefit expense in the Statement of Profit and Loss.

iii) Other long-term employee benefit obligations :

The eligible employees can accumulate un-availed privilege leave and are entitled to encash the same either while in employment, on termination or on retirement in accordance with the Company's policy. The present value of such un-availed leave is measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date.The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

n) Financial instruments

Financial Assets & Financial Liabilities

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

A Non-derivative financial instruments

Subsequent measurement

i) Financial assets carried at amortised cost :

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income :

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss :

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or

-the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

v) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets.

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vi) Financial liabilities

Borrowings:

Borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

vii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Rs in lacs

3 Property, Plant & Equipment

Particulars	Land	Plant & Machinery	Office Equipment	Furniture & Fixtures	Computers	Motor Car	Total
(Owned assets)							
Cost							
As at October 1, 2014	8.20	-	0.09	0.20	2.65	16.29	27.42
Additions	-	10.59	-	2.76	0.81	-	14.16
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2016	**8.20**	**10.59**	**0.09**	**2.96**	**3.46**	**16.29**	**41.58**
Additions	-	-	-	-	-	-	-
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2017	**8.20**	**10.59**	**0.09**	**2.96**	**3.46**	**16.29**	**41.58**
	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
As at October 1, 2014	-	-	0.02	0.05	1.93	5.83	7.83
Additions*	-	0.48	0.07	0.19	1.10	3.76	5.59
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2016	-	**0.48**	**0.09**	**0.24**	**3.03**	**9.59**	**13.42**
Additions	-	0.71	-	0.30	0.27	2.50	3.78
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2017	-	**1.18**	**0.09**	**0.54**	**3.30**	**12.09**	**17.20**
	-	-	-	-	-	-	-
Net Block	-	-	-	-	-	-	-
As at October 1, 2014	**8.20**	-	**0.07**	**0.15**	**0.73**	**10.46**	**19.59**
As at March 31, 2016	**8.20**	**10.11**	-	**2.72**	**0.43**	**6.70**	**28.15**
As at March 31, 2017	**8.20**	**9.41**	-	**2.42**	**0.16**	**4.20**	**24.38**

1 Freehold land with a carrying amount of Rs. 8.19 lacs (as at March 31, 2016: Rs.8.19 lacs; as at October 1, 2014: Rs.8.19 lacs) have been pledged to secure borrowings. The freehold land have been pledged as security for bank loans under a mortgage. Plant and equipment with a carrying amount of Rs. 16.18 lacs (as at 2016: Rs. 19.95 lacs; 2014: Rs 11.40 lacs) have been pledged to secure loans (see note 11).

4 Intangible assets

Particulars	Project Asset	Total
Cost		
As at October 1, 2014	-	-
Additions	107,762.36	107,762.36
Sales/Disposals	-	-
As at March 31, 2016	**107,762.36**	**107,762.36**
Additions	-	-
Sales/Disposals	-	-
As at March 31, 2017	**107,762.36**	**107,762.36**
	-	-
Amortisation	-	-
As at October 1, 2014	-	-
Additions	741.38	741.38
Sales/Disposals	-	-
As at March 31, 2016	**741.38**	**741.38**
Additions	1,770.78	1,770.78
Sales/Disposals	-	-
As at March 31, 2017	**2,512.16**	**2,512.16**
Net Block	-	-
As at October 1, 2014	-	-
As at March 31, 2016	**107,020.98**	**107,020.98**
As at March 31, 2017	**105,250.20**	**105,250.20**

5 **Intangible assets under development**

Particulars	**As at 31-Mar-17**	**As at 31-Mar-16**	**As at 30-Sep-14**
Contract expenditure - Engineering, Procurement & Construction ('EPC')	164.32	70,700.00	66,590.33
Other Project expenses	-	866.22	817.47
Concession fees	-	0.00	0.00
Developer's fees	-	2,533.08	2,533.08
Professional Fees	-	561.81	362.11
Depreciation	-	11.29	7.90
Financial expenses	-	-	-
Interest on borrowings	-	31,823.91	23,356.69
Other finance costs	-	375.22	229.29
Administration expenses	-	-	-
Insurance costs	-	86.10	67.36
Franking and stamping charges	-	51.11	25.31
Motor car expenses	-	45.25	31.18
Travel expenses	-	62.96	47.44
Others	-	94.94	38.08
Profit on sale of mutual fund	-	(40.48)	(40.48)
Personnel expenses	-	-	-
Staff salary	-	389.74	315.89
Gratuity	-	3.20	3.31
Leave encashment	-	3.88	5.51
LTA	-	2.79	2.08
Staff welfare expenses	-	1.97	1.19
Guarantee commission	-	189.37	-
Capitalised as Project Assets	-	107,762.36	-
Total intangible assets under development	**164.32**	-	**94,393.73**

The amount of borrowing costs capitalised during the period is Nil (2016: Rs. 88,02.52 lacs, 2014: Rs. 52,93.29 lacs).

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CIN: U45203MH2008PLC185941
Notes to financial statements as at and for the year ended March 31, 2017

Rs in lacs

		Non- Current As at March 31, 2017	Non- Current As at March 31, 2016	Non- Current As at October 1, 2014	Current As at March 31, 2017	Current As at March 31, 2016	Current As at October 1, 2014
6	**Other Financial Assets**						
	(Unsecured, Considered good)	-	-	-	-	-	-
	Security Deposit	-	-	-	-	-	-
	- Security Deposit for Electricity	10.20	1.78		-	-	-
	- Others	0.05	-	0.01	-	-	-
		-	-	-	-	-	-
		10.24	1.78	0.01	-	-	-
	Amount receivable from APRDC (Change of scope)	-	-	-	-	434.47	-
	Total	10.24	1.78	0.01	-	434.47	-

		Non- Current As at March 31, 2017	Non- Current As at March 31, 2016	Non- Current As at October 1, 2014	Current As at March 31, 2017	Current As at March 31, 2016	Current As at October 1, 2014
7	**Other assets**						
	Prepaid upfront fees	172.94	192.32	210.61	-	-	-
	Deferred Guarantee Commission	2,576.60	2,900.89	-	-	-	-
	Advance given to contractor - Gammon India Limited (Refer note 28)	-	825.95	22.16	1,145.89	-	-
	Advance given for Capital expenditure- Others	-	2.96	98.16	-	-	-
	Advance taxes (Net of Provision)	178.48	195.38	152.06	-	-	-
	Dues from related party	-	-	-	-	-	-
	- Andhra Expressway Limited	-	-	-	-	-	0.28
	- Rajahmundry Expressway Limited	-	-	-	-	-	0.13
	Prepaid Expenses	-	-	-	0.47	3.92	16.75
	Statutory and other receivables	-	-	-	-	0.99	-
	Others	-	-	-	17.85	67.30	-
	Total	2,928.02	4,117.50	482.99	1,164.21	72.21	17.16

			Current As at March 31, 2017	Current As at March 31, 2016	Current As at October 1, 2014
8		**Cash and Bank Balances**			
		Cash and cash equivalents			
	i)	Balances with banks	517.27	61.47	109.15
	ii)	Cash on hand	17.38	17.47	-
		Total	534.65	78.94	109.15

a) **Disclosure of Specified Bank Notes (SBNs)**
During the year, the Company had specified bank notes and other denomination notes as defined in the Ministry of Corporate Affairs notification G.S. R. 308(E) dated 30th March, 2017 on the details of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 the denomination wise SBNs and other notes as per the notification is given below:

Rs in lacs

Particulars	SBN's *	**Other Denomination Notes**	**Total**
Closing cash in hand as on 8th November, 2016	0.60	15.29	15.89
(+) Permitted receipts	124.53	244.74	369.27
(-) Permitted payments	-	2.49	2.49
(-) Amount deposited in Banks	125.13	244.27	369.40
Closing cash in hand as on 30th December, 2016	-	13.27	13.27

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

		As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
9	**Equity Share capital**			
i)	**Authorised shares :**			
	20,40 lacs (2016: 20,40 lacs ; 2014: 18,00 lacs) Equity shares of Rs 10/- each	20,400.00	20,400.00	18,000.00
	Total	20,400.00	20,400.00	18,000.00
ii)	**Issued, subscribed & fully paid up shares :**			
	March 31, 2017 : 20,39.59 lacs Equity shares of Rs 10/- each (March 31, 2016 : 20,39.59 lacs Equity Shares of Rs 10/each October 1, 2014 : 17,65.00 lacs Equity Shares of Rs. 10/- each)	20,395.89	20,395.89	17,650.00
	Total	20,395.89	20,395.89	17,650.00
		-	-	-
	Total paid-up share capital (i+ ii)	20,395.89	20,395.89	17,650.00

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	March 31, 2017	March 31, 2017	As at March 31, 2016	March 31, 2016	October 1, 2014	October 1, 2014
	Number	Amount	Number	Amount	Number	Amount
a) **Reconciliation of the equity shares outstanding at the beginning and at the end of the period**						
Balance, beginning of the period	2,039.59	20,395.89	1,765.00	17,650.00	1,765.00	17,650.00
	-	-	274.59	2,745.89	-	-
Balance, end of the period	2,039.59	20,395.89	2,039.59	20,395.89	1,765.00	17,650.00

b) **Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares held by holding / ultimate holding company and /or their subsidiaries / associates**

Out of equity shares issued by the Company, shares held by its holding / ultimate holding Company and /or their subsidiaries / associates are as follows:

	March 31, 2017	March 31, 2017	As at March 31, 2016	March 31, 2016	October 1, 2014	October 1, 2014
	Number	Amount	Number	Amount	Number	Amount
Equity shares of Rs. 10/- each fully paid up						
Gammon India Limited, Ultimate Holding Company	4.41	44.13	4.41	44.13	4.41	44.13
Gammon Infrastructure projects limited('GIPL'), Holding Company	1,535.38	15,353.77	1,535.38	15,353.77	1,260.79	12,607.88

d) **Details of shareholders holding more than 5% shares in the Company**

	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	October 1, 2014	October 1, 2014
	Number	%	Number	%	Number	%
Gammon Infrastructure projects limited('GIPL'), Holding Company	1,535.38	75.28	1,535.38	75.28	1,260.79	71.43
IFCI Limited	499.80	24.50	499.80	24.50	499.80	28.32

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

Rs in lacs

10 Other Equity	March 31, 2017	As at March 31, 2016	October 1, 2014
i) Retained Earnings	(8,734.38)	(2,264.17)	457.74
ii) Capital contribution	5,438.28	5,438.28	2,250.00
iii) Other Comprehensive Income	1.69	1.81	1.35
	(3,294.41)	**3,175.92**	**2,709.09**

	March 31, 2017	As at March 31, 2016	October 1, 2014	March 31, 2017	As at March 31, 2016	October 1, 2014
		Non- Current			**Current Maturities**	
11 Financial Liabilities						
11.1 **Borrowings**						
ii) Term loan from banks	64,668.00	64,919.79	53,125.68	261.00	130.00	1,556.83
Less: disclosed in Other Current Liabilities	-	-	-	(261.00)	(130.00)	(1,556.83)
	64,668.00	**64,919.79**	**53,125.68**	-	-	-
The break-up of above:						
Secured	64,668.00	64,919.79	53,125.68	261.00	130.00	1,556.83
Unsecured	-	-	-	-	-	-
	64,668.00	**64,919.79**	**53,125.68**	**261.00**	**130.00**	**1,556.83**

Term Loans

The Loan together with all, interest, additional interest, liquidated damages, premium on pre payment, costs, expenses and other monies whatsoever stipulated in the Loan Agreement ("Secured Obligations") shall be secured by: -

a) a first mortgage and charge on all the Company's immovable properties, both present and future;

b) a first charge by way of hypothecation of all the Company's tangible moveable assets, including, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future;

c) a first charge on Company's receivables;

d) a first charge over all bank accounts of the Company including without limitation, the Escrow Account, the Debt Services Reserve Account, the Retention Accounts (or any account in substitution thereof) and such other bank accounts that may be opened in terms hereof and of the Project Documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto save and except the sums lying to the credit of the Distributions Sub-Account and the gains and profits arising out of the Authorised Investments or investments made in any other securities from the Distribution Sub-Account.

e) a first charge on all intangibles of the Company including but not limited to goodwill, rights, undertaking's and uncalled capital, present and future;

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f) a first charge by way of assignment or otherwise creation of Security Interest in:

i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;

ii) the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals;

iii) all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;

iv) all insurance contracts/ insurance proceeds;

g Pledge of 51% of equity shares of the Company presently held by Gammon Infrastructure Projects Limited.

h Corporate Guarantee of the Sponsor:

i) to cover the aggregate principal amounts of the loans in the event of termination of the Concession of the agreement pursuant to occurrence of any Concessionaire Default during the Construction Period, which shall stand discharged upon occurrence of the COD.

ii) to cover the shortfall in the DSRA as stipulated.

i) Terms of repayment of secured debt	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Repayment within one year from the end of the financial year	261.00	130.00	1,556.83
Repayment beyond one year to five years from the end of the financial year	11,103.00	4,415.00	5,094.00
Repayment beyond five years from the end of the financial year	53,565.00	60,504.79	48,031.68
	64,929.00	65,049.79	54,682.51

The above mentioned long term loans carries interest rate of BPLR - 100 basis points. The rate of interest is calculated based on the highest interest rate charged by any consortium bankers

The Company has entered into a Concession Agreement with Andhra Pradesh Road Development Corporation (APRDC) on 5th November 2008 for building a bridge and maintaining it for a period of 25 years on DBFOT basis on Rajahmundry side in state of Andhra Pradesh. As per the agreement, the total project cost was estimated at Rs. 86,110.00 lacs. The Company had availed a term loan of Rs.56600.00 lacs from the consortium of bankers. The project was due to be completed on 26th May 2012. However, the project got delayed for the reason, which is not attributable to the Company. Due to the delay in project, there was cost overrun thereby increasing the total project cost by Rs.17215.00 lacs to Rs 103325.00 lacs. In March 2015, the Consortium Bankers have restructured the said loan. As per the terms of the restructuring, the Company has received the additional funding from the consortium bankers to the extent of Rs. 8789.00 lacs. The Company is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016 which Company has defaulted amounting to Rs 130 lacs. Thereafter, the term loan account of the Company has been classified as a Non performing Asset. However, the banks have not recalled the loans. Accordingly, the loans have been disclosed as a Non current Liability (Refer Note 05). During the period, the Company has defaulted in repayment of interest on its secured loan for the period from July 16 to March 17 amounting to Rs. 6742 lacs.

	As at			As at		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	Non- Current			Current		
11.2 **Other Financial Liabilities (at amortised cost)**						
i) Current maturities of Long Term Borrowings	-	-	-	261.00	130.00	1,556.83
Interest accrued and due to Banks (Refer note 11)				6,742.83	1,776.55	1,187.96
Dues to Related parties				-	-	-
- Gammon Infrastructure Projects Limited				329.50	319.93	6.64
- Sidhi Singrauli Road Projects Limited				2.70	-	-
- Vijaywada Gundugolanu Road Project Pvt Ltd				5.88	4.40	-
- Deposit for Directorshipl - GIPL				3.00	2.00	-
Other liabilities				240.64	237.80	209.00
				-	-	-
Total	-	-	-	**7,585.55**	**2,470.69**	**2,960.44**

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Rs in lacs

	As at			As at		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	Non- Current			Current		
12 Long Term Provisions						
i) Provision for employee benefits :						
Leave Encashment	6.04	2.06	5.02	0.14	1.02	0.43
Gratuity	1.82	0.67	1.09	0.05	0.33	0.02
ii) Provision for periodic maintenance	388.40	101.83	-	-	-	-
	-	-	-	-	-	-
Total	396.25	104.57	6.11	0.19	1.35	0.46

Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Particulars	Opening	Addition	Utilisation	Closing
Provision for Project Obligations (Current Year)	101.83	286.57	-	388.40
Provision for Project Obligations (Previous Year)	-	101.83	-	101.83

a) **Disclosure in accorance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.**

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

* **Net employees benefit expense (recognized in Employee benefit cost)**

Particulars	**12 months period ended March 31, 2017**	**18 months period ended March 31, 2016**
Current service cost	0.40	0.26
Interest cost	0.08	0.15
Actuarial (gain)/loss	0.38	(0.52)
Total	**0.86**	**(0.11)**

* **The changes in the present value of the defined benefit obligation are as follows**

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016	9 months period ended September 30, 2014
Defined benefit obligation at the beginning	1.01	1.11	0.95
Current service cost	0.40	0.26	0.65
Interest cost	0.08	0.15	0.06
Acturial (Gain)/Loss	0.38	(0.52)	(0.55)
Less : Benefit paid	-	-	-
Defined benefit obligation at the end	**1.87**	**1.01**	**1.11**

As the Company's gratuity obligation is fully unfunded, the Company does not expect to contribute any amounts to its gratuity plan in the next annual period.

* **The principal assumptions used in determining the gratuity obligations are as follows:**

Particulars	**12 months period ended March 31, 2017**	**18 months period ended March 31, 2016**	**9 months period ended September 30, 2014**
Discount rate	7.50%	7.99%	9.50%
Expected rate of return on plan assets	Not applicable	Not applicable	Not applicable
Attrition rate	2.00%	3.00%	2.00%
Retirement age	60 years	60 years	60 years
Salary Escalation	5%	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality 2006-08 (ultimate)		

	As at			As at		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	Non- Current			Current		
13 Government Grants						
Government grant	20,269.43	20,611.70	18,547.00	-	-	-
	-	-	-			
Total	20,269.43	20,611.70	18,547.00	-	-	-

As per the terms of Concession Agreement, the Company is entitled to receive grant from the Government of Andhra Pradesh in the nature of equity support. During the period, the Company has received grant of Rs. Nil (2016: Rs 22,08.00 lacs, 2014: Rs. 80,32.00 lacs) in the form of equity support which has been accounted as liability as per IND AS 20 and amortized over period of concession.

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Rs in lacs

14 Deferred Tax Liability	March 31, 2017	As at March 31, 2016	October 1, 2014
	-	-	
Deferred tax liabilty			
Depreciation due to timing difference	13,636.84	10,983.45	-
Deferred tax liabilty (A)	**13,636.84**	**10,983.45**	-
	-	-	
Deferred tax Asset	-	-	
Employee benefits	2.78	1.41	-
Interest	2,333.56	614.83	-
Grant received from APRDC	7,163.86	6,418.75	-
Business loss brought forward	4,136.65	3,948.46	-
	-	-	
Deferred tax Asset (B)	**13,636.84**	**10,983.45**	-
Net Liability	-	-	-

Note : Company has recognised deferred tax asset only to the extent of liability as Company has approached banks for S4A scheme under which there would be waiver of interest and hence no deferred tax asset (net) is created on same.

	March 31, 2017	As at March 31, 2016 Current	October 1, 2014
15 Trade Payables (at fair value)			
i) Trade payables - Micro, small and medium enterprises	-	-	-
ii) Trade payables - Others	50.73	74.11	-
	-	-	
Total	**50.73**	**74.11**	-

a) **Amounts due to Micro, Small and Medium Enterprises**

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at (Non- Current)			As at (Current)		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
16 Other Liabilities						
Duties and Taxes payable				4.38	-	14.99
				-	-	-
				-	-	-
Total	-	-	-	**4.38**	-	**14.99**

	March 31, 2017	March 31, 2016	October 1, 2014
17 Liabilities for current tax (net)			
Provision for taxation, net of advance tax	-	-	8.86
			-
Total	-	-	**8.86**

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
18 Revenue from Operations		
i) Toll Revenue	4,905.26	2,034.69
ii) Construction contract revenue	164.32	4,566.10
Total	5,069.59	6,600.79

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
19 Other income		
Insurance Claim received	-	0.53
Interest on income tax refund	1.32	-
Others	0.75	-
Amortisation of grant	342.27	143.30
	-	-
Total	**344.34**	**143.83**

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
20 Direct Cost		
Tolling Expenses	148.36	53.28
Maintenance Expenses	99.66	12.28
EPC Cost	162.70	4,540.79
	-	-
Total	**410.72**	**4,606.36**

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Rs in lacs

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
21 Employee Benefit Expenses		
Salaries, wages and bonus	55.88	21.66
Gratuity expense	0.85	-
Staff Welfare Expenses	-	0.12
Total	**56.73**	**21.78**

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
22 Finance cost		
Interest Paid On :		
Bank Loans	8,867.83	3,707.34
Other finance costs	43.64	11.72
Upfront fees amortisation	19.38	18.29
Guarantee Expenses	324.29	135.27
Total	**9,255.14**	**3,872.61**

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
23 Other expenses		
Professional fees	60.17	6.20
Stamping & Franking Charges	-	103.20
Insurance charges	27.45	10.13
Motor car expenses	10.39	6.25
Printing and stationery	-	0.25
Travelling expenses	4.39	3.95
Miscellaneous expenses	39.10	2.23
Provision for perodic maintainenace	243.23	90.12
Payment to auditors (Refer note below)	-	-
- statutory audit fees	1.52	1.33
- other services (certification fees)	-	-
Annual custodian fees	0.75	-
	-	-
Total	**387.00**	**223.66**
	-	-
	-	-
a) **Payment to auditors**		
Statutory Audit fee	1.00	1.00
Tax audit fee	0.50	0.30
Reimbursement of expenses	0.02	0.03
Total payments to auditors	**1.52**	**1.33**

24 Earnings Per Share ('EPS') :

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Net Profit / (Loss) as per Statement of Profit and Loss	(6,470.22)	(2,721.22)
Outstanding equity shares at period end	2,039.59	2,039.59
Weighted average Number of Shares outstanding during the period – Basic	2,039.59	2,039.59
Weighted average Number of Shares outstanding during the period - Diluted	2,039.59	2,039.59
Nominal value of equity shares (Rs. per share)	10	10
Earnings per Share - Basic (Rs.)	**(3.17)**	**(1.33)**
Earnings per Share - Diluted (Rs.) *	**(3.17)**	**(1.33)**

25 There are no contingent liabilities as at March 31, 2017, March 31, 2016 and as at October 1 ,2014.

There is an open court case in which the Company has been made a party by the plaintiff with respect to land acquisition, where-in the revenue department of the Hon. Government has already deposited the compensation in the Hon. Court. There is no liability of the Company in this regard.

26 There are no capital commitment as at March 31, 2017 (2016 : Nil, 2014: Rs 35,54.69 lacs)

27 Segment reporting:

The Company's operations comprise only a single business and geographical segment, namely the operation of the bridge project on a BOT basis at Andhra Pradesh in India as per Indian Accounting Standard (IND AS) 108 "Operating Segments" and hence no disclosures are required.

28 Related party transactions

a) Related parties where control exists :
1. Gammon India Limited - ultimate holding company
2. Gammon Infrastructure Projects Limited - holding company

b) Fellow subsidiaries :
1. Sidhi Singrauli Road Project Limited
2. Vijaywada Gundugolanu Road Project Private Limited

c) Key Managerial Personnel
1) Kaushik Chaudhuri
2) Renuka Shitut
3) Ramana Murthy

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Rs in lacs

Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Issue of share capital to GIPL:	-	-	-
	-	(2,745.89)	-
Receipt of inter-corporate loan from GIPL	-	-	-
	-	(3,068.64)	-
Refund of inter-corporate loan to GIPL	-	-	-
	-	(3,105.89)	-
Expenses incurred on behalf of the Company:	-	-	-
Gammon Infrastructure Projects Limited	-	61.39	-
	-	(757.08)	-
Gammon Infrastructure Projects Limited Paid	-	70.96	-
	-	(443.79)	-
Vijayawada Gundugolanu Road Project Private Limited	-	-	0.54
	-	-	(4.40)
Sidhi Singrauli Road Projects Limited	-	-	2.70
	-	-	-
Commission recognised on guarantees	-	-	-
Gammon Infrastructure Projects Limited Paid	-	-	-
	-	(3,225.53)	-
EPC services provided by:	-	-	-
Gammon India Limited	1,442.42	-	-
	(8,822.80)	-	-
Payments / adjustments made against EPC	-	-	-
Gammon India Limited	1,122.47	-	-
	(9,626.59)	-	-
Outstanding balances payable :	-	-	-
Gammon Infrastructure Projects Limited	-	329.46	-
	-	(319.93)	-
Vijayawada Gundugolanu Road Project Private Limited	-	-	5.88
	-	-	(4.40)
Sidhi Singrauli Road Projects Limited	-	-	2.70
	-	-	-
Balances receivable :	-	-	-
Gammon India Limited	1,145.89	-	-
	(825.95)	-	-

(Previous period's figure in brackets)

29 The Company commenced its operation on the Tolling Bridge Project with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing to the Company as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the Company has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the Company expects substantial reduction in the interest burden and thus increase in available Cash flows. The Proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company is confident of the proposal being sanctioned. In view of above, the financial statements have been prepared on going concern basis and accordingly, no impairment of assets has been accounted as per Ind AS 36. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and its ability to continue as a going concern.

30 Financial risk factors

i) **Business / Market Risk**
Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. One of the first and foremost business risk is the achievement of the traffic projections made at the time of the bid. This will include the introduction of alternate roads by the state or central government which impacts the traffic projected to ply on the asset under the control of the Company. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company to risk.

ii) **Capital and Interest rate Risk**
Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. The Company's average cost of debt remains at 11.60% p.a. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short term borowwing with floating interest rates.

iii) **Interest rate sensitivity**
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2017	Plus 100 basis point	(703.67)
	Minus 100 basis points	703.67
		-
March 31, 2016	Plus 100 basis point	(704.88)
	Minus 100 basis points	704.88

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

iv) **Credit risk**
Company is into tolling business and hence there are no trade receivables. Company has outstanding advance to contractors amounting to Rs 1145.89 lacs.

(v) **Liquidity risk**
The company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.
The company has outstanding borrowings of Rs 649,29 lacs as at March 31, 2017 and Rs 650,49 lacs as at March 31, 2016.
The companies' working capital is not sufficient to meet its current requirements. Accordingly, liquidity risk is perceived. The Current Liabilities of the Company exceeds current Assets by 59,42 lacs as at March 31, 2017 and Rs 19,61 lacs as at March 31, 2016. These conditions indicate the existence of an uncertainty as to timing and realization of cash flow of the company.

The achievement of the projections in the traffic and the toll rates is critical for the liquidity to pay the lenders.
Timely completion of the project had a major impact on the liquidity of the SPV. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the SPV and the holding company materially and is one of the major reasons for the liquidity issue of the Company.

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The Working Capital Position of the Company is given below:

	March 31, 2017	March 31, 2016
Cash and Cash Equivalent	534.65	78.94
Total	534.65	78.94

The table below provides details regarding the contractual maturities of significant financial liabilities :

	Less than 1 year	1-2 year	2-5 years	More than 5 years	Total
As at March 31, 2017					
Borrowings	261.00	974.00	10,129.00	53,565.00	64,929.00
Trade Payables	50.73	-	-	-	50.73
Other Financial Liabilities	7,324.55	-	-	-	7,324.55
Total	7,636.29	974.00	10,129.00	53,565.00	72,304.29
	-	-	-	-	-
	-	-	-	-	-
As at March 31, 2016					
Borrowings	130.00	130.00	4,285.00	60,504.79	65,049.79
Trade Payables	74.11	-	-	-	74.11
Other Financial Liabilities	2,340.69	-	-	-	2,340.69
Total	2,544.80	130.00	4,285.00	60,504.79	67,464.59

Vi **Input cost risk**

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the Company. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the Company sub-contracts the construction of the facility at a fixed price contract to various subcontractor.

vii **Exchange risk**

Since the operations of the Company are within the country the Company is not exposed to any exchange risk directly. The Company also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal. However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

viii **Price risk**

Company has agreed prices of toll pre determined with Government and they are linked to WPI and hence Company does not see any risk of price fluctuations impacting it.

ix **Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Borrowings	64,929	65,050	54,683
Trade Payable	50.73	74.11	-
Other Payable	7,589.93	2,470.69	2,975.44
Less:	-	-	-
Cash and Cash Equivalent	(534.65)	(78.94)	(109.15)
Net debt	72,035.02	67,515.65	57,548.80
Total Equity	17,101.48	23,571.81	20,359.09
Gearing ratio	0.24	0.35	0.35

31 **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

Particulars		Amount	Amount
Profit from continuing operations before income tax expense		-	(6,470.22)
		-	-
Tax at the Indian tax rate of 34%		-	(2,199.87)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		-	-
(i) Depreciation impact		(13,636.84)	-
(ii) Disallowed under income tax		2,390.57	-
			-
			(11,246.27)
Brought forward loss		6,408.14	
Exempt from tax		7,038.00	
			13,446.14
		-	-
Income tax expense		-	0.00

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32 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the eighteen months period ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at October 1, 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at October 1, 2014 and the financial statements as a and for the year ended March 31, 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

The Company has recognised intangible asset as per IND AS 11 "Service Concession Arrangement" based on previous GAAP carrying amount as at date of transition

A) Effect of IND AS adoption on the Balance Sheet as on March 31 ,2016 and October 1, 2014

Rs in lacs

		As at March 31, 2016 (End of Last Period presented under previous GAAP)			As at October 1, 2014 (Date of Transition)		
	Note	Previous GAAP	Effect of Transition to IND AS	IND AS	Previous GAAP	Effect of Transition to IND AS	IND AS
Non-current assets		-	-	-	-	-	-
Property, Plant and Equipment		28.15	-	28.15	19.59	-	19.59
Other Intangible assets	1	106,379.59	851.99	107,231.58	-	-	-
Intangible Assets Under Development	2	-	-	-	93,901.93	702.40	94,604.34
Financial Assets		-	-	-	-	-	-
(i) Others		1.78	-	1.78	0.01	-	0.01
		-	-	-	-	-	-
Other Non-current assets	3	1,024.29	2,882.60	3,906.89	272.38	-	272.38
		-	-	-	-	-	-
Total Non - Current Assets (A)		**107,433.81**	**3,734.60**	**111,168.41**	**94,193.92**	702.40	**94,896.32**
		-	-	-	-	-	-
		-	-	-	-	-	-
Financial Assets		-	-	-	-	-	-
(i) Cash and cash equivalents		78.94	-	78.94	109.15	-	109.15
(ii) Others		434.47	-	434.47	-	-	-
Other current assets		72.21	-	72.21	17.16	-	17.16
Total Current Assets (B)		585.62	-	585.62	126.30	-	126.30
-		-	-	-	-	-	-
Total Assets (A+B)		108,019.43	3,734.60	111,754.03	94,320.22	702.40	95,022.63
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Equity		-	-	-	-	-	-
Equity Share capital		20,395.89	-	20,395.89	17,650.00	-	17,650.00
Other Equity	4	(600.14)	3,776.06	3,175.92	2,006.68	702.40	2,709.09
		19,795.75	**3,776.06**	**23,571.81**	**19,656.68**	702.40	**20,359.09**
		-	-	-	-	-	-
Non-Current Liabilities		-	-	-	-	-	-
Financial Liabilities		-	-	-	-	-	-
Borrowings		64,919.79	-	64,919.79	53,125.68	-	53,125.68
Provisions	5	2.74	101.83	104.57	6.11	-	6.11
Grant	6	20,755.00	(143.30)	20,611.70	18,547.00	-	18,547.00
Total Non-Current Liabilities (B)		**85,677.53**	**(41.47)**	**85,636.06**	**71,678.79**	-	**71,678.79**
		-	-	-	-	-	-
Current Liabilities		-	-	-	-	-	-
Financial Liabilities		-	-	-	-	-	-
(i) Trade payables		74.11	-	74.11	-	-	-
(ii) Other financial liabilities		2,470.69	-	2,470.69	2,960.44	-	2,960.44
Other current liabilities		-	-	-	14.99	-	14.99
Provisions		1.35	-	1.35	0.46	-	0.46
Current Tax Liabilities (Net)		-	-	-	8.86	-	8.86
		-	-	-	-	-	-
Total Current Liabilities (C)		**2,546.15**	-	**2,546.15**	**2,984.75**	-	**2,984.7**
		-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES (A+B+C)		**108,019.43**	**3,734.60**	**111,754.03**	**94,320.22**	**702.40**	**95,022.6**

Note:
1) Increase in intangible asset is on account of margin recognised on construction cost as per IND AS 12
2) Increase in intangible asset under development is on account of margin recognised on construction cost as per IND ~~AS 12~~
3) Increase in other non current asset is on account of reconition of deferred guarantee commission
4) Change is on account of recognition of deferred guarantee commission & margin on contruction
5) Increase in provision is on account of recognition of Periodic Maintenance
6) Change is on account of recognition of income to P & L over tenure of concession

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B) Effect of IND AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note	Previous GAAP	Effect of Transition to IND AS	IND AS
Revenue from Operations (Gross):	1	2,034.69	4,566.10	6,600.79
		-	-	-
Revenue from Operations		2,034.69	4,566.10	6,600.79
		-	-	-
Other Income:	2	0.53	143.30	143.83
		-	-	-
Total Revenue (I + II)		2,035.22	4,709.40	6,744.62
		-	-	-
		-	-	-
Expenses:				
EPC, Tolling and Maintenance Expenses	3	85.47	4,520.89	4,606.36
Employee Cost	4	21.32	0.46	21.78
Finance Charges	5	3,707.34	165.27	3,872.61
Depreciation and amortisation expense	6	657.95	84.99	742.94
Administrative Expenses	7	133.54	90.12	223.66
		-	-	-
Total Expenses		4,605.62	4,861.73	9,467.35
		-	-	-
Profit Before Tax (III-IV)		(2,570.40)	(152.33)	(2,722.73
Tax Expense		-	-	-
1. Current Tax		(1.52)	-	(1.52
2. Deferred Tax		-	-	-
Profit for the period (V-VI)		(2,568.88)	(152.33)	(2,721.22
Other Comprehensive Income (net of tax)		-	-	-
Remeasurement of defined benefit plans		-	(0.46)	0.46
Total Comprehensive Income (VII + VIII)		(2,568.88)	(151.87)	(2,720.76

Note:
1) Change is on account of revenue including margin recognised on construction activity
2) Change is on account of income recognised on grant amortisaiton over life of concession
3) Construction cost recognised for construction activity carried out
4) change is on account of acturial gain or loss recognised to OCI
5) Change is on account of commission amortisation & upfront borrowing cost amortisation
6) Depreciation & amortisaotion is on account of incease in recognition of intangible asset value.
7) Change is on account of provision of Periodic maintenance.

C) Reconciliation of net profit for the year ended 31st March, 2016 is as under :

Particulars	Year ended 31.03.2016
Net profit after tax as per previous Indian GAAP	**(2,568.88)**
	-
Margin recognition on construction activity	45.21
Recognition of grant income for the period.	143.30
Acturial gain/(loss) arising in respect of employee benefit recognised in OCI	(0.46)
Amortisation of upfront fees on loans	(18.29)
Recognition of Interest cost on Periodic maintenance expense	(11.72)
Recognition of finance exp on guarantees given by GIPL	(135.27)
Provision for periodic maintenance	(90.12)
Difference in amortisation of intangible assets	(84.99)
Net profit after tax but before other comprehensive income as per Ind AS	**(2,721.22)**

D) Reconciliation of equity is as under :

Particulars	As at 31.03.2016	As at 01.10.2014
Total equity as per previous GAAP	**38,338.00**	**35,953.68**
	-	-
Margin on Construction	746.26	701.05
Recogntion of grant income	143.30	-
Acturial gain/(loss) arising in respect of employee benefit recognised in OCI	1.35	1.35
Amortisation of upfront fees	(18.29)	-
Recognition of Interest cost on Periodic maintenance expense	(11.72)	-
Recognition of finance exp on guarantee given by GIPL	(135.27)	-
Provision for periodic maintenance	(90.12)	-
Amortisation of intangible assets	(84.99)	-
Derecognition of grant from other equity	(20,755.00)	(18,547.00)
Inter corporate deposit treated as capital contribution	2,212.75	2,250.00
Recognition of Deferred guarantee commission	3,225.53	-
Total equity as per Ind AS	**23,571.81**	**20,359.09**

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33 The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and October 1, 2014 is as follows:

		Carrying value			Fair Value		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
a)	**Financial assets**						
	Amortised Cost						
	Others	10.24	436.25	0.01	10.24	436.25	0.01
	Cash and cash equivalents	534.65	78.94	109.15	534.65	78.94	109.15
		-	-	-	-	-	-
	Total Financial Assets	544.89	515.19	109.16	544.89	515.19	109.16
		-	-	-	-	-	-
b)	**Financial liabilities**	-	-	-	-	-	-
	Amortised Cost	-	-	-	-	-	-
	Borrowings	64,668.00	64,919.79	53,125.68	64,668.00	64,919.79	53,125.68
	Trade payables	50.73	74.11	-	50.73	74.11	-
	Others	7,585.55	2,470.69	2,960.44	7,585.55	2,470.69	2,960.44
		-	-	-	-	-	-
	Total Financial Liabilities	72,304.29	67,464.59	56,086.12	72,304.29	67,464.59	56,086.12

The carrying amount of financial assets and liabilities measured at amortised cost are considered to be same as their fair values.

34 Previous years figures are regrouped reclassified as required. Figures for previous year is for period from October 1, 2014 to March 31, 2016 which are strictly not comparable.

As per our report of even date

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. : 104767W

Rajen Ashar
Partner
Membership No. : 48243

Place: Mumbai
Date : 18th June, 2017

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

RAJAHMUNDRY GODAVARI BRIDGE LTD. Mumbai

For and behalf of the Board of Directors of
Rajahmundry Godavari Bridge Limited

Kaushik Chaudhuri
Director
DIN : 06757692

Renuka Shitut
Director
DIN : 07225453