RAJAHMUNDRY GODAVARI BRIDGE LIMITED

DIRECTORS' REPORT

To
The Shareholders of
Rajahmundry Godavari Bridge Limited

Your Directors have pleasure in submitting their Tenth Annual Report, together with the Audited Accounts of the Company for the financial year ended 31st March, 2019 (the "**Financial Year**").

ACCOUNTS:

The Company has incurred loss of Rs.12,620 lakhs for the Financial Year, which has been carried forward to the Balance Sheet. (Previous Year loss Rs.7907.63).

PROJECT STATUS:

Your Company has commenced commercial operations of the Rajahmundry-Godavari Bridge project since 1st November 2015 on receipt of Provisional Commercial Operation Date (PCOD) Certificate. There is gradual increase in traffic on our toll road leading to a rise in toll collection. Your company has applied for revised Toll rates since July 2019.

Your Company has, on 9th July, 2018, served a notice communicating intent of termination of the Concession Agreement in respect of the project on account of several breaches of the said Concession Agreement by Andhra Pradesh Road Development Corporation ("**APRDC**"). The said Concession Agreement contemplated necessary safeguards and protections to the Lenders by way of Termination Payments which formed one of the basic foundations for Lenders to advance loans for the Project. Upon service of Termination Notice in terms of the said Concession Agreement, Termination Payments to the extent of aggregate Rs.1,123.37 Crores have become due and payable by APRDC within 15 days of the Termination Notice.

Union Bank of India, one of the Lenders for the Project has on 9th July, 2018 initiated and served Corporate Insolvency Resolution Process against the Company before the Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**"). The Company has requested Union Bank of India to reconsider moving the proceedings before NCLT and explore better options in the interest of the Project, Lenders and all Stakeholders.

DIVIDEND/TRANSFER TO RESERVES:

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

Registered Office : Orbit Plaza, CHS. 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel.: 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201 • E-mail : info@gammoninfra.com
Website : www.gammoninfra.com • CIN : U45203MH2008PLC185941

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The Registered Office of the Company has been changed from Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 to Orbit Plaza CHS Ltd., 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai-400025 with effect from 12th March, 2019.

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.

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.

PARTICULARS OF EMPLOYEES:

During the Financial Year 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.

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

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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.

BOARD OF DIRECTORS:

Mr. Naresh Sasanwar joined the Board as an Additional Director w.e.f 1st October, 2018 and he hold office upto the date of the ensuing Annual General Meeting of the Company.

The notice under Section 160 of the Companies Act, 2013,has been received from a member signifying their intention to propose candidature of Mr. Naresh Sasanwar, to the office of the Directors of the Company.

Mr. Kaushik Chaudhuri, Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD:

Eight Board Meetings were held during the financial year. These were held on 29th May, 2018, 9th June, 2018, 10th August, 2018, 4th September, 2018, 1st October, 2018, 19th October, 2018, 10th December, 2018 and 11th March, 2019.

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
Mr. Kaushik Chaudhuri	8	8
Mr. Naresh P Sasanwar*	4	4
Ms. Poonam Sabnis	8	8
Mr. Sanjay Chaudhary**	4	4

* Appointed as the Additional Director of the Company w.e.f. 1st October, 2018

** Resigned from the Directorship of the Company with effect from 22nd November, 2018

BOARD EVALUATION:

The Board is in the process of making a formal annual evaluation of its own performance and that of its committees and individual directors.

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POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:

The Board is in the process of formulating a formal policy on Directors' appointment, remuneration and other details.

RISK MANAGEMENT:

The Board has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, logistics related, Government policy related matters that may threaten the existence of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not made any related party transactions covered under the provisions of Section 188 of the Companies Act, 2013 hence; prescribed Form AOC-2 is not applicable.

EXTRACT OF THE ANNUAL RETURN:

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure I in the prescribed Form MGT-9, which forms part of this report.

AUDITORS:

M/s.G. M. Kapadia & Co., Chartered Accountants (FRN:104767W), the Statutory Auditors of the Company, holds office until the conclusion of the Twelfth Annual General Meeting and they have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

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.

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The Secretarial Auditors' have qualified their report by stating the Company has not appointed any KMP, as envisaged in Section 203 of the Companies Act, 2013.

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.

CHANGE IN THE NATURE OF BUSINESS;

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

DEPOSITS

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

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.

INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY:

Your Company's internal control systems with reference to financial statmeents 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.

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.

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

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mechanism of lodging complaints. During the year under review, no case was reported in this regard.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

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

KEY MANAGERIAL PERSONNEL:

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

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

Naresh Sasanwar	Kaushik Chaudhuri
Director	Director
DIN: 01861034	DIN: 06757692

Place: Mumbai
Date: 30|08|2019

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ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[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	24.28%	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	15,35,37,645	5	15,35,37,650	75.28	4,95,18,606	5	4,95,18,606	24.28	-
e) Banks / FI	-	-	-	-		-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	**15,35,37,645**	5	**15,35,37,650**	**75.28**	**4,95,18,606**	**5**	**4,95,18,606**	**24.28**	-
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)	**15,35,37,645**	5	**15,35,37,650**	**75.28**	**4,95,18,606**	**5**	**4,95,18,606**	**24.28**	-
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	**4,99,80,000**	-	**4,99,80,000**	24.50	15,39,99,039	-	15,39,99,039	75.50	-
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	15,39,99,039	-	15,39,99,039	75.50	-
2. Non Institutions									
a) Bodies Corp. (i) Indian	4,41,250	-	4,41,250	0.22	4,41,250	-	4,41,250	0.22	-

(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)	**20,39,58,895**	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	4,95,18,606	24.28	17.90	51.00-
	Total	**15,35,37,650**	**75.28**	**68.90**	**4,95,18,606**	**24.28**	**17.90**	**51.00**

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	15,35,37,650	75.28	-	-
-	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for	10,40,19,039	51.00	-	-

	increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):(Decrease-30/10/2018)				
	At the End of the year	4,95,18,606	24.28	4,95,18,606	24.28

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		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Increase Canara Bank Securities	10,40,19,039	51.00	15,39,99,039	75.50
	At the End of the year (or on the date of separation, if separated during the year)	15,39,99,039	75.50	15,39,99,039	75.50

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	64,929.00	-	-	64,929.00
ii) Interest due but not paid	11,699.80	-	-	11,699.80
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	76,628.80			76,628.80
Change in Indebtedness during the financial year - Addition - Reduction	13,034.00			13,034.00
Net Change	13,034.00			13,034.00
Indebtedness at the end of the financial year (31-Mar-2017)				
i) Principal Amount	63,594.00	-	-	63,594.00
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	63,594.00			63,594.00

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

Naresh Sasanwar
Director
DIN: 01861304

Kaushik Chaudhuri
Director
DIN: 06757692

Place: Mumbai
Date: 30/08/2019

Veeraraghavan.N
Practising Company Secretary

First Maritime Private Limited
201, Gheewala Building
M.P. Road, Mulund – East
Mumbai 400081
Mob: 9821528844
Email : nvr54@ymail.com

Form No. MR – 3

SECRETRIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019

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

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) **(CIN:U45203MH2008PLC185941)** . 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 and its officers, 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 2019 complied with the statutory provisions listed hereunder (wherever applicable) 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 2019 , 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;

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

(iv). The 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;

N. VEERARAGHAVAN COMPANY SECRETARY

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(h) SEBI (Share Based Employee Benefits) Regulations, 2014.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015

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

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

(2) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.***

M. VEERARAGHAVAN COMPANY SECRETARY

I further report that:

The Board of Directors of the Company is 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.

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: May 27, 2019

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 Auditors' Report

TO THE MEMBERS of RAJAHMUNDRY GODAVARI BRIDGE LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of RAJAHMUNDRY GODAVARI BRIDGE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended March 31, 2019 and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

MUMBAI NEW DELHI CHENNAI BENGALURU HYDERABAD JAIPUR

Material Uncertainty Related to Going Concern

We draw attention to note no. 30 to the financial statements in respect of present status of the toll project at Rajahmundry Godavari Bridge across river Godavari which inter alia states that the Company has inadequate cash flow from operations to meet the debt / interest servicing obligations under loan agreements with the Lenders. The Company has approached the bankers with a One-Time Settlement (OTS). This is coupled with other factors being the arbitration proceedings with Andhra Pradesh Road Development Corporation (APRDC) with respect to breaches under the Concession Agreement and towards termination payments. Further one of the lenders have also served notice under the Corporate Insolvency Resolution Process before the Hon'ble National Company Law Tribunal, Mumbai Branch. Based on what have been set forth in the said note, there is a material uncertainty that cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

and changes in equity, cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with rules issued thereunder and the relevant provision of the Act.

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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 "AnnexureA" 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 and to the best of our information and according to the explanations given to us, 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 statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rules issued thereunder and the relevant provision of the Act;

f) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act;

g) 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 B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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, 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 financial statements – Refer Note 25 to the financial statements;
  ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **G. M. KAPADIA & CO.**
Chartered Accountants
Firm's Registration No.: 104767W

Rajen Ashar
Partner
Membership No. 048243

Place: Mumbai
Date: May 27, 2019

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 fixed assets 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 any 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 provided any guarantees or security to the parties covered under section 185 of the Act. The Company has not made any investments or has not provided any guarantee or security to the parties covered under section 186 of the Act. 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 or 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 product 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.

(vi) (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,

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

income tax, Goods and Service 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, 2019, for a period of more than six months from the date they became payable.

(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 term loan accounts of the Company is classified as non performing. Hence, the bank has stopped charging interest on the loan. The Company has calculated Rs. 16,687.60 lacs as amount of default in repayment of dues to the banks along with interest as on March 31, 2019. There is delay of more than 365 days as on the Balance Sheet date. The Company has not raised any funds through debentures.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us and on the basis of 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.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

(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

Place: Mumbai
Date: May 27, 2019

Rajen Ashar
Partner
Membership No. 048243

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 with reference to Financial Statements of **RAJAHMUNDRY GODAVARI BRIDGE LIMITED** ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls with reference to Financial Statements 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 Act

Auditors' Responsibility

Our audit of Internal Financial Controls with reference to Financial Statements includes 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 standalone 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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's Internal Financial Controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone Financial Statements in

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Financial Statements 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 with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as on March 31, 2018, based on the 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: May 27, 2019

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
BALANCE SHEET AS AT MARCH 31, 2019
(All amounts are Rupees in lacs unless otherwise stated)

Particulars	Notes	As on 31.03.2019	As on 31.03.2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	18.69	20.79
(b) Other Intangible assets	4	99,121.46	1,03,231.50
(c) Intangible Assets Under Development	5	185.26	185.26
(d) Financial Assets			
(i) Others	6	2.77	9.43
(e) Other Non-current assets	7	283.94	2,564.89
Total Non - Current Assets (A)		**99,612.12**	**1,06,011.88**
(2) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	8	93.63	93.63
(i) Cash and cash equivalents	9	112.80	668.09
(ii) Others	6	-	-
(b) Other current assets	7	24.43	1,181.29
Total Current Assets (B)		**230.86**	**1,943.01**
Total Assets (A+B)		**99,842.98**	**1,07,954.89**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	10	20,395.89	20,395.89
(b) Other Equity	11	(23,819.57)	(11,201.85)
Total Equity (A)		**(3,423.68)**	**9,194.04**
Liabilities			
Non-Current Liabilites			
(a) Financial Liabilities			
(i) Borrowings	12.1	-	63,694.00
(b) Provisions	13	1,823.67	1,406.89
(c) Grant	14	18,304.99	19,213.87
(d) Deferred Tax Liability (Net)	15	0.00	0.00
Total Non-Current Liabilities (B)		**20,128.66**	**84,314.77**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	38.03	75.56
(ii) Other financial liabilities	12.2	82,314.78	13,701.85
(b) Other current liabilities	17	2.11	3.03
(c) Provisions	13	0.30	0.29
(d) Grant	14	782.77	665.36
Total Current Liabilities (C)		**83,138.00**	**14,446.09**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**99,842.98**	**1,07,954.89**

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 : 27th May 2019

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

Naresh Sasanwar
DIN : 01861034

Poonam Sabnis
DIN : 7706230

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2019
(All amounts are Rupees in lacs unless otherwise stated)

	Particulars	Note Ref	For year ended March 31, 2019	For year ended March 31, 2018
I	**Revenue from Operations (Gross):**	18	5,335.65	5,788.96
	Revenue from Operations		**5,335.65**	**5,788.96**
II	Other Income:	19	792.02	390.40
III	Total Revenue (I + II)		**6,128.67**	**6,179.36**
IV	**Expenses:**			
	EPC, Tolling and Maintenance Expenses	20	524.87	1,482.13
	Employee Cost	21	50.31	69.30
	Finance Charges	22	12,785.94	10,260.72
	Depreciation and amortisation expense	3 & 4	4,112.57	2,022.37
	Administrative Expenses	23	1,274.98	252.47
	Total Expenses		**18,748.67**	**14,086.99**
V	**Profit Before Tax (III-IV)**		**(12,620.00)**	**(7,907.63)**
VI	Tax Expense		-	-
	1. Current Tax		-	-
	2. Deferred Tax		-	-
VII	**Profit for the period (V-VI)**		**(12,620.00)**	**(7,907.63)**
VIII	**Other Comprehensive Income (net of tax)**			
	Remeasurement of defined benefit plans		(2.29)	0.18
IX	**Total Comprehensive Income (VII + VIII)**		**(12,617.71)**	**(7,907.45)**
X	Earnings per Equity Share (face value Rs. 10):			
	Basic & Diluted	24	(6.19)	(3.88)

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 : 27th May 2019

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

Naresh Sasanwar
DIN : 01861034

Poonam Sabnis
DIN : 7706230

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2019
(All amounts are Rupees in lacs unless otherwise stated)

Particulars	Year ended March 31, 2019	2018
Cash flow from operating activities		
Profit Before Tax	(12,620.00)	(7,907.63)
Profit before income tax including discontinued operations	-	-
Non-cash Adjustment to Profit Before Tax:		
Depreciation and amortization expense	4,112.57	2,022.37
Deferred gurantee commission	2,252.97	323.64
Construction margin recognised as per Ind AS 11	-	-
Remeasurement of defined benefit plans	2.29	0.18
Upfront fees amortisation	19.32	27.51
Grant amortisation	(791.48)	(390.19)
Provision for doubtful advances	1,145.89	
Finance costs	10,513.65	9,909.57
Change in operating assets and liabilities :		
Decrease/ (increase) in trade receivables	-	(93.63)
Decrease/ (increase) in financial Assets	6.66	0.81
Decrease/ (increase) in Other assets	10.69	2.24
Decrease/ (increase) in trade payable	(37.53)	24.82
(Decrease) / increase in financial liabilities	(58.87)	185.33
(Decrease) / increase in Non- financial liabilities	(0.91)	(1.36)
(Decrease) / increase in provisions	416.79	1,010.74
Cash generated from operations	4,962.04	5,114.41
Direct taxes paid (net of refunds)	8.94	(7.34)
Net cash flow from/(used in) operating activities (A)	4,970.98	5,107.07
Cash flow from investing activities		
Purchase of property, plant and equipment	(0.42)	(0.09)
Payments towards intangible asset under development and capital advances	-	(20.94)
Net cash flow from/(used in) investing activities (B)	(0.42)	(21.03)
Cash flows from financing activities		
Interest paid	(5,525.85)	(4,952.61)
Net cash flow from/(used in) in financing activities (C)	(5,525.85)	(4,952.61)
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	(555.28)	133.43
Cash and cash equivalents at the beginning of the year	668.08	534.65
Cash and cash equivalents at the end of the year	112.80	668.08
Reconciliation of cash and cash equivalents as per the cash flow statement :		
Cash and cash equivalents	112.80	668.09
Bank overdrafts	-	-
Balance as per the cash flow statement :	112.80	668.09

Significant accounting policies 2

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 : 27th May 2019

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

Naresh Sasanwar
DIN : 01861034

Poonam Sabnis
DIN : 7706230

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
Notes to financial statements as at and for the year ended March 31, 2019
(All amounts are Rupees in lacs unless otherwise stated)

A **Equity**

Particulars	2019 Number of Shares	2019 Rs. in lacs	2018 Number of Shares	2018 Rs. in lacs
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	2,03,95,89,000	20,395.89	2,03,95,89,000	20,395.89
Changes in equity share capital during the year				
- issued during the reporting period				
Balance at the end of Reporting period	2,03,95,89,000	20,395.89	2,03,95,89,000	20,395.89

B **Statement of Changes in Equity**

Particulars	Capital Contribution	Retained Earnings	Other Comprehensive Income	Total
Balance as at 31 March 2017	5,438.28	(8,734.38)	1.69	(3,294.41)
Profit for the year		(7,907.63)		(7,907.63)
Adjustments :				-
Remeasurement on Actuarial Gain/Loss			0.18	0.18
Balance as at 31 March 2018	5,438.28	(16,642.01)	1.87	(11,201.85)
Profit for the year		(12,620.00)		(12,620.00)
Remeasurement on Actuarial Gain/Loss			2.29	2.29
Balance as at 31 March 2019	5,438.28	(29,262.01)	4.16	(23,819.57)

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.

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 : 27th May 2019

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

Naresh Sasanwar
DIN : 01861034

Poonam Sabnis
DIN : 7706230

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 27th May, 2019

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

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 .

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.

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.

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:

C

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.

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.

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
Notes to financial statements as at and for the year ended March 31, 2019

3 Property, Plant & Equipment

Particulars	Land	Plant & Machinery	Office Equipment	Furniture & Fixtures	Computers	Motor Car	Total
(Owned assets)							
As at March 31, 2017	8.20	10.59	0.09	2.96	3.46	16.29	41.58
Additions	-	-	0.09	-	-	-	0.09
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2018	8.20	10.59	0.17	2.96	3.46	16.29	41.66
Additions	-	-	0.42	-	-	-	0.42
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2019	8.20	10.59	0.59	2.96	3.46	16.29	42.08
Depreciation							
As at March 31, 2017	-	1.18	0.09	0.54	3.30	12.09	17.20
Additions	-	0.71	-	0.30	0.16	2.50	3.67
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2018	-	1.89	0.09	0.84	3.46	14.60	20.87
Additions	-	0.71	0.10	0.31	-	1.41	2.52
Sales/Disposals	-	-	-	-	-	-	-
As at March 31, 2019	-	2.60	0.19	1.15	3.46	16.00	23.39
Net Block							
As at March 31, 2018	8.20	8.70	0.09	2.12	-	1.69	20.79
As at March 31, 2019	8.20	7.99	0.40	1.81	-	0.29	18.69

1
Freehold land with a carrying amount of Rs. 8.19 lacs (as at March 31, 2018: Rs.8.19 lacs) have been pledged to secure borrowings. The freehold land have been pledged as security for bank loans under a mortgage. Other assets with a carrying amount of Rs. 10.40 lacs (as at 2018: Rs. 12.60 lacs) have been pledged to secure loans (see note 11).

4 Intangible assets

Particulars	Project Asset	Total
Cost		
As at March 31, 2017	1,07,762.36	1,07,762.36
Additions	-	-
Sales/Disposals	-	-
As at March 31, 2018	1,07,762.36	1,07,762.36
Additions	-	-
Sales/Disposals	-	-
As at March 31, 2019	1,07,762.36	1,07,762.36
Amortisation		
As at March 31, 2017	2,512.16	2,512.16
Additions	2,018.70	2,018.70
Sales/Disposals	-	-
As at March 31, 2018	4,530.86	4,530.86
Additions	4,110.05	4,110.05
Sales/Disposals		
As at March 31, 2019	8,640.91	8,640.91
Net Block		
As at March 31, 2018	1,03,231.50	1,03,231.50
As at March 31, 2019	99,121.46	99,121.46

5 Intangible assets under development

Particulars	As at 31-Mar-19	As at 31-Mar-18
Contract expenditure - Engineering, Procurement & Construction ('EPC')	185.26	185.26
Total intangible assets under development	185.26	185.26

RAJAHMUNDRY GODAVARI BRIDGE LIMITED
CIN: U45203MH2008PLC185941
Notes to financial statements as at and for the year ended March 31, 2019

		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Non- Current		Current	
6	**Other Financial Assets**				
	(Unsecured, Considered good)				
	Security Deposit				
	- Security Deposit for Electricity	2.73	9.38	-	-
	- Others	0.05	0.05	-	-
		2.77	9.43		
	Total	**2.77**	**9.43**	-	-

		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Non- Current		Current	
7	**Other assets**				
	Prepaid upfront fees	107.06	126.11	19.04	19.32
	Deferred Guarantee Commission	0.00	2,252.97		
	Advance given to contractor - Gammon Engineers and Contractors Private Limited (Earlier Gammon India Limited)(Refer note 28)	-	-	1,145.89	1,145.89
	Less :Provision			(1,145.89)	-
	Advances to SSRPL (related party)			1.68	-
	Advances recoverable in cash or kind			0.01	0.02
	Advance taxes (Net of Provision)	176.88	185.82		
	Prepaid Expenses			3.69	3.65
	Others			-	12.40
	Total	**283.94**	**2,564.89**	**24.43**	**1,181.29**

		As at	
		March 31, 2019	March 31, 2018
		Current	
8	**Trade Receivables**		
	(Unsecured, at amortised cost)		
	i) Considered good	-	-
	ii) Considered doubtful	93.63	93.63
	Less:- Provision for doubtful debt	-	
	Total	**93.63**	**93.63**

		As at	
		March 31, 2019	March 31, 2018
		Current	
9	**Cash and Bank Balances**		
	Cash and cash equivalents		
	i) Balances with banks	77.67	647.34
	ii) Cash on hand	35.13	20.75
	Total	112.80	668.09

Note: As per agreement with bankers, toll collected by the Company will be appropriated by bankers towards their dues and will provide a part of toll amount towards maintenance and day to day operation of the project.

		As at	
		March 31, 2019	March 31, 2018
10	**Equity Share capital**		
i)	**Authorised shares :**		
	204,000,000 (March 31, 2018: 204,000,000) Equity shares of Rs 10/-	20,400.00	20,400.00
	Total	**20,400.00**	**20,400.00**
ii)	**Issued, subscribed & fully paid up shares :**		
	March 31, 2019 : 203,958,900 Equity shares of Rs 10/- each		
	March 31, 2018 : 203,958,900 Equity Shares of Rs 10/each	20,395.89	20,395.89
	Total	**20,395.89**	**20,395.89**

	As at			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	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	2,03,95,89,000	20,395.89	2,03,95,89,000	20,395.89
Add : Movement during the year	-	-	-	-
Balance, end of the period	**2,03,95,89,000**	**20,395.89**	**2,03,95,89,000**	**20,395.89**

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

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. 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:

	As at			
	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	Number	Amount	Number	Amount
Equity shares of Rs. 10/- each fully paid up				
Gammon Infrastructure projects limited('GIPL'), Holding Company	15,35,37,650	15353.765	15,35,37,650	15353.765

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

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Number	%	Number	%
Gammon Infrastructure projects limited('GIPL'), Holding Company	15,35,37,650	0.00	15,35,37,650	0.00
IFCI Limited	4,99,80,000	0.00	4,99,80,000	0.00

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.

During the year 51% of shares held by GIPL have been invoked by security trustee on account of deafult by Company in repayment of loans. Based on comunication with banker, shares of the Company invoked are currently held by the Security Trustee as collateral and the Lenders have not appropriated the pledged shares against outstanding dues nor have the pledged shares been sold to any third party for realising the outstanding dues. Hence, the beneficial ownership of the pledged shares currently vests with the holding Company and no impact of the same has been given in the above financial statements

11 **Other Equity**

	As at	
	March 31, 2019	March 31, 2018
i) Retained Earnings	(29,262.01)	(16,642.01)
ii) Capital contribution	5,438.28	5,438.28
iii) Other Comprehensive Income	4.16	1.87
	(23,819.57)	**(11,201.85)**

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current Maturities	
12 **Financial Liabilities**				
12.1 **Borrowings**				
ii) Term loan from banks	-	63,694.00	-	1,235.00
Less: disclosed in Other Current Liabilities	-	-	-	(1,235.00)
	-	**63,694.00**	-	-
The break-up of above:				
Secured	-	63,694.00	-	1,235.00
Unsecured	-	-	-	-
	-	**63,694.00**	-	**1,235.00**

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;

f) a first charge by way of assignment or otherwise creation of
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 (Refer note 10d)

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 in Article 2.23 (i).

c) Terms of repayment of secured debt	As at March 31, 2019	As at March 31, 2018
Repayment within one year from the end of the financial year	-	1,235.00
Repayment beyond one year to five years from the end of the financial year	-	10,129.00
Repayment beyond five years from the end of the financial year	-	53,565.00
	-	64,929.00

The above mentioned long term loans carries interest rate of MCLR plus 280 basis points. The rate of interest is calculated based on the interest rate charged by consortium bankers

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current	
12.2 Other Financial Liabilities (at amortised cost)				
i) Current maturities of Long Term Borrowings (Refer note 11.1)	-	-	-	1,235.00
Interest accrued and due to Banks			16,687.60	11,699.79
Loan recalled by lenders			64,929.00	
Dues to Related parties				
- Gammon Infrastructure Projects Limited			303.06	308.74
- Sidhi Singrauli Road Projects Limited			-	5.10
- Vijaywada Gundugolanu Road Project Pvt Ltd			-	5.92
Other liabilities			395.13	447.30
Total	-	-	**82,314.78**	**13,701.85**

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current	
13 Long Term Provisions				
i) Provision for employee benefits :				
Leave Encashment	8.27	8.62	0.22	0.22
Gratuity	2.97	2.64	0.09	0.07
ii) Provision for periodic maintenance	1,812.42	1,395.62	-	-
Total	**1,823.67**	**1,406.89**	**0.30**	**0.29**

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

Particulars	Opening	Addition	Utilisation	Closing
Provision for Project Obligations (Current Year)	1,395.62	416.80	-	1,812.42
Provision for Project Obligations (Previous Year)	388.40	1,007.22	-	1,395.62

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current	
14 Government Grants				
Government grant	18,304.99	19,213.87	782.77	665.36
Total	18,304.99	19,213.87	782.77	665.36

As per the terms of Concession Agreement, the Company was entitled to receive grant from the Government of Andhra Pradesh in the nature of equity support. The Company has accounted the same as liability as per IND AS 20 and amortized over period of concession.

15 Deferred Tax Liability	As at	
	March 31, 2019	March 31, 2018
Deferred tax liabilty		
Depreciation due to timing difference	16,099.14	13,840.83
Deferred tax liability (A)	**16,099.14**	**13,840.83**
Deferred tax Asset		
Employee benefits	4.00	4.00
Interest	5,775.24	4,049.05
Grant received from APRDC	-	-
Business loss brought forward	10,319.90	9,787.75
Deferred tax Asset (B)	**16,099.14**	**13,840.83**
Net Liability	0.00	0.00

Note : Company has created deferred tax liability during the year whereas for previous year Company had created deferred tax asset to the extent of liability.

	As at	
	March 31, 2019	March 31, 2018
	Current	
16 Trade Payables (at fair value)		
i) Trade payables - Micro, small and medium enterprises	-	-
ii) Trade payables - Others	38.03	75.56
Total	38.03	75.56

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

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
17 Other Liabilities	Non- Current		Current	
Duties and Taxes payable			2.11	3.08
Total	-	-	2.11	3.08

		For year ended March 31, 2019	For year ended March 31, 2018
18	**Revenue from Operations**		
	i) Toll Revenue	5,336.65	5,674.39
	EPC Income	-	20.94
	Construction contract revenue - CoS	-	93.63
	Total	5,336.65	5,788.96

		For year ended March 31, 2019	For year ended March 31, 2018
19	**Other Income**		
	Interest on income tax refund	0.22	-
	Others	0.31	0.21
	Amortisation of grant	791.48	390.19
	Total	792.02	390.40

		For year ended March 31, 2019	For year ended March 31, 2018
20	**Direct Cost**		
	Tolling Expenses	174.48	146.01
	Maintenance Expenses	143.44	425.18
	Provision for perodic maintainenace	206.94	890.00
	EPC Cost	-	20.94
	Total	524.87	1,482.13

		For year ended March 31, 2019	For year ended March 31, 2018
21	**Employee Benefit Expenses**		
	Salaries, wages and bonus	49.44	68.41
	Gratuity expense	0.87	0.85
	Staff Welfare Expenses	-	0.05
	Total	50.31	69.30

		For year ended March 31, 2019	For year ended March 31, 2018
22	**Finance cost**		
	Interest Paid On :		
	Bank Loans	10,303.80	9,785.67
	Other finance costs	209.86	123.90
	Upfront fees amortisation	19.32	27.51
	Guarantee Expenses	2,252.97	323.64
	Total	12,785.94	10,260.72

		For year ended March 31, 2019	For year ended March 31, 2018
23	**Other expenses**		
	Professional fees	16.32	96.84
	Stamping & Franking Charges	-	-
	Insurance charges	22.90	21.88
	Motor car expenses	7.52	9.82
	Travelling expenses	6.73	4.61
	Advertisement	15.11	-
	Miscellaneous expenses	57.59	29.35
	Provision for APRDC Claims	-	87.00
	Provision for doubtful advances	1,145.89	-
	Payment to auditors (Refer note below)	2.16	2.23
	Annual custodian fees	0.75	0.75
	Total	1,274.98	252.47
a)	**Payment to auditors**		
	Statutory Audit fee	2.00	2.06
	Certification fees	0.16	0.17
	Reimbursement of expenses	-	-
	Total payments to auditors	2.16	2.23

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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:

	For year ended March 31, 2019	For year ended March 31, 2018
Net Profit / (Loss) as per Statement of Profit and Loss	(12,620)	(7,908)
Outstanding equity shares at period end	20,39,58,900	20,39,58,900
Weighted average Number of Shares outstanding during the period – Basic	20,39,58,900	20,39,58,900
Weighted average Number of Shares outstanding during the period - Diluted	20,39,58,900	20,39,58,900
Nominal value of equity shares (Rs. per share)	10	10
Earnings per Share - Basic (Rs.)	(6.19)	(3.88)
Earnings per Share - Diluted (Rs.)	(6.19)	(3.88)

25 There are no contingent liabilities as at March 31, 2019 and March 31, 2018

26 There are no capital commitment as at March 31, 2019 (March 31, 2018 : Nil)

27 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.
The Company has taken office premises on leave and license basis which are cancellable contracts.
Company has taken office premises on lease for which charge to P & L is Rs 1.77 lacs

28 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.

29 Related party transactions

a) Related parties where control exists :
1. Gammon India Limited - ultimate holding company (upto September 7, 2017
2. Gammon Infrastructure Projects Limited - holding company

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

c) Key Managerial Personnel
1) Kaushik Chaudhuri
2) Naresh Sasanwar
3) Poonam Sabnis

Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Expenses incurred on behalf of the Company:			
Gammon Infrastructure Projects Limited		22.32 (33.89)	
Gammon Infrastructure Projects Limited Paid		(28.62) (54.66)	
Sidhi Singrauli Road Projects Limited			- (2.40)
Outstanding balances payable :		-	
Gammon Infrastructure Projects Limited		302.46 (308.74)	
Vijayawada Gundugolanu Road Project Private Limited			- (5.88)
Sidhi Singrauli Road Projects Limited			3.02 (2.70)

(Previous period's figure in brackets)

30

The actual toll collections from the Toll Bridge project (the Project) at Rajahmundry-Godavari across the river Godavari are significantly lower than the forecasted revenue at the time of bid and growth thereafter too, resulting in inadequate cashflow to meet the debt/interest servicing obligations of the Lenders. Consequently, the debt facility has been classified as a Non-Performing Asset (NPA) by the Lenders.

The Company had issued a cure period notice to Andhra Pradesh Road Development Corporation Limited (APRDC or the Client) on 26th February 2018 under the provisions of the Concession Agreement (CA) to cure the breaches by APRDC which includes provision of Revenue Shortfall Loan along with other breaches. The Client had not cured the breaches under the CA, and the Company has issued a letter dated 3rd July 2018 requesting for termination of the CA for which the Company has received a letter dated 26th July 2018 from APRDC stating the letter dated 3rd July 2018 issued by the Company for termination is not technically in accordance with the Concession Agreement, as the notice intimating intent to terminate should precede the notice for termination of CA.

The Company has responded to APRDC on 04th August 2018 communicating its intent to terminate the CA with all other terms of letter dated 3rd July 2018 remaining the same.

In the event of termination of CA for the Client's Event of Default, the Company is entitled to Termination payment from the Client in terms of the CA, which will adequately cover the outstanding debt dues to Lenders and the equity investment made by Gammon Infrastructure Projects Limited (GIPL or the Parent Company). The Company has made a total claim towards termination payments of Rs 1,12,337 lacs. The Company has requested APRDC to initiate an arbitration process to amicably settle the breaches under the CA , the Company has nominated their arbitrator and appointment of the arbitrator representing APRDC is pending.

One of the Consortium lenders for the Project has initiated and served Corporate Insolvency Resolution Process before the Hon'ble National Company Law Tribunal, Mumbai Branch ("NCLT") and the NCLT hearing is underway in the matter.
In terms of the Common Loan Agreement (CLA) dated 26th May 2009 executed between the Company, the Senior Lenders, the Lenders' Agent and the Security Trustee to part finance the Toll Bridge Project, an agreement for pledge of shares dated 28th April 2011 was executed by the Parent Company as the Pledgers in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the Secured Obligations by creation of pledge over 51.21% of paid-up and voting equity shares of the Company. Accordingly, the Lenders' Agent had served a recall notice accelerating the loans requesting the Company to repay all the outstanding dues as sought in the recall notice within the timeframe provided therein.
In view of the continuing payment defaults by the Company and no viable remedy being offered by the Company/GIPL in terms of the recall notice , the Company has committed an "Event of Default" within the meaning of the CLA and the Security Trustee has served a notice exercising its rights as available under the Pledge Agreement with respect to the Secured Obligations and have notified and instructed GIPL vide their letter dated 20th October, 2018 (the Notice) to transfer the Pledged Shares as pledged by GIPL constituting 51.21% of the issued, paid-up and voting equity share capital of the Company immediately to the Depository Participant (DP) account of the Security Trustee. The Security Trustee has transferred 51% of equity shares of the Company from GIPL into their DP account on 30th October 2018 on behalf of the Lenders'. GIPL has written to the Lead Bank/Security Trustee for assigning a value to the pledged shares invoked, the Lead Bank has sent a response to GIPL stating that the pledged shares of the Company invoked are currently held by the Security Trustee as collateral and the Lenders have not appropriated the pledged shares against outstanding dues nor have the pledged shares been sold to a third party for realising the outstanding dues. Given that the pledged shares are not transferred to the DP account of the Lenders or any third party, the beneficial ownership of the pledged shares currently vests with the Pledgers. Therefore, the valuation of the pledged shares may not be required. and no impact of the same has been given to above results.
The Lead Bank has sent a notice calling upon GIPL to pay an amount of Rs 78,052 lacs as per the Corporate Guarantee Agreement entered by GIPL and the consortium of bankers and has instructed GIPL to repay the aforesaid amount due from the Company within 30 days of receipt of notice. GIPL has not been able to pay the aforesaid amount, hence the Corporate Guarantee issued by GIPL stands invoked. Pursuant to invocation of Corporate Guarantee and on expiry of the said notice period, GIPL has shown the aforesaid amount as payable to the Lead bank and receivable from the Company. The Company has also accounted for the aforesaid amount as payable to GIPL.

The Company has submitted a One-Time Settlement (OTS) proposal to the Consortium of Lenders on 22nd November 2018 and the same is approved by the Lenders.
Pending disposal of the matter by APRDC to determine the termination payments in favor of the Company, the NCLT hearing, invocation of pledge of shares, invocation of Corporate Guarantee and the OTS proposal submitted to the Lenders' by the Company, there exists material uncertainty with respect to the future of the Project and that cast significant doubt on the Company's ability to continue as a going concern.

In addition, the management also estimates reduction of the operating & finance costs. In the event of termination, the Company is confident of recovery of compensation / Payment of outstanding dues to Lenders from the Client in terms of the CA.
Pending disposal of the matter by APRDC, there exists material uncertainty with respect to the future of the Project and that cast significant doubt on the Company's ability to continue as a going concern. However, based on the on-going discussions with the Client, the Company is hopeful of reaching a settlement with the Lenders/APRDC and will continue to operate the Project. The Management is also of the opinion that the Project will be viable post reaching a settlement with the Lenders/APRDC and on optimising the operating and finance costs and improved traffic / revenue due to major infrastructure development proposed by the State Government around the Project route.
Considering the foregoing, the financial statements for the year ended 31st March 2019 have been prepared on a going concern basis. In making this assessment, the Management has conducted a comprehensive review of the entity's affairs including, but not limited to:

- The current year's operations of the Project, the entity's financial position for the year ended 31st March 2019;
- Significant events and developments that have taken place during the financial year ended 31st March 2019 and immediately succeeding the reporting period;
- The cash flow forecast for the entity for the financial year ended 31st March 2019 and beyond;
- Revenue and profitability forecasts for the entity for the financial year ended 31st March 2019 and beyond; and
- The continued support of APRDC, the entity's shareholders and the Lenders.

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31 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 borrowing 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, 2019	Plus 100 basis point	(738.62)
	Minus 100 basis points	738.62
March 31, 2018	Plus 100 basis point	(820.67)
	Minus 100 basis points	820.67

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 Nil (PY 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, 2019 and Rs 649.29 lacs as at March 31, 2018.

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 Rs 82907.13 lacs as at March 31, 2019 and Rs 12503.08 lacs as at March 31, 2018. 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 Company. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the Company and the holding company materially and is one of the major reasons for the liquidity issue.

The Working Capital Position of the Company is given below:

	March 31, 2019	March 31, 2018
Cash and Cash Equivelent	112.80	668.09
Total	112.80	668.09

Note: As per agreement with bankers, toll collected by the Company will be appropriated by bankers towards their dues and will provide a part of toll amount towards maintenance and day to day running of the project.

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

	Less than 1 year	2-5 years	More than 5 years	Total
As at March 31, 2019				
Borrowings	-	-	-	-
Trade Payables	38.03	-	-	38.03
Other Financial Liabilities	82,314.78	-	-	82,314.78
Other Non Current Liabilities	-	-	-	-
Total	82,352.82	-	-	82,352.82
As at March 31, 2018				
Borrowings	1,235.00	10,129.00	53,565.00	64,929.00
Trade Payables	0.00	-	-	0.00
Other Financial Liabilities	0.12	-	-	0.12
Other Current Liabilities	-	-	-	-
Total	1,235.13	10,129.00	53,565.00	64,929.13

VI Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects. 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.

Particulars	March 31, 2019	March 31, 2018
Borrowings	-	64,929.00
Trade Payable	38.03	75.56
Other Payable	82,316.90	13,704.88
Less:		
Cash and Cash Equivalent	112.80	668.09
Net debt	82,242.13	78,041.35
Total Equity	(3,423.68)	9,194.04
Gearing ratio	(24.02)	8.49

32 There are no derivative instruments outstanding as at March 31, 2019 and March 31, 2018 . The Company has no foreign currency exposure towards liability outstanding as at March 31, 2019 and March 31, 2018

33 In the opinion of the Board of Directors, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

34 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			(12,620.00)
Tax at the Indian tax rate of 30%			(3,786.00)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :			
(i) Depreciation impact		(13,840.83)	
(ii) Disallowed under income tax		4,053.06	
			(9,787.76)
Brought forward loss		12,693.26	
Exempt from tax		-	
			12,693.26
Income tax expense			-

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35 The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

		Carrying value		Fair Value	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a)	Financial assets				
	Amortised Cost				
	Others	2.77	9.43	2.77	9.43
	Cash and cash equivalents	112.80	668.09	112.80	668.09
	Total Financial Assets	115.57	677.52	115.57	677.52
b)	Financial liabilities				
	Amortised Cost				
	Borrowings	-	63,694.00	-	63,694.00
	Trade payables	38.03	75.56	38.03	75.56
	Others	82,316.90	13,704.88	82,316.90	13,704.88
	Total Financial Liabilities	82,354.93	77,474.44	82,354.93	77,474.44

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

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31,
36 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant

37 Previous years figures are regrouped reclassified as required.

As per our report of even date

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

Rajen Ashar
Partner
Membership No. : 48243

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Place: Mumbai
Date : 27th May 2019

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

Naresh Sasanwar
DIN : 01861034

Poonam Sabnis
DIN : 7706230