VIJAYAWADA GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED

DIRECTORS' REPORT

To
The Shareholders of
Vijayawada Gundugolanu Road Project Private Limited

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

1. FINANCIAL RESULTS

The Company has a loss of Rs. 1,307.45 lakhs for the Financial Year; which has been carried forward to the Balance Sheet.

2. PROJECT STATUS

Your Company had signed a Concession Agreement dated 21st March, 2012, with National Highways Authority of India ("**NHAI**") for six laning of Vijayawada – Gundugolanu section of NH-5 (new NH 16) from km 1076.48 to km 1022.48 including six lane Hanuman Junction Bypass (Length 6.72 km) and four lane Vijayawada Bypass (Length 47.88 km) [Total Length: 103.59 km] in the State of Andhra Pradesh under the National Highways Development Project (NHDP) - Phase V (the "**Project**"). Out of the 6 (six) lane, 4 (four) lanes are operational, while 2 are in development phase. This was to be executed on Build, Operate and Transfer (BOT/Toll) mode on Design, Build, Finance, Operate and Transfer basis.

The Company had collected toll till 26th August, 2016 and construction work was also in progress. However, the Company received termination notice from NHAI on 26th August, 2016 and consequently, NHAI took over possession of the Toll Plazas at the Project's site on 27th August, 2016. Your company was in discussion with NHAI for mutual exit from the Project.

On 27th December 2018, the Company entered into Settlement-Cum-Closeout agreement with the NHAI as an amicable settlement for the Project. Pursuant to the said Agreement, Gammon Infrastructure Projects Limited, holding company, paid an amount of Rs.18.05 Crores on behalf of the Company to NHAI towards full & final settlement in respect of all claims, counter claims and all the various disputes under the Concession Agreement and matters related thereto. Upon receipt of the amount, NHAI have released the performance security in the form of a Bank Guarantee given to NHAI for an amount of Rs.84.20 Crores.

3. SHARE CAPITAL

On 31st January 2019, the Company had allotted 7,66,00,000 equity shares of Rs. 10/- each at par on rights basis to the shareholders of the Company.

As on 31st March 2019, the Authorised Share Capital of the Company is Rs. 1,00,00,00,000/- divided into 10,00,00,000 equity shares of Rs. 10/- each and the paid up share capital is Rs. 76,61,00,000/- divided into 7,66,10,000 equity shares of Rs. 10/- each fully paid up.

4. DIVIDEND / TRANSFER TO RESERVES

On account of the loss incurred during the Financial Year, your Directors express their inability to recommend any dividend for the Financial Year. No amount is transferred to any reserves.

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CIN : U74990DL2012PTC232205

Corporate Office : Orbit Plaza, 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

5. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

BOARD OF DIRECTORS

Mr. Naresh Sasanwar and Mr. Ravindra Desai were appointed as additional directors w. e. f. 1st October 2018 and 13th August 2019 respectively. They shall hold office as such up to the date of ensuing Annual General Meeting ("**AGM**"). The Directors have, at their Meeting held on 26th August 2019, recommended the appointment of Mr. Naresh Sasanwar and Mr. Ravindra Desai as Directors of the Company at the ensuing AGM of the Company.

In accordance with the provisions of the Companies Act, 2013, Mr. Kaushik Chaudhuri retires by rotation at the next Annual General Meeting ("**AGM**") and has offered himself for re-appointment.

Mr. Sanjay Chaudhary and Ms. Poonam Sabnis resigned as directors of the Company w.e.f. 22nd November 2018 and 13th August 2019.

Mr. Manish Mehra was appointed as an additional director w. e. f. 11th June 2019 and resigned w.e.f. 17th June 2019.

Presently, the Board of Directors comprises of Mr. Kaushik Chaudhuri, Mr. Naresh Sasanwar and Mr. Ravindra Desai.

KEY MANAGERIAL PERSONNEL

There was no appointment of any Key Managerial Personnel during the Financial Year.

Mr. Nirav Shah was appointed as Company Secretary of the Company w.e.f. 11th June 2019 and resigned w.e.f. 17th June 2019.

6. NUMBER OF MEETINGS OF THE BOARD

Seven Board Meetings were held during the Financial Year. These were held on 12th June, 2018, 4th September, 2018, 29th September, 2018, 10th December, 2018, 7th January, 2019, 24th January, 2019 and 31st January, 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	7	7
Ms. Poonam Sabnis	7	7
Mr. Naresh Sasanwar*	7	4
Mr. Sanjay Chaudhary**	7	2

*Appointed as additional director w. e. f. 1st October, 2018
**Resigned as director w. e. f. 22nd November, 2018

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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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 Financial Year;
iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv. they have prepared the annual accounts on a going concern basis;
v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. 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 A in the prescribed Form MGT-9, which forms part of this report.

9. AUDITORS

At the Annual General Meeting held on 27th March, 2015, M/s. Natvarlal Vepari & Co., Chartered Accountants were appointed as the statutory auditors of the Company to hold office till the conclusion of the Ninth Annual General Meeting.

Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent AGM. In view of this, the appointment of Auditors' is not proposed for ratification at ensuing AGM.

10. AUDITORS' REPORT

In the opinion of the Directors, the observations made by the Auditors in their Report are self-explanatory and do not require any clarification by the Directors.

11. SECRETARIAL AUDIT REPORT

Mr. Veeraraghavan. N, Practicing Company Secretary has, pursuant to section 203 of the Act, issued the Secretarial Audit Report for the Financial Year with the following qualifications:

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

MANAGEMENT EXPLANATION:
Observations made by the Secretarial Auditor in their Report are self-explanatory and do not need further clarification.

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

12. COST AUDIT

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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13. PARTICULARS OF EMPLOYEES

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are not applicable to your Company.

14. DISCLOSURE ON WOMEN AT WORKPLACE

During the financial year, the Company has not received any compliant of sexual harassment at workplace from any women employees, pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

15. SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards.

16. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

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

17. DEPOSITS

During the Financial Year, the Company has not accepted any deposits covered under Chapter V of the Act.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Transactions with related parties in the ordinary course of the Company's business are detailed in Note no. 28 of the financial statements.

20. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company does not have any amount / shares due to be transferred to Investor Education and Protection Fund.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

In view of the nature of business activities of 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 Financial Year.

22. CORPORATE SOCIAL RESPONSIBILTY ("CSR")

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.

23. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the Financial Year.

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24. 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.

25. 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.

26. 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.

27. INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY

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

28. ACKNOWLEDGEMENT

The Directors wish to express their sincere gratitude to the State Government, NHAI, the commercial banks and the financial institutions for their continued co-operation and assistance.

For and on behalf of the Board of
Vijayawada Gundugolanu Road Project Private Limited

Naresh Sasanwar
Director
DIN: 01861034

Ravindra Desai
Director
DIN: 07669211

Place: Mumbai
Date: 29th August 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	U74990DL2012PTC232205
ii.	Registration Date	01.03.2012
iii.	Name of the Company	Vijayawada Gundugolanu Road Project Private 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	Second Floor, Plot No. 360, Block – B, Sector 19, Dwarka, New Delhi – 110075.
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	N. A.

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	100%	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	9,998	2	10,000	100	7,66,09,998	2	7,66,10,000	100	-
e) Banks / FI	-	-	-	-		-	-	-	-
f) Any Other									
Sub-total(A)(1)	**9,998**	2	**10,000**	**100**	**7,66,09,998**	2	**7,66,10,000**	**100**	-
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)	**9,998**	2	**10,000**	**100**	**7,66,09,998**	2	**7,66,10,000**	**100**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	--	-
b) Individuals (i) Individual shareholders	-	-	-	-	-	-	-	-	-

holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**9,998**	2	**10,000**	100	**7,66,09,998**	2	**7,66,10,000**	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.	10,000	100.00	-	7,66,10,000	100.00	-	-
	Total	**10,000**	**100.00**	-	**7,66,10,000**	**100.00**	-	-

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
	Gammon Infrastructure Projects Limited				
	At the beginning of the year	9,998	100.00	9,998	100.00
-	Add: Acquired by way of allotment on 31st January 2019	7,66,00,000	100.00	7,66,09,998	100.00
	At the End of the year	**7,66,09,998**	**100.00**	**7,66,09,998**	**100.00**

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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	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel- NIL

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	-	-	-	-
	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	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-April-2018) i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 -- -- --	 -- -- --	 -- --	 -- -- --
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year - Addition - Reduction	 -- --	 -- --	 -- --	 -- --
Net Change	--	--	--	--
Indebtedness at the end of the financial year (31-Mar-2019) i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 -- -- --	 -- -- --	 -- -- --	 -- -- --
Total (i+ii+iii)	--	--	--	--

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
Vijayawada Gundugolanu Road Project Private Limited

Naresh Sasanwar
Director
DIN: 01861034

Ravindra Desai
Director
DIN: 07669211

Place: Mumbai
Date: 29-08-2019

/

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,
Vijayawada Gundugolanu Road Project Private Limited
(CIN : U74990DL2012PTC232205)

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vijayawada Gundugolanu Road Project Private Limited (CIN : U74990DL2012PTC232205) hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company 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:

(j) Secretarial Standard issued by The Institute of Company Secretaries of India.
(k) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. --- The Company being an unlisted public company, the listing agreements are not applicable to the Company.

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

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.

N. VEERARAGHAVAN
COMPANY SECRETARY

Veeraraghavan N.
ACS No: 6911
CP NO : 4334

Place: Mumbai
Date: 28th May 2019

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Vijayawada Gundugolanu Road Projects Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Vijayawada Gundugolanu Road Projects Private 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, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

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 accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2019, its loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Emphasis of Matter

We invite attention to Note No. 1C being the basis of preparation and Note No 34 of the financial statements relating to the Going concern assumption not being valid and the financial statements being not prepared on a Going Concern Basis. NHAI terminated the project vide settlement agreement dated 27.12.2018. As per the said agreement the company has paid Rs.18.05 crores to NHAI as full and final settlement. The company has written off/ written back all balances of assets and liabilities related to the Service Concession Agreement and recognized loss of Rs.1376.23 lakhs. The company does not have any other activity and there are no plans envisaged. The accounts are not prepared on a Going Concern Assumption. Our report is not qualified on this account.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the Other Information. The "Other Information" comprises the Report of the Board of Directors but does not include the Standalone Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the

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provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors is 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 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our

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opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 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.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 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.
   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d. In our opinion the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. The matter described under Emphasis of Matter paragraph, in our opinion, has an adverse effect on the functioning of the Company.
   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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   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, there is no remuneration paid by the Company to its directors during the year and therefore the provisions of section 197 of the Act are not applicable to the Company.
   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:

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i. There are no pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Ruchi Tamhankar
Partner
M. No. 136667
Mumbai ,Dated: 2 8 MAY 2019

ANNEXURE A

To the Independent Auditors' Report on the Standalone IND AS Financial Statements of Vijayawada Gundugolanu Road Projects Private Limited

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.

(b) Property, Plant & Equipment have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.

(c) There is no immovable property in the name of the company and hence clause 3(i)(c) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(ii) As the company does not hold any inventory during the year, clause 3(ii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(iii) The Company has not granted any loan secured or unsecured to entities covered in the register maintained u/s 189 of the Companies Act 2013. Therefore clauses 3(iii)(a), 3(iii)b) and 3(iii)(c) of Companies (Auditors Report) Order, 2016 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 of the Companies Act, 2013 with respect to loan given to the extent applicable. Provisions of section 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given are not applicable to the company as per sub-section (11) of section 186 of Companies Act, 2013, being an infrastructure company.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) We are informed that maintenance of cost records under section 148(1) of the Companies Act 2013 has not been specified by the Central Government for

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the Company and therefore, clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(vii) (a) According to information and explanation given to us and on the basis of our examination of records of the Company, amount deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess, Goods and Service tax and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there were slight delays. However the Company has not paid its Stamp duty liability as at the Balance Sheet date.

According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, or Value Added Tax, which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not borrowed any funds from Banks or Financial Institutions. The company did not have any dues to Government and debenture holders during the year, therefore clause 3(viii) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.

(ix) The Company has not raised any money by way of initial public offer and further public offer (including debt instrument). According to the information and explanations given to us and based on the documents and records produced to us, the Company has not taken any term loan during the year and therefore provision of clause 3(ix) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company has not paid any managerial remuneration during the year and hence provisions of section 197 read with schedule V to the Companies Act, 2013 are not applicable to the Company and hence clause 3(xi) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

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(xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(xiii) Since the company is a wholly owned subsidiary of a listed company, therefore the provisions of Sec.177 is not applicable in respect of transactions with related parties, the company has complied with the provisions of Sec 188 of the Act, where applicable. The necessary disclosures relating to related party transactions have been made in the Financial Statements as required by applicable accounting standard.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No.106971W

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: 28 MAY 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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Annexure - B to the Auditors' Report

Report on the Internal Financial Controls with reference to Financial Statements 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 Vijayawada Gundugolanu Road Projects Private ("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 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls

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with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

Because of the inherent limitations of 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 system with reference to Financial Statements and such internal

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financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M. No. 136667
Mumbai, Dated: 28 MAY 2019

NATVARLAL VEPARI & CO. * Mumbai * CHARTERED ACCOUNTANTS o/c

VIJAYAWADA GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED
CIN: U74990DL2012PTC232205
BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lakhs)

Particulars	Note Ref	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	-	59.95
(b) Intangible Assets	3	-	66,170.22
(c) Intangible Assets Under Development	4	-	6,277.12
(d) Financial Assets			
(i) Loans	5.1	-	0.86
(ii) Others	5.2	-	1,450.00
(e) Other Non-current assets	6	29.24	1,035.05
Total Non-current Assets (A)		**29.24**	**74,993.20**
(2) Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Cash and cash equivalents	5.3	2.62	9.66
(ii) Loans	5.1	28.12	6.18
(iii) Others	5.2	-	19.52
(c) Other current assets	6	982.53	20.65
(d) Asset Held For Sale	7	18.00	-
Total Current Assets (B)		**1,031.27**	**56.00**
Total Assets (A + B)		**1,060.51**	**75,049.20**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	8	7,661.00	1.00
(b) Other Equity	9	(6,613.34)	1,966.72
Total Equity (A)		**1,047.66**	**1,967.72**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	10.1	-	72,875.76
(b) Provisions	11	-	2.25
(c) Deferred tax liabilities (Net)		-	-
Total Non- current liabilities (B)		-	**72,878.01**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	12	8.35	198.62
(ii) Other financial liabilities	10.1	1.49	1.33
(b) Other current liabilities	13	0.10	3.49
(c) Provisions	11	2.91	0.04
Total Current liabilities (C)		**12.85**	**203.48**
Total Equity and Liabilities (A+B+C)		**1,060.51**	**75,049.21**

As per our report of even date attached

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date:28th May 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors of Vijayawada Gundugolanu Road Project Private Limited

Kaushik Chaudhuri
DIN: 06757692

Poonam Sabnis
DIN: 05157682

VIJAYAWADA GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED
CIN: U74990DL2012PTC232205
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lakhs)

	Particulars	Note Ref	For year ended March 31, 2019	For year ended March 31, 2018
I	**Revenue from Operations**	14	-	-
II	Other Income:	15	274.32	112.89
III	**Total Revenue (I + II)**		274.32	112.89
IV	Expenses:			
	Construction Cost	16	-	-
	Tolling and Maintenance Expenses	17	-	-
	Personnel Expenses	18	11.84	113.52
	Finance Expenses	19	-	-
	Depreciation & amortization	20	41.95	37.60
	Other Expenses	21	1,527.98	223.83
	Total Expenses		1,581.77	374.95
V	**Profit Before Tax (VII-VIII)**		(1,307.45)	(262.06)
VI	Tax Expense	22	-	5.86
	1. Current Tax		-	-
	2. Short/(excess)provision of tax		-	5.86
	3. Deferred Tax Liability / (asset)	23	-	-
VII	**Profit for the period (XIV+XI)**		(1,307.45)	(267.92)
VIII	**Other Comprehensive Income**			
	Remeasurement of defined benefit plans		-	3.66
IX	**Total Comprehensive Income**		(1,307.45)	(264.26)
X	**Earnings per Equity Share:**	24		
	Basic & Diluted		(10.55)	(2,679.24)
	Par Value		10.00	10.00

As per our report of even date attached
For Natvarlal Vepari & Co

Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date:28th May 2019

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

For and behalf of the Board of Directors of
Vijayawada Gundugolanu Road Project Private Limited

Kaushik Chaudhuri
DIN: 06757692

Poonam Sabnis
DIN: 05157682

VIJAYAWADA GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED
CIN: U74990DL2012PTC232205
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2019
(All the figures are Rupees in Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax As Per Profit & Loss Account		**(1,307.45)**		**(262.06)**
Adjusted For :				
Depreciation & Impairment of property, plant & Equipment	41.95		37.60	
Interest Income	(58.89)		(89.37)	
Sundry Balances written back	(196.88)		(23.51)	
Gain on account of settlement	(428.43)		-	
Interest & other finance expenses	-	**(642.25)**	185.84	**110.55**
Operating Profit Before Working Capital Changes				
Adjusted For :				
Changes in Financial Assets	414.28		334.24	
Changes in other assets	49.82		13,683.38	
Changes in financial liabilities	6.79		(3,482.46)	
Changes in other liabilities	(3.40)		(0.06)	
Changes in provisions	0.62		(22.01)	
		468.11	-	**10,513.09**
		(1,481.59)		**10,361.58**
Income tax paid		(5.89)		(7.35)
Net Cash Flow From Operating Activities (A)		**(1,487.48)**		**10,354.23**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	-		-	
Redemption of Fixed Deposit with bank (under lien)	1,450.00		-	
Interest Received	78.41		102.18	
Net Cash Used in Investing Activities (B)		**1,528.41**		**102.18**
CASH FLOW FROM FINANCING ACTIVITIES				
Amount recd towards intercorporate deposits	-		110.00	
Repayment of intercorporate deposits	(47.97)		(10,389.46)	
Interest Expenses	-		(185.84)	
Net Cash Used in Financing Activities (C)		**(47.97)**		**-10,465.31**
Net Change in Cash & Cash Equivalents (A+B+C)		**(7.04)**		**(8.89)**
Cash & Cash Equivalents at the beginning of the year		9.66		18.55
Cash & Cash Equivalents at the end of the year		2.62		9.66
		(7.04)		**(8.89)**
Components of Cash and Cash Equivalents				
Balances with scheduled banks in current account		2.62		9.65
Cash on hand		-		0.01
Total Components of Cash and Cash Equivalents		**2.62**		**9.66**

As per our report of even date attached
For Natvarlal Vepari & Co

Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667
Place: Mumbai
Date:28th May 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors of
Vijayawada Gundugolanu Road Project Private Limited

Kaushik Chaudhuri
DIN: 06757692

Poonam Sabnis
DIN: 05157682

VIJAYAWADA GUNDUGOLANU RAOD PROJECT PRIVATE LIMITED
CIN: U74990DL2012PTC232205
Notes to Financial Statements for the year ended March 31, 2019
(All the figures are Rupees in Lakhs unless otherwise stated)

Statement of Changes in Equity

A . Equity Share Capital

Equity Share Capital	March 31, 2019		March 31, 2018	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	10,000	1.00	10,000	1.00
Changes in equity share capital during the year				
Add: Issue during the reporting period	7,66,00,000	7,660.00	-	-
Balance at end of the reporting period	**7,66,10,000**	**7,661.00**	**10,000**	**1.00**

B. Other Equity

Particulars	Retained Earnings	Capital Contribution	Total
Balance as at March 31, 2017	**(5,041.63)**	**17,552.07**	**12,510.44**
Profit for the year	(267.92)	-	(267.92)
Actuarial Gain transferred to OCI	3.66	-	3.66
Inter-Corporate Loan repaid to GIPL	-	(10,279.47)	(10,279.47)
Balance as at March 31, 2018	**(5,305.89)**	**7,272.60**	**1,966.72**
Profit for the year	(1,307.45)	-	(1,307.45)
Actuarial Gain transferred to OCI	-	-	-
Inter-Corporate Loan repaid to GIPL	-	(7,272.60)	(7,272.60)
Balance as at March 31, 2019	**(6,613.34)**	**(0.00)**	**(6,613.34)**

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667
Place: Mumbai
Date:28th May 2019

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

For and behalf of the Board of Directors of
Vijayawada Gundugolanu Road Project Private Limited

Kaushik Chaudhuri
DIN: 06757692

Poonam Sabnis
DIN: 05157682

VIJAYAWADA GUNDUGOLANU ROAD PROJECTS PRIVATE LIMITED

CIN: U74990DL2012PTC232205

Note 1 : Significant Accounting policies and Other Related Disclosures

A **Corporate Information**

Vijayawada Gundugolanu Road Projects Pvt Ltd ('VGRPPL'), domiciled in India and having its registered office at Second Floor, Plot No. 360, Block B, Sector 19, Dwarka, New Delhi, South West Delhi, DL 110075, is incorporated under the Companies Act, 1956, on 1st March, 2012, to undertake and carry on the business of Six laning of Vijayawada – Gundugolanu section of NH-5 from km 1076.48 to km 1022.48 including six lane Hanuman Junction Bypass (Length 6.72 km) and four lane Vijayawada Bypass (Length 47.88 km) [Total Length: 103.59 km] in the state of Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on Design Built Finance Operate and Transfer 'DBFOT' basis ("Project"). In terms of the Concession, the Company is required to pay additional concession fees for collecting the toll on the four lane project.

The Company had received a notice of termination from NHAI on August 26, 2016. Consequently NHAI took possession of the toll plaza and tolling was suspended by the Company. Accordingly, the company suspended amortization of the Intangible Asset from that date and also stopped accruing interest liability on the deferred payment liability from that date.

Subsequently, as a result of the efforts of the Company and dialogues with top officials of NHAI and MORTH, NHAI had agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Pursuant to the requirements stipulated by NHAI the Company had entered into a binding agreement with a Strategic investor for a committed equity participation of 49% in the Project. With the committed equity participation by the Strategic investor, bankers had expressed their willingness to give their respective sanctions , which were under final stages of approval for financial closure of this Project. The management was hopeful of the financial closure of the project and the project being revived.

The Company however could not achieve financial closure and consequently its agreement with the Investor also was terminated.

Due to delay of 2.5 years in fixing the Appointed Date and the Financial Closure, a situation of "Force Majeure" has been created which is beyond the control of both the Parties. Accordingly, the company, vide its letter dated September 8, 2017 had made a consent application for "mutual exit" from the project.

Subsequently, NHAI terminated the project vide settlement agreement dated 27.12.2018. As per the said agreement the company has paid Rs.18.05 crores to NHAI as full and final settlement. NHAI has released the bank guarantee given by the Holding Company.

Consequent to the termination as aforesaid, the company has written off/ written back all the concession related account balances and recognized net loss of Rs.1376.23 lakhs as follows:

Particulars	Amount (Rs. In lakhs)
Intangible Asset recognized as per Service Concession Agreement	66,170.22
Intangible Asset under Development	6,277.12
Full & Final payment made as aforesaid	1,805.00
	74,252.34
Less: Deferred payment liability recognized previously	72,875.75
Net Loss	**1,376.23**

The financial statements were authorised for issue in accordance with the resolution passed at the meeting of the board of directors on May 28, 2019.

B **New standards and interpretations not yet adopted**

a) **Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

i Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

ii Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

The Company is currently evaluating the effect of this amendment on the standalone financial statements.
The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

b) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes:

--On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

c) Amendment to Ind AS 19 Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

d) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

e) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

f) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

g) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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

C Basis of preparation

These financial statements are Standalone 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, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial are not prepared under going concern basis and all assets and liabilities are recorded at their realisable value since the project in the Company is terminated and there are no plans envisaged. (refer Note No. 34)

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D Use of judgments, estimates and assumptions

The preparation of the financial statements 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 financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

E Summary of significant accounting policies

The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Property, Plant and Equipment (PPE)

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.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

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

Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as per Schedule II of Companies Act, 2013

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.

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

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c) **Intangible assets**

Intangible assets are recorded at the consideration paid for cost of acquisition or development less amortization. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.

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.

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.

Service Concession Agreements - 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.

d) **Intangible Asset under development**

Intangible asset under development comprises entirely of the cost of 'Project Toll Road' being developed by the Company to be operated on a BOT basis.

Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include direct costs of development of the project road and costs incidental and related to the development activity. Costs incidental to the development activity, including financing costs on borrowings attributable to development of the project road, are capitalised to the project road till the date of completion of development.

e) **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.

f) **Impairment Loss**

Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation 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).

Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

g) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

h) **Provisions and contingent liabilities**

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.

Contingent liabilities

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

i) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- ► The date of the plan amendment or curtailment, and
- ► The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The current and non-current bifurcation is done as per Actuarial report.

Termination Benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

j) **Foreign Currencies**

Transactions and Balances

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. INR.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

k) **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.

l) **Financial instruments**

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.

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

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) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently
measured at fair value through profit and loss. 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.

m) **Revenue Recognition**

Revenue from Operations

The company earns revenue primarily from tolling operations. The tolling income is recognized on usage and recovery of the usage charge thereon based on the notified toll rates by the Grantor.

On account of the termination of operations, the relevant accounting policy under Ind AS 115 has not been applied.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

n) **Taxes**

Current Income Tax

Current 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 reporting date in the country. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

o) **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

p) **Earning 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.

q) **Measurement of EBITDA**

The Company has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortization expenses, interest and tax expense.

r) **Dividend Distribution**

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

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VIJAYAWADA GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED
CIN: U74990DL2012PTC232205
Notes to Financial Statements for the year ended March 31, 2019
(All the figures are Rupees in Lakhs unless otherwise stated)

2 Property, Plant & Equipment

(Rs in Lakhs)

Particulars	P&M	Computer	Furniture & Fixture	Office Equipment's	Total (Rupees)
Cost or valuation					
As at 31 March 2017	79.94	122.71	7.54	7.14	217.32
Additions	-	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-	-
As at March 31, 2018	79.94	122.71	7.54	7.14	217.32
Additions	-	-	-	-	-
Sales/Disposals/Adjustments	-	(2.54)	(0.46)	(2.72)	(5.72)
Transferred to Asset Held For Sale	(79.94)	-	-	-	(79.94)
As at March 31, 2019	-	120.17	7.08	4.41	131.67
Depreciation					
As at 31 March 2017	13.33	100.65	2.22	3.58	119.77
Charge for the period	6.66	22.06	5.32	3.56	37.60
Sales/Disposals/Adjustments	-	-	-	-	-
As at March 31, 2018	19.98	122.71	7.54	7.14	157.37
Charge for the period	41.95	-	-	-	41.95
Sales/Disposals/Adjustments		(2.54)	(0.46)	(2.72)	(5.72)
Transferred to Asset Held For Sale	(61.94)	-	-	-	(61.94)
As at March 31, 2019	-	120.17	7.08	4.41	131.67
Net Block					
As at March 31, 2018	59.95	-	-	-	59.95
As at March 31, 2019	-	(0.00)	-	-	(0.00)

3 Intangible Assets

Cost or valuation	Toll Collection Rights	Total
As at 31 March 2017	67,792.45	67,792.45
Additions	-	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2018	67,792.45	67,792.45
Additions	-	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2019	67,792.45	67,792.45
		-
Depreciation		-
As at 31 March 2017	1,622.23	1,622.23
Charge for the period	-	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2018	1,622.23	1,622.23
Charge for the period		-
Balance written off	66,170.22	66,170.22
As at March 31, 2019	67,792.45	67,792.45
		-
Net Block		-
As at March 31, 2018	66,170.22	66,170.22
As at March 31, 2019	-	-

On account of the termination of the project and in consideration of the full and final settlement with NHAI, the company has written off the toll collection rights during the year. Refer Note 1

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4 Intangible Assets under Development

Particulars		As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
Concession Fees		-	0.00
Contract Expenses - EPC		-	2,186.22
Developer fees		-	2,323.52
Project Expenses		-	88.58
Finance expenses		-	-
Interest expense		-	145.52
Other finance cost		-	1,060.61
Personnel expenses		-	261.79
Depreciation		-	0.88
Administration expenses		-	-
Professional fees		-	119.53
Travelling cost		-	23.48
Others		-	66.98
Total intangible assets under development	-	-	6,277.12

On account of the termination of the project and in consideration of the full and final settlement with NHAI, the company has written off the Intangible Asset Under Development during the year. Refer note 1.

5 Financial Assets (Non-current)

5.1 Financial Assets - Loans

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
	Non- Current		Current	
Deposits	-	0.86	0.69	-
Dues receivable from GIPL	-	-	27.36	-
Dues receivable from RGBL	-	-	0.00	5.92
Dues receivable from GECPL-GIPL JV	-	-	0.00	-
Other advances	-	-	0.06	0.25
Total	-	0.86	28.12	6.18

5.2 Financial Assets - Others

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
	Non - Current		Current	
Fixed Deposit with bank (under lien)	-	1,450.00	-	-
Interest receivable on Fixed Deposit	-	-	-	19.52
Total	-	1,450.00	-	19.52

5.3 Cash and cash equivalents

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
	Non - current		Current	
Balances with scheduled banks in current account	-	-	2.62	9.65
Cash in hand	-	-	-	0.01
Total	-	-	2.62	9.66

6 Other Assets

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
	Non - Current		Current	
Advance taxes (net of provision)	20.53	14.64	-	-
Excess Tax Deducted at source	8.71	-	-	-
Mob Advance given to contractor - GIPL	-	27.47	-	-
Mob Advance given to contractor - Others*	-	982.50	982.50	-
Balance with revenue authorities	-	10.44	0.03	0.03
Prepaid expenses	-	-	-	20.62
Total	29.24	1,035.05	982.53	20.65

The aforesaid advances of Rs.982.50 lakhs due from M/s Simplex Infrastructure Limited is backed by advance bank guarantee of Rs.1000 lakhs in favour of the bank. The company is taking steps to recover the advance without having to encash the Bank Guarantee.

7 Asset Held For Sale

The project has been terminated by NHAI vide its letter dated 27.12.2018. The company does not have any other activity and there are no plans envisaged. All balances are at realisable value subject to actual realisation and payments. Therefore, the plant & machinery at the site has been disclosed as Held for Sale. The carrying amount is equal to the residual value. The disclosure in terms of Ind AS 105 is given hereunder:

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
Plant & Machinery	18.00	-
Total	18.00	-

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8 **Equity Share Capital**

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
Authorised Shares: 10,00,00,000 equity shares of Rs.10/- each 10,00,00,000 equity shares of Rs.10/- each (Previous Year)	10,000.00	10,000.00
Issued, Subscribed & Paid-up: 7,66,10,000 equity shares of Rs.10/- each 10,000 equity shares of Rs.10/- each (Previous Year)	7,661.00	1.00

	As at 31.03.2019 Number	As at 31.03.2019 Amount (Rs.)	As at 31.03.2018 Number	As at 31.03.2018 Amount (Rs.)
Reconciliation of the equity shares outstanding at the beginning and at the end of the period				
Balance at beginning of the period	10,000.00	1.00	10,000.00	1.00
Issued during the period	7,66,00,000.00	7,660.00	-	-
Balance at end of the period	7,66,10,000.00	7,661.00	10,000.00	1.00

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

ii. **Details of registered shareholders holding more than 5% equity shares in the Company:**

Particulars	As at 31.03.2019 Number	As at 31.03.2019 % of holding	As at 31.03.2018 Number	As at 31.03.2018 % of holding
Equity shares of Rs 10 each paid up Gammon Infrastructure Projects Limited	7,66,10,000	100%	10,000	100%
Total	7,66,10,000	100%	10,000	100%

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

9 **Other Equity**

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
i) Retained Earnings	(6,613.34)	(5,305.88)
ii)Capital Contribution Inter-Corporate Loan received from GIPL	(0.00)	7,272.60
iii) Other Comprehensive Income	-	-
Balance at the end of the year	(6,613.34)	1,966.72

10 **Financial Liabilities**

10.1 **Other Financial Liabilities**

Particulars	As at 31.03.2019 (Rs.) Non - current	As at 31.03.2018 (Rs.) Non - current	As at 31.03.2019 (Rs.) Current	As at 31.03.2018 (Rs.) Current
Deferred Payment liability (Additional Concession fees) ^	-	72,875.76	-	-
Other liabilities	-	-	-	0.41
Staff Liabilities	-	-	1.49	0.92
Total	-	72,875.76	1.49	1.33

^On account of the termination of the project and in consideration of the full and final settlement with NHAI, the company has written back the Deferred Payment Liability. Refer Note 1.

11 **Provisions**

Particulars	As at 31.03.2019 (Rs.) Non - current	As at 31.03.2018 (Rs.) Non - current	As at 31.03.2019 (Rs.) Current	As at 31.03.2018 (Rs.) Current
Provision for gratuity	-	0.42	0.63	0.01
Provision for leave encashment	-	1.83	2.28	0.03
Total	-	2.25	2.91	0.04

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

a) **Gratuity:**
During the year under consideration, the company has not carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits. However, the company has worked out and provided for the liability for employee benefits at actuals.
Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

I The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year is as follows:

Particulars	As at 31.03.2019 (Rs.) Gratuity (Un- Funded)	As at 31.03.2018 (Rs.) Gratuity (Un- Funded)
a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	-	6.21
Current Service Cost	-	0.10
Interest Cost	-	0.47
Actuarial (Gain) /Loss	-	(3.66)
Past employees Service	-	
Benefits paid		(2.69)
Defined Benefit obligation at the year end	-	0.43
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain/ (Loss)	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	-	-
c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of Defined Benefit obligation	-	0.43
Liability recognized in Balance Sheet	-	**0.43**
d) Expenses recognized during the year (Under the head " Employees Benefit Expenses)		
Current Service Cost	-	0.10
Interest Cost	-	0.47
Expected Rate of return on Plan Assets	-	-
Past employees Service	-	-
Net Cost	-	0.57
Remeasurements		
1. Return on Plan Assets above Interest Income		
2. Net Actuarial (Gain)/Loss in the year	-	(3.66)
Transfer to other Comprehensive Income (OCI)	-	(3.66)

ii **Actuarial assumptions**

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
Mortality Table (LIC)	Gratuity 2006-08 (Ultimate)	Gratuity 2006-08 (Ultimate)
Discount rate (per annum)	-	7.50%
Expected rate of return on Plan assets (per annum)	-	NA
Rate of escalation in salary (per annum)	-	5.5%
Withdrawal rate:		
- upto age of 34	-	3.00%
- upto age of 35-44	-	2.00%
- upto age 45 & above	-	1.00%
Retirement age	-	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan

III **Sensitivity analysis**

A quantitative Sensitivity analysis for significant assumption.

	Discount rate	Salary growth rate
Change in assumption		
March 31, 2019	-	-
March 31, 2018	1%	1%
Increase in assumption		
March 31, 2019	-	-
March 31, 2018	(0.04)	0.05
Decrease in assumption		
March 31, 2019	-	-
March 31, 2018	0.05	(0.04)

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v) **Experience adjustment**

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
Experience adjustment on Plan Liability	-	3.66

12 **Trade Payables**

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
	Non - current		Current	
Trade Payables				
- Micro, Small and Medium Enterprises	-	-	-	-
- Other	-	-	8.35	198.62
Total	-	-	8.35	198.62

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As per the information available with the Company, there are no micro, small, and medium enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding micro, small, and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

13 **Other Liabilities**

Particulars	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
	Non - current		Current	
Duties and Taxes payable	-	-	0.10	3.49
Total	-	-	0.10	3.49

14 **Revenue from operations**

Particulars		For year ended March 31, 2019	For year ended March 31, 2018
Toll Revenue		-	-
Revenue on construction		-	-
Total	-	-	-

In accordance with the principles in Appendix D to Ind AS 115 relating to accounting for Service Concession Agreements, the company had started recognizing construction revenue in its Statement of Profit & Loss. The construction service being rendered for eventual tolling operations to be carried out by the company itself, the management had recognized the same at cost plus margin in the previous year.

I **Disclosures as required by Ind AS 115 relating to "Service Concession Arrangements: Disclosures"**

(a) **Description of the Arrangement along with salient features of the project:**

The Company has undertaken to carry on the project of Six laning of Vijayawada – Gundugolanu section of NH-5 from km 1076.48 to km 1022.48 including six lane Hanuman Junction Bypass (Length 6.72 km) and four lane Vijayawada Bypass (Length 47.88 km) [Total Length: 103.59 km] in the state of Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on Design Built Finance Operate and Transfer 'DBFOT' basis ("Project"). In terms of the Concession, the Company is required to pay additional concession fees for collecting the toll on the four lane project. The company is also required to convert the four lanes into six lanes. The Company in exchange for the construction and maintenance of the road acquires the right to collect toll from the user of the facility and the Grantor controls the toll rates under the Concession agreement. The collection of the revenue will depend upon the traffic on the facility and also the rates determined by the grantor. The Concession is granted for a total period of 30 years. The tolling rates are re-set at regular intervals based on the changes in the wholesale price index. The traffic projections are based on the traffic study before the grant of the concession.

(b) **Obligations of Operations and maintenance**

The Company is required to carry out operations and maintenance on the road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals.

(c) **Changes to the Concession during the period**

The Company had received a notice of termination from NHAI on August 26, 2016. Consequently NHAI took possession of the toll plaza and tolling was suspended by the Company. Accordingly, the company suspended amortization of the Intangible Asset from that date and also stopped accruing interest liability on the deferred payment liability from that date. Subsequently, as a result of the efforts of the Company and dialogues with top officials of NHAI and MORTH, NHAI had agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Pursuant to the requirements stipulated by NHAI the Company had entered into a binding agreement with Hinduja Realty Ventures for a committed equity participation of 49% in the Project as and when their conditions are satisfied. No progress was however made despite of the best efforts taken by the management.

Due to delay of 2.5 years in fixing the Appointed Date and the Financial Closure, a situation of "Force Majeure" has been created which is beyond the control of both the Parties. Accordingly, the company, vide its letter dated September 8, 2017 has made a consent application for "mutual exit" from the project.

(d) **Classification of the Concession**

The Company has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a tolling arrangement resulting in recognition of an Intangible Asset. Revenue is recognised during the construction period as revenue from construction services with the corresponding debit to Intangible assets under development. Revenue is recognised on cost plus margin basis.

(e) **Recognition of Construction services revenue and costs:**

The Company has recognised the following Revenue and costs from construction services.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	-	-
Costs	-	-
Margin earned	-	-

(f) However, the service concession Arrangement has been terminated with NHAI. Refer Note 1.

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15 Other Income

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Interest Income	58.89	89.37
Sundry Balances written back	196.88	23.51
Other Income	18.55	-
Total	**274.32**	**112.89**

16 Construction Cost

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Construction Cost- sub-contracting expenses	-	-
Total	-	-

17 Tolling and Maintenance Expenses

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Sub-Contractor Expenses (CoS)	-	-
Tolling Expenses	-	-
Maintenance Expenses	-	-
Total	-	-

18 Personnel Expenses

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Salaries, wages and bonus	10.36	112.95
Contribution to Gratuity & Leave Encashment	1.48	0.57
Total	**11.84**	**113.52**

19 Finance Cost

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Interest expenses	-	-
Interest on deferred liability payment	-	-
Total	-	-

20 Depreciation & Amortization

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Depreciation	41.95	37.60
Total	41.95	37.60

21 Other Expenses

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Professional fees	0.52	1.52
Printing and Stationary	0.00	0.03
Travelling Expenses	0.61	5.73
Hire of Motor Car	-	2.20
Computer Expenses	-	0.13
Rent Expenses	0.64	1.00
Fuel & Lube Expenses	-	0.49
Insurance Expenses	0.31	2.39
ROC fees	0.08	0.10
GST Input w/off	18.34	21.12
Net loss on termination of SCA (Refer Note 1)	1,376.23	-
Bank Guarantee Charges	121.37	185.84
Bank Charges	1.54	0.07
Rates and Taxes	7.70	
Remuneration to auditors (Refer note below)	0.55	1.00
Other Miscellaneous Expenses	0.10	2.21
Total	1,527.98	223.83

Remuneration to auditors		
Statutory Audit	0.50	1.00
Certification	0.05	-
	0.55	1.00

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22 **Tax Expenses**

Reconciliation of statutory rate of tax and effective rate of tax:

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Accounting profit before income tax	(1,307.45)	(262.06)
At India's statutory income tax rate	26.00%	30.90%
Tax on above	(339.94)	(80.98)
i.e.	-	(12,810.00)
Tax rate as per 115JB	19.24%	19.06%
Tax on profit as per 115JB	(251.55)	(49.95)
Tax as per MAT	(251.55)	(48.83)
i.e.	-	

23 **Deferred Tax**
The company has not recognized Deferred Tax Asset pursuant to the termination of the project vide settlement agreement with NHAI, dated 27.12.2018.

24 **Earnings per share ('EPS')**

Net Profit / (loss) attributable to equity shareholders and the

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Profit during the year	(1,307.45)	(267.92)
Outstanding number of equity shares (Nos.)	7,66,10,000	10,000
Weighted average number of equity shares in calculated EPS (Nos)	1,23,93,534	10,000
Nominal value of equity share	10.00	10.00
Basic EPS	(10.55)	(2,679.24)
Diluted EPS	(10.55)	(2,679.24)

Reconciliation of weighted number of outstanding during the period:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	10,000	10,000
Add : Issue of Equity Shares on 31.01.2019	7,66,00,000	-
Total number of equity shares outstanding at the end of the period	7,66,10,000	10,000
Weighted average number of equity shares at the end of the period	1,23,93,534	10,000

Company has not issued any instrument which will dilute the earnings to equity shareholders, therefore Basic EPS and Diluted EPS both are the same.

25 **Contingent Liability**

Nature	Amount (Rs. In lakhs)
Income Tax Matter (AY 2015-16) (Appeal pending before Commissioner of Income Tax (Appeals)	0.36

26 **Capital and other commitments**
Nil

27 **Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.**
The Company's operations comprise only a single business and geographical segment, namely 'Infrastructure Development' in 'India'. Further, the Company's operations are within single geographical segment which is India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

28 **Related party transactions**
Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015.

a) **Names of the related parties and related party relationships**
Related parties where control exists :
1. Gammon India Limited (Ultimate Holding Co. upto September 7, 2017)
2. Gammon Infrastructure Projects Limited - Holding Company

b) **Fellow subsidiaries & Others:**
1. GECPL- GIPL JV
2. Rajahmundry Godavari Bridge Limited
3. Birmitrapur Barkote Highways Pvt Ltd

Related party transactions

Transactions	Holding Company	Fellow subsidiaries & others
Finance Received		
Gammon Infrastructure Projects Limited	- (115.00)	- -
Finance Refunded		
Gammon Infrastructure Projects Limited	7,266.60 (10,422.84)	- -
Issue of shares		
Gammon Infrastructure Projects Limited	7,660.00 -	- -
Guarantee Commission incurred		
Gammon Infrastructure Projects Ltd.	121.36 185.84	- -
Refund of Mobilisation Advance given		
Gammon Infrastructure Projects Limited	27.46 (13,609.49)	- -
Expenses incurred on behalf of the Company by		
Gammon Infrastructure Projects Ltd.	1,925.96 (163.02)	- -
Rajahmundry Godavari Bridge Limited		- (-)

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Repayment of expenses incurred on behalf of us:		
Gammon Infrastructure Projects Ltd.	1,959.32	
	(1,471.78)	
Advance given during the year		
Rajahmundry Godavari Bridge Limited	-	-
	-	(0.04)
Receipt of advance given		
Rajahmundry Godavari Bridge Limited		5.92
		-
Transfer of fixed assets		
GECPL - GIPL JV		4.45
		-
Outstanding balances written back		
Birmitrapur Barkote Highways Pvt Ltd	-	-
	-	(3.62)
Outstanding balance Receivable		
Rajahmundry Godavari Bridge Limited	-	0.00
	-	(5.92)
GECPL - GIPL JV		0.00
		-
Gammon Infrastructure Projects Ltd.	27.36	
	(27.46)	
Outstanding balance payable		
Gammon Infrastructure Projects Ltd.	6.00	
	(6,262.63)	
Guarantee Given		
Gammon Infrastructure Projects Ltd.	-	-
	(8,419.99)	-

(Previous periods' figures are in brackets)
All the above transactions are made on terms equivalent to those that prevail in arm's length transactions.

29 **Derivative Instruments and Unhedged Foreign Currency Exposure**
There are no derivative instruments outstanding as on March 31, 2019 and as on March 31, 2018. The Company has no foreign currency exposure towards liability outstanding as on March 31, 2019 and as on March 31, 2018.

30 **Significant Accounting judgements, estimates & assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgements
In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.
The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

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31 **Financial Instruments**

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

Particulars	Carrying value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Amortized Cost				
Loans and advances	28.12	7.03	28.12	7.03
Trade receivables	-	-	-	-
Cash and bank balances	2.62	9.66	2.62	9.66
Others	-	1,469.52	-	1,469.52
Financial Liabilities				
Amortized cost				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Trade payable	8.35	198.62	8.35	198.62
Others	1.49	72,877.09	1.49	72,877.09

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

32 **Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

i) **Recognised and measure at fair value**
The Company has not recognised any of the outstanding financial instrument as on March 31, 2019 and March 31, 2018 at fair value.

ii) **Measure at amortized cost for which fair value is disclosed.**
The Company has determined fair value of all its financial instruments measured at amortized cost by using Level 3 inputs.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

33 **Financial risk management objectives and policies**

Financial risk factors

The Company is in the business of infrastructure development and it undertakes projects in multiple infrastructure segments. The nature of the business is complex and the Company is exposed to multiple sector specific and generic risks. PPP projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, Power Sector, Ports or Urban Development, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process. An enterprise wide comprehensive risk management policy including risk appetite, tolerance and risk limits for more effective, informed and measurable risk management has been developed and it continues to evolve. The Company consciously engages with third party EPC contractors apart from its parent company as a part of its risk diversification process. The Company has an established process to study the risk profiles of potential vendors and contractors and an internal vendor risk rating mechanism is in place. This is to ensure smooth construction of projects and to avoid risks due to any third party dependencies. The review mechanism of all the projects, which your company undertakes at multiple stages from construction to implementation, is also being streamlined and strengthened. The Company understands the Risk environment encompassing its business and has an enterprise risk management framework in place for identification, assessment, mitigation and monitoring of various risks.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The credit risk is minimal as the company collects the toll upfront from the users of the facility.

Liquidity risk
The NHAI has terminated the project with the company vide settlement agreement dated 27.12.2018. Consequently, the company perceives huge liquidity risk.

Interest Rate risk
Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. The Company intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms. However, the Company believes that its ability to continue to arrange for capital requirements is dependent on various factors. 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.

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Input Cost Risk
Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. 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 has sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

34 **Going Concern Assumption**
The Company had received a notice of termination from the National Highways Authority of India (NHAI) on 26th August 2016. Consequently, NHAI took possession of the toll plaza and tolling was suspended by the Company. Accordingly, the Company suspended amortization of the Intangible Asset from that date and also stopped accruing interest liability on the deferred payment liability from that date. Thereafter, as a result of the efforts of the Company and dialogues with top officials of NHAI and the Ministry of Road Transport & Highways (MoRTH), NHAI had agreed to revoke the termination notice vide letter dated 16th January 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame.

Pursuant to the requirements stipulated by NHAI, the Company had entered into a binding agreement with Strategic Investor for a committed equity participation of 49% in the Project as and when their conditions are satisfied. With the committed equity participation by Strategic Investor, bankers had expressed their willingness to give their respective sanctions, which were under final stages of approval for financial closure of this Project. The management was hopeful of the financial closure of the Project and the Project being revived.

The Company however could not achieve financial closure and consequently its agreement with Strategic Investor was eventually terminated.
The Company finally made an application to NHAI on 08th September 2017 for "mutual exit" from the Project. The Company had cited various reasons like change in the timelines, overall poor perception about the road sector, increased Corporate Debt Restructurings (CDRs) in Infrastructure Companies, downturn in global economy, etc for the delay of almost 2.5 years in the financial closure, thus creating a situation of "Force Majeure."

Subsequently, NHAI terminated the project vide settlement agreement dated 27.12.2018. As per the said agreement the company has paid Rs.18.05 crores to NHAI as full and final settlement. NHAI has released the bank guarantee given by the Holding Company. The company has written off/ written back all balances of assets and liabilities related to the SCA and recognized loss of Rs.1376.23 lakhs.

The company does not have any other activity and there are no plans envisaged. All balances are at realisable value subject to actual realisation and payments. These accounts are not prepared on a Going Concern Assumption.

35 **Comparative period**
The previous year's figures have been regrouped and rearranged, wherever necessary, to make them comparable.

36 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes form an integral part of the financial statements of the Company for the year ended March 31, 2019

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date:28th May 2019

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

For and behalf of the Board of Directors of
Vijayawada Gundugolanu Road Project Private Limited

Kaushik Chaudhuri
DIN: 06757692

Poonam Sabnis
DIN: 05157682