

## DIRECTORS REPORT

To

*The Members of Roads and Bridges Development Corporation of Kerala Limited.*

Your Directors have pleasure in presenting the **Nineteenth** Annual Report together with the Audited Statement of Accounts of your Company for the Year ended 31<sup>st</sup> March 2018. The Nineteenth Annual General meeting was adjourned for adoption of audited annual accounts. Statutory Audit and Supplementary Audit for the FY 2017-18 is completed now. Audited annual accounts for the year ended 31.03.2018 along with Statutory Audit Report and Supplementary Audit report are presented before our shareholders for approval.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2018 is as follows:

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
	(Rs. in lakhs)	(Rs. in lakhs)
<b>Total Income</b>	<b>1,433.28</b>	<b>1768.98</b>
Less: Administrative & Other expenses	<b>908.61</b>	<b>950.63</b>
<b>Operating Profit (PBDIT)</b>	<b>524.67</b>	<b>818.35</b>
Depreciation/Amortisation	<b>1,613.23</b>	<b>1,601.57</b>
<b>Net Profit/ (Loss)</b>	<b>(1,088.55)</b>	<b>(783.22)</b>
Add: Extraordinary items (net)	<b>73.00</b>	-
<b>Profit/(Loss) before Tax</b>	<b>(1,015.55)</b>	<b>(783.22)</b>
Provision for Income Tax	-	-
<b>Profit/(Loss) After Tax</b>	<b>(1,015.55)</b>	<b>(783.22)</b>
Transfer to Debenture Redemption Reserve	-	-
<b>Profit/(Loss) after transfer to reserves</b>	<b>(1,015.55)</b>	<b>(783.22)</b>
Brought forward profit/(Loss)	<b>(6,522.86)</b>	<b>(5,739.64)</b>
Surplus/(deficit) carried forward to Balance Sheet	<b>(7538.42)</b>	<b>(6,522.86)</b>

## STATE OF AFFAIRS & CHANGE IN NATURE OF BUSINESS

The Company is engaged in the business of construction of Highways, Bridges, Roads, Bypasses, Over-bridges, Culverts, Expressways on the property entrusted to and vested with the Company by the Government of Kerala or any other Government and various Governmental or other agencies and organizations and bodies and body corporates and to maintain operate, manage such facilities including improvement, strengthening and rehabilitation of road network identified as core network and to regulate and control the use of the roads vested in, or entrusted to it. There has been no change in the business of the Company during the financial year ended 31st March, 2018.

During the Financial Year 2017-18, there was no considerable right of way fee income and hence the decrease in Turnover.

## PERFORMANCE HIGHLIGHTS

- The company was appointed as a Special Purpose Vehicle (SPV) for implementation of 100 infrastructural projects funded by KIIFB
- Construction of 3 projects under KIIFB is in progress and the rest are in different stages of pre-construction activities.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

Following are the directors of the company as on the date of this report:

Sl. No.	Name of Director	Designation
1	Shri. G. Sudhakaran	Chairman (Hon'ble Minister for Public Works)
2	Shri.Kamalavardhana Rao IAS	Director
3	Shri. Pradeep Kumar R	Additional Director
4	Shri Anand Singh IAS	Managing Director ( <i>Additional Charge</i> )
5	Smt Darlene Carmelita D'Cruz	Additional Director

Shri Sibi J Pulloppillil (Chief Financial Officer) and Shri Varun Kumar C (Company Secretary) are the Key Managerial Personnel of the Company.

The process for appo.intment of **Independent Directors** was initiated by the company during the Financial Year 2017-18.

## MEETINGS OF BOARD OF DIRECTORS

Four Board Meetings were held during the Financial Year ended March 31, 2018 (*i.e. on 21/06/2017, 30/08/2017, 26/12/2017 & 22/03/2018*).

## COMMITTEE MEETINGS

Four Audit committee Meetings were held during the Financial Year ended March 31<sup>st</sup> 2018 (on 28/06/2017, 30/08/2017, 26/12/2017 & 22/03/2018). As the company is wholly owned by Government of Kerala and decision regarding nomination and remuneration of Board of Directors of company is taken by Government of Kerala (shareholder) itself, no separate meeting of Nomination and Remuneration committee was required to be held by the company during the FY 2017-18.

## CHANGES IN SHARE CAPITAL

There is no change in share capital during the year under review. The issued, subscribed and paid-up capital of the company during the year under review was Rs.62,42,50,070/-.

## AUDITORS

M/s. A. John Moris & Co. are the statutory auditors of the company for the FY 2017-18. M/s JMACS & Associates, Company Secretaries, conducted Secretarial Audit for the FY 2017-18. Report of Secretarial Auditor for FY 2017-18 is attached along with this report as **“Annexure-A”**.

## AUDITORS QUALIFICATION ON ANNUAL ACCOUNTS OF THE COMPANY

Comments by Statutory Auditor & Supplementary Audit by C&AG:--- Nil

Comments by Secretarial Auditor :- Nil

## **REMARKS BY AUDITORS U/S 143(12)**

No fraud u/s 143(12) was reported during the FY 2017-18 by Statutory Auditor and Secretarial Auditor in their report

## **PARTICULARS OF LOANS AND INVESTMENT**

The Company has not made any Investment, given guarantee and securities during the year under review. There for no need to comply provisions of section 186 of Companies Act, 2013.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

As the Company hasn't entered into related party transaction during the year, the provisions of Section 188 of the Companies Act, 2013 is not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

## **TRANSFER TO RESERVE**

No amount was required to be transferred to the reserves during the financial year ended 31st March, 2018.

## **DIVIDEND**

Your directors express their inability to declare any dividend due to non availability of net profit during the year under reporting.

## MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments other than those incorporated in the accounts affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the provisions of relevant accounting standards have been duly complied with.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Not Applicable.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The company has no activity relating to conservation of energy and technology absorption. There is no foreign exchange earnings or outgo for the year under review.

## RISK MANAGEMENT POLICY

As the company is fully owned and operated by Government of Kerala, the element of risk is managed jointly by the company and Government of Kerala. Hence a separate risk management policy need not to be developed for the company.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) provisions under Companies Act, 2013 is not applicable for the company for the financial year 2017-18.

## DEPOSITS

Deposits accepted during the year;	Nil
Deposits remained unpaid or unclaimed as at the end of the year;	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- <i>(i) at the beginning of the year;</i> <i>(ii) maximum during the year;</i> <i>(iii) at the end of the year;</i>	Not Applicable
The details of deposits which are not in compliance with the requirements of Chapter V of the Act;	Nil

## **INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial controls with reference to financial statements.

## **COST AUDIT**

The provision of Cost audit as per section 148 is not applicable to the Company

## **DETAILS OF SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## **STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any employees of the Company.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms :-

- (a) *That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any.*
- (b) *That your directors have selected such accounting policies and applied them consistently and made adjustments and estimates that are reasonable 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 also of Profit and Loss Account of the company for the year ended 31st March 2017.*

- (c) That your directors have taken proper care for the maintenance of adequate accounting records for the purpose of safeguarding the assets of the company and for preventing fraud and other irregularities.*
- (d) That your directors have prepared the annual accounts on a going concern basis.*
- (e) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.*

## **EXTRACT OF ANNUAL RETURN AND OTHER PARTICULARS**

Extract of the Annual Return of the company in Form MGT 9 is attached ("Annexure-B") and forms a part of this Report as per the requirements of Companies Act 2013.

## **ACKNOWLEDGEMENT**

Your directors express their sincere gratitude to Government of India, Government of Kerala, Ministry of Railways, Public Works Department, KIIFB, banks, consultants, contractors, and shareholders for the magnanimous support given to the company.

The directors also take this opportunity to appreciate the dedicated and sincere services and support rendered by the employees of the company.

For and on behalf of the Board of Directors of  
**Roads and Bridges Development Corporation of Kerala Limited**

**Thiruvananthapuram**  
**17/07/2019**

**Shri. G. Sudhakaran**  
**Chairman**

**ANNEXURE-A**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL  
YEAR ENDED 31/03/2017**



**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31/03/2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN</b>	U45203KL1999SGC013314
ii)	<b>Registration Date</b>	23/09/1999
iii)	<b>Name of the Company</b>	ROADS AND BRIDGES DEVELOPMENT CORPORATION OF KERALA LIMITED
iv)	<b>Category / Sub-Category of the Company</b>	Company limited by shares ( <i>Category</i> ) State Government Company ( <i>Sub-Category</i> )
v)	<b>Address of the Registered office and contact details</b>	32/1154 PREETHY BLDGS, M.V ROAD, PALARIVATTOM, ERNAKULAM KERALA, INDIA- 682025 0484-2338205, 2338206 rbdckltd@gmail.com, csrbdck@gmail.com
vi)	<b>Whether listed company</b>	No
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Not Applicable.

**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:-

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Construction and Maintenance of Infrastructural Projects	5010	100
2			





<b>2. Non-Institutions</b>	Nil								
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)									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	Nil								
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil								
<b>Grand Total (A+B+C)</b>		62425007	62425007	100		62425007	62425007	100	

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	
1	SHAREEFUDEEN	1	0.0000016	NIL	0	0	NIL	0.0000016
2	SREEKALA DEVI	1	0.0000016	NIL	1	0.0000016	NIL	0
3	SUBRATA BISWAS	1	0.0000016	NIL	0	0	NIL	0.0000016
4	L A GREGORIOUS	1	0.0000016	NIL	1	0.0000016	NIL	0
5	T.R. JAYAPAL	1	0.0000016	NIL	1	0.0000016	NIL	0
6	M.B.LATHAKUMARI	1	0.0000016	NIL	0	0	NIL	0.0000016
7	J REJIKUMAR	1	0.0000016	NIL	0	0	NIL	0.0000016
8	KAMALAVARDHANA RAO	0	0	NIL	1	0.0000016	NIL	0.0000016
9	P S GIREESHAN	0	0	NIL	1	0.0000016	NIL	0.0000016
10	SUPRABHAS	0	0	NIL	1	0.0000016	NIL	0.0000016
11	ZULFIKAR RAHMAN A	0	0	NIL	1	0.0000016	NIL	0.0000016
12	GOVERNOR OF KERALA	62425000	99.99999	NIL	62425000	99.99999	NIL	NIL
	<b>TOTAL</b>	62425007	100.00	NIL	62425007	100	NIL	62425007

iii) Change in Promoters' Shareholding (please specify, if there is no change) **NO CHANGE**

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	62425007	100	62425007	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the end of the year	62425007	100	62425007	100

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs): **NIL**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the end of the year(or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel: 01

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.0000016		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0		
	At the end of the year	1	0.0000016		

**V. INDEBTEDNESS -**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	2096944000	Nil	2096944000
ii) Interest due but not paid	Nil	271359234	Nil	271359234
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	2368303324	Nil	2368303324
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil

Indebtedness at the end of the financial year				
i) Principal Amount	Nil	2096944000	Nil	2096944000
ii) Interest due but not paid	Nil	316395255	Nil	316395255
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	2413339255	Nil	2413339255

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr. Asha Thomas IAS				
1	Gross salary	21,61,346.00				21,61,346.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil				Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil				Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil				Nil
2	Stock Option	Nil				Nil
3	Sweat Equity	Nil				Nil
4	Commission - as % of profit - others, specify...	Nil				Nil
5	Others, please specify	Nil				Nil
	Total (A)	21,61,346.00				21,61,346.00
	Ceiling as per the Act					



B. Remuneration to Other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		----	---	---	---	
1	Independent Directors					/
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors			NIL		/
	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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NA			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	14,11,738	16,07,810	30,19,548
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option				

3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission		-	-	-
	- as % of profit		-	-	-
	others, specify...		-	-	-
5	Others, please specify		-	-	-
	Total	-	14,11,738	16,07,810	30,19,548

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## **INDEPENDENT AUDITORS' REPORT**

To The Members of

**“M/s.Roads and Bridges Development Corporation of Kerala Limited,  
Ernakulam”**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of “M/s.Roads and Bridges Development Corporation of Kerala Limited, Ernakulam ”(“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup>March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and summary of the significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

2. 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 financial statements that give a true and fair view of the financial position and financial performance 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, read with the Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of 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.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate to the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's

Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion:**

6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018; and
  - ii. In the case of the Statement of Profit and Loss, of the profits of the Company for the year ended 31<sup>st</sup> March, 2018; and
  - iii. In the case of the Cash flow statement, of the cash flows of the Company for the year ended 31<sup>st</sup> March, 2018;

**Emphasis of Matter**

1. Note No.8 and 9 includes creditors from whom we have not obtained balance confirmation for the amount outstanding in their accounts as on 31<sup>st</sup> March 2018, which are given below:  
Contour Constructions- Rs.7,11,279; Vijay Nirman- Rs.1,60,324;  
GPT Infraprojects Ltd.- Rs.4, 80,000; Hope Constructions- Rs.10, 11,691; IIT Kanpur-Rs.1,26,176; Indian Iron and Steel Company-

Rs.2,52,350 and KITCO-Rs.3,83,29,224; Skilled Construction  
Company- Rs.7,68,756

Our Opinion is not qualified/modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

2. 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 Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by section 143(5) of the Act, we give **Annexure -B**, on the basis of such checks of the books and the records of the Company as we considered appropriate and according to the information and explanations given to us, in the annexure on the directions issued by the Comptroller and Auditor General of India.
4. As required by Section 143(3) of the Act, we report that:

The Company has not determined and provided for Impairment of Assets. The company has not provided data for determining impairment loss. Hence, the effect of non provision of impairment loss if any, on the loss of the company for the year and the effect on the carrying amount of intangible assets under Fixed Assets could not be quantified.

- 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The Company is a Government Company and therefore provisions of section 164(2) of the Act are not applicable vide Notification no : GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by Central Government of India;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure C**”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the standalone financial statements;
  - ii. The Company did not have outstanding long term contract including derivative contracts as at March 31, 2018 for which there were any material foreseeable losses; and

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

**For A.John Moris & Co.,**  
Chartered Accountants

(Jobin George)

Partner

M.No.236710

Place : Ernakulam

Date : 28-03-2019



**ANNEXURE-'A' TO THE AUDITORS' REPORT**  
**REPORT OF THE AUDITOR TO THE MEMBERS IN ACCORDANCE WITH THE**  
**COMPANIES (AUDITORS' REPORT) ORDER 2016**

1. (a) The Company has maintained proper records showing full particulars of its fixed assets except identification marks.  
  
(b) As explained to us, fixed assets are physically verified by the management at reasonable intervals. No Physical verification report except for Intangible assets was provided to us by the management. .  
  
(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. The Company does not carry any Inventory in the period of audit. Hence paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) relating to receipt of principal amount and interest, and iii(b) relating to overdue amount, of the order are not applicable to the Company.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
5. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under.

6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.
7. (a) According to the records, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Funds, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues during the year.

(b) According to the information and explanations given to us, and based on the records of the company examined by us, the particulars of dues towards Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited on account of any dispute as on 31<sup>st</sup> March 2018 are furnished below;

<u>Sl No.</u>	<u>Name of the Statute</u>	<u>Nature of Dues</u>	<u>Amount under disputes (Rs in Lakhs)</u>	<u>Period to which the disputes relates)</u>	<u>Forum where dispute in pending.</u>
1	Income Tax Act, 1961.	Income Tax.	49.22	AY 2002-03	High Court of Kerala.
2	Income Tax Act, 1961.	Income Tax.	68.08	AY 2003-04	Company proposes to file appeal before the High Court of Kerala.
3	Income Tax Act,	Income Tax.	20.40	AY 2004-05	High Court of Kerala.

	1961.				
4	Income Tax Act, 1961.	Income Tax.	58.88	AY 2005-06	Rectification petition before Assessing officer under process.
5	Income Tax Act, 1961.	Income Tax.	26.55	AY 2008-09	CIT Appeals, Kochi.
6	Income Tax Act, 1961.	Income Tax.	415.19	AY 2011-12	CIT Appeals, Kochi.

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders except for trustee fee of Rs 20,720/- payable to Canara Bank, repayment for loan and interest of **Rs 90.03**crores to Kerala Road Fund Board and items mentioned on Note 26(d) to the standalone financial statements.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud/misappropriation on or by the Company
11. The Company is a Government Company and therefore provisions of section 197 of the Act are not applicable vide Notification no: GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by Central Government of India. Thus, para 3(xi) of the Order is not applicable to the company.
12. The Company is not a Nidhi Company. Hence the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xv) of the Order is not applicable to the company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the

Company has not entered into any non-cash transactions with any of its directors as is mentioned in Section 192 of the Act.  
 16. In our opinion, The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **A. John Moris & Co.,**  
 Chartered Accountants

(Jobin George)

Place : Ernakulam

Partner

Date : 28-03-2019

M.No.236710

**ANNEXURE 'B' REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF M/S. ROADS AND BRIDGES DEVELOPMENT CORPORATION OF KERALA LIMITED, ERNAKULAM FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018.**

<b><u>SL.NO</u></b>	<b><u>DIRECTIONS</u></b>	<b><u>ACTIONS TAKEN</u></b>	<b><u>IMPACT ON FINANCIAL STATEMENTS</u></b>
A Directions			
1.	If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets	Not applicable, as the company is not selected for any disinvestment.	Not Applicable.

	(including intangible assets and land) and Liabilities (including committed & General reserves) may be examined including the mode and present stage of disinvestment process.											
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons therefore and the amount involved.	According to the information and explanations given to us, there are no cases of waiver/ write off of debts/loans/interest etc.	Nil									
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Not applicable, since the company is not having any inventories and assets with any other persons.	Nil									
4.	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local) may be given.	As per the information provided by the management, age-wise analysis of pending case/arbitration cases before High Court, Sub Courts and various Tribunals are as follows: <table border="1" data-bbox="922 1749 1302 1915"> <thead> <tr> <th>Sl</th> <th>Cas</th> <th>Reason</th> </tr> </thead> <tbody> <tr> <td>N</td> <td>e</td> <td>for</td> </tr> <tr> <td>o</td> <td>No</td> <td>Pendency</td> </tr> </tbody> </table>	Sl	Cas	Reason	N	e	for	o	No	Pendency	
Sl	Cas	Reason										
N	e	for										
o	No	Pendency										

		1	WP (c) No. 594 4/20 14	Counter Affidavit filed in Hon High Court	
		2	O.S No 123 of 201 5	Sub Court Ernakula m, Counter Affidavit filed.	
		3	WC C No 173/ 200 6	The case is pending for want of decision from Hon High Court.	
		4	IA in 105 9/1 7W A 234 5/15	The case is pending for want of decision from Hon High Court.	
		5	WA	Counter	

			No. 234 5 of 201 5	Affidavit filed in Hon High Court.		
		6	WP (c) No. 302 2/20 15	The case is pending for want of decision from Hon High Court.		
		<p>As per the explanation provided, the legal advice is obtained from the Standing Council of advocates of Hon High Court appointed by Board of Directors of Company and payments are made according to this advice. Other than the system followed for approval of legal expenditure no other specific expenditure monitoring</p>				



		mechanism followed by the Company.	
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For **A. John Moris & Co.,**  
Chartered Accountants

(Jobin George)

Place : Ernakulam

Partner

Date : 28-03-2019

M.No.236710

**ANNEXURE –‘C’ TO THE AUDITORS’ REPORT**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER  
CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE  
COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of M/s. ROADS AND BRIDGES DEVELOPMENT CORPORATION OF KERALA LIMITED, ERNAKULAM (“the Company”) as of 31<sup>st</sup> March 2018 in conjunction with our audit of the 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 over

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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 authorizations of management and directors of the company;  
and

- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup>March 2018, 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 **A. John Moris & Co.,**  
Chartered Accountants

(Jobin George)

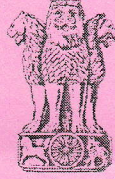
Place : Ernakulam

Partner

Date : 28-03-2019

M.No.236710





सत्यमेव जयते

**OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC AND REVENUE SECTOR AUDIT) KERALA, THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ROADS AND BRIDGES DEVELOPMENT CORPORATION OF KERALA LIMITED, KOCHI FOR THE YEAR ENDED 31 MARCH 2018.**

The preparation of financial statements of **Roads and Bridges Development Corporation of Kerala Limited, Kochi** for the year ended **31 March 2018** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **28 March 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Roads and Bridges Development Corporation of Kerala Limited, Kochi** for the year ended **31 March 2018** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of  
The Comptroller and Auditor General of India**

**K.P. ANAND**

**ACCOUNTANT GENERAL (E&RSA), KERALA**

Thiruvananthapuram

Dated: **26**.06.2019