

**SS KOTHARI MEHTA**  
**& COMPANY**  
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors  
Bharat Road Network Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Bharat Road Network Limited (the "Company") for the quarter ended December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. *Basis for Qualified Conclusion*  
*We refer note 4a of the financial results, where the Company has not recognized interest on Rs. 7,000 lakhs from July 01, 2019 onwards which is not in compliance of Ind AS 34 'Interim Financial Reporting' read with Ind AS 109 'Financial Instruments'. Due to this, profit before tax of the company for the quarter ended December 31, 2020 has been overstated by Rs.*



224.96 lakhs and loss before tax of the company for the period from April 01, 2020 to December 31, 2020 has been understated by Rs. 672.43 lakhs and the current liabilities as at December 31, 2020 has been understated by Rs. 1,344.86 lakhs.

5. Based on our review conducted as above, *except for the impact of the matter as described in the basis for qualified conclusion paragraph*, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles, generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S S Kothari Mehta & Company  
Chartered Accountants  
Firm Registration No.: 000756N



Rana Sen  
Partner  
Membership No.:066759



Place: Kolkata  
Date: February 11, 2021  
UDIN: 21066759AAAABF8998

**SS KOTHARI MEHTA**  
**& COMPANY**  
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors  
Bharat Road Network Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Bharat Road Network Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the quarter ended December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.



4. The Statement includes the results of the following entities:

**Subsidiaries:**

- I. Solapur Tollways Private Limited
- II. Orissa Steel Expressway Private Limited
- III. Guruvayoor Infrastructure Private Limited

**Associates:**

1. Kurukshetra Expressway Private Limited
- II. Ghaziabad Aligarh Expressway Private Limited
- III. Shree Jagannath Expressways Private Limited
- IV. Mahakaleshwar Tollways Private Limited

**5. Basis for Qualified Conclusion**

*We refer note 4a of the financial results, where the Holding Company has not recognized interest on Rs. 7,000 lakhs from July 01, 2019 onwards which is not in compliance of Ind AS 34 'Interim Financial Reporting' read with Ind AS 109 'Financial Instruments'. Due to this, loss before tax for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 has been understated by Rs. 224.96 lakhs and Rs. 672.43 lakhs respectively and the current liabilities as at December 31, 2020 has been understated by Rs. 1,344.86 lakhs.*

**6. The accompanying Statement includes the interim reviewed financial results/financial information in respect of:**

- a) **Three subsidiaries, whose unaudited interim financial results/financial information reflect total revenues of Rs. 7,067.69 lakhs and Rs. 16,773.80 lakhs, total net loss after tax of Rs. 866.27 lakhs and Rs. 7,043.71 lakhs, and total comprehensive loss of Rs. 866.27 lakhs and Rs. 7,043.71 lakhs, for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 respectively as considered in the statement which have been reviewed by their respective independent auditors.**
- b) **Four associates, whose unaudited interim financial results/financial information reflects Group's share of net profit after tax of Rs. 1,074.97 lakhs and Rs. 222.24 lakhs and Group's share of total comprehensive income of Rs. 1,074.97 lakhs and Rs. 222.24 lakhs for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 respectively, as considered in the statement whose interim financial results and other financial information have been reviewed by their respective independent auditors.**

The independent Auditor's Reports on the interim financial results / financial information of these entities referred to in paragraph 6 (a) and (b) above have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and



disclosures in respect of these subsidiaries and associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the statement in respect of matters stated in paragraph 6(a) and (b) above is not modified with respect to our reliance on the work done and the reports of the other auditors.

7. Based on our review conducted and procedures performed as stated in paragraph 3 above, *except for the impact of the matter as described in the basis for qualified conclusion paragraph*, and based on the consideration of the review reports of other auditors referred to in paragraph 6 (a) and (b) above, nothing has come to our attention, that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ('IND AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S S Kothari Mehta & Company**

**Chartered Accountants**

**Firm Registration No.: 000756N**



**Rana Sen**

**Partner**

**Membership No.: 066759**



**Place: Kolkata**

**Date: February 11, 2021**

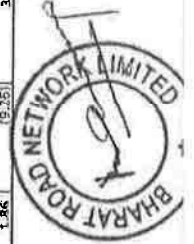
**UDIN: 21066759AAAABG7855**



Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended December 31, 2020 and Unaudited Consolidated Financial Results for the quarter and Nine Months ended December 31, 2020

Sl. No.	Particulars	Standalone					Consolidated					Year Ended March 31, 2020		
		Quarter ended		Nine month ended		Year Ended		Quarter ended		Nine month ended			Year Ended	
		Dec 31, 2020	Sept 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	March 31, 2020	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019		Dec 31, 2019	March 31, 2020
I	Revenue from operations	458.25	372.13	176.69	984.20	343.85	657.46	6432.57	5,038.14	7,746.85	14,835.32	25,231.66	29,923.38	
II	Other Income	357.81	(590.64)	953.13	876.11	3,744.75	1,073.09	1,005.51	14.24	2,811.33	2,811.33	4,362.72	2,826.91	
III	Total Income (I+II)	816.06	(218.51)	1,129.82	1,860.31	4,178.60	1,730.55	7,438.08	5,052.38	8,558.18	17,646.65	29,594.38	32,750.29	
IV	Expenses	68.12	64.58	112.05	196.12	343.91	421.86	776.73	155.36	941.06	1,139.61	6,176.92	6,854.04	
	EPC Cost	623.21	605.06	0.06	1,574.36	202.17	203.65	319.90	325.82	359.87	935.06	1,023.63	1,392.97	
	Finance Costs	1.16	0.96	1.01	3.09	3.22	4.20	5,416.98	5,437.17	4,362.12	17,604.51	14,023.73	19,343.94	
	Depreciation and amortization expense	(525.24)	1,277.17	90.44	910.64	952.07	783.71	1,139.08	994.55	2,745.67	2,655.77	2,655.77	3,635.05	
	Other expenses (IV)	187.25	1,947.77	203.56	2,584.31	1,101.37	1,413.42	72.17	2,075.95	782.97	3,130.42	2,855.74	3,203.72	
V	Profit/(Loss) from operation before Share of Profit/(Loss) of associates and exceptional items (III-IV)	668.81	(2,266.28)	920.26	(678.90)	4,027.23	327.83	(207.44)	(3,938.47)	1,495.50	(7,911.62)	3,358.62	(1,680.43)	
VI	Exceptional Items													
VII	Profit/(Loss) before tax (V-VI)	668.81	(2,266.28)	920.26	(678.90)	4,027.23	327.83	(207.44)	(3,938.47)	1,495.50	(7,911.62)	3,358.62	(1,680.43)	
VIII	Tax expense	(58.99)	(122.54)	161.41	(58.99)	573.68	58.99	(58.99)	(122.54)	161.41	(58.99)	573.68	58.99	
IX	Income Tax of earlier period													
X	Profit/(Loss) for the period/year (VII-VIII)	589.31	(537.41)	106.67	136.72	311.61	43.68	589.31	(537.41)	106.67	136.72	311.61	8.05	
XI	Share of Profit/(Loss) of Associates	135.49	(1,606.33)	652.18	(951.63)	2,141.94	275.26	(730.76)	(3,278.52)	1,227.42	(7,995.35)	2,473.33	(1,791.15)	
XII	Profit/(Loss) for the period/year after share of Profit/(Loss) of associates (IX+X)	135.49	(1,606.33)	652.18	(951.63)	2,141.94	275.26	(730.76)	(3,278.52)	1,227.42	(7,995.35)	2,473.33	(1,791.15)	
	Other Comprehensive Income													
	i) Items that will not be reclassified to profit or loss													
	- Remeasurement of the defined benefit plans													
	- Share of Profit / (Loss) of Associates													
	ii) Income tax relating to items that will not be reclassified to Profit/(Loss)													
	Total Other Comprehensive Income for the period/year	0.31	2.77	0.07	5.85	0.21	15.95	0.31	2.77	0.07	5.85	0.21	(2.19)	
XIII	Total Comprehensive Income for the period/year (XII+XIII)	135.80	(1,603.56)	652.25	(945.78)	2,142.15	241.21	344.52	(2,975.70)	1,561.38	(7,967.26)	2,877.91	(1,295.42)	
XIV	Profit for the period/year attributable to:													
	-Owners of the Company													
	-Non-controlling interest													
XV	Other Comprehensive Income for the period/year attributable to:													
	-Owners of the Company													
	-Non-controlling interest													
XVI	Total Comprehensive Income for the period/year attributable to:													
	-Owners of the Company													
	-Non-controlling interest													
XVII	Paid-up Equity share capital	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	8,395.00	
XVIII	Other equity excluding revaluation reserves													
XIX	Reserves per equity share (of Rs. 10/- each) not annualised													
	a) Basic (Rs.)	0.16	(1.91)	0.78	(1.13)	2.55	0.27	0.41	(3.55)	1.85	(9.26)	3.43	(1.54)	
	b) Diluted (Rs.)	0.16	(1.91)	0.78	(1.13)	2.55	0.27	0.41	(3.55)	1.86	(9.26)	3.43	(1.54)	

Please see accompanying notes to the financial results



**Notes:-**

- 1) The above standalone financial results for the quarter and nine months ended December 31, 2020 and consolidated financial results for the quarter and nine months ended December 31, 2020 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 11, 2021. Limited Review of these Financial Results for the quarter and nine months ended December 31, 2020 as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors of the Company.
- 2) The Company is primarily engaged in a single business segment of purchase, own, build, develop, design, operate, transfer road and related services. Hence, segment reporting is not applicable.
- 3) The Company has invested in various road projects through associates and subsidiaries (SPVs). These investments have been made on a long term basis with an objective to earn returns and capital appreciation after the commencement of commercial operations of the respective Projects. Based on a legal opinion, the Company has treated these investments in SPVs as "Qualifying Asset". As per Indian Accounting Standard (Ind AS) 23 on 'Borrowings Costs' and in accordance with the accounting concept of 'Matching costs and revenues', the Company has capitalised borrowing cost incurred on funds borrowed exclusively for investments in the SPVs as part of the cost of investments.
- 4a) The Company had received an amount of Rs.7000.00 lakhs from IL&FS Financial Services Ltd. (IL & FS) in the financial year 2016-17. Interest and Principal payment has been put on hold since September 30, 2018 on account of certain disputes. The Company has not provided interest from July 01, 2019 onwards, pending the settlement of dispute. An application has been filed against the Company by IL & FS before the Hon'ble National Company Law Tribunal, Kolkata claiming their dues which is yet not admitted.
- 4b) The Company has a receivable of Rs 11,419 lakhs against IL & FS group Company viz. IL & FS Transportation Networks Limited (ITNL) for which the Company has initiated appropriate recovery process. The Company has acquired this receivable by Assignment which has been acknowledged and accepted as claim by ITNL.
- 5) Other Income and Other Expenses includes unrealised gain/loss on account of investments mandatorily measured at Fair Value Through Profit and Loss (FVTPL).
- 6) The Company has exercised the option of lower Tax Rate of 25.17% (Inclusive of surcharges & Cess) permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Consequently, current tax expense for the nine months ended December 31, 2020 include a reversal of Rs 58.99 lakhs. Deferred Tax expense for the nine months ended December 31, 2020 include a charge of Rs 357.30 lakhs including MAT credit entitlement reversal.
- 7) The Company had made an application to the Reserve Bank of India (RBI) to grant Certificate of Registration to commence the business of a Non-Deposit taking Systematically Important Core Investment Company (NDSI - CIC) on March 28, 2019 and July 16, 2019. In response to the above, the RBI vide its letter dated January 24, 2020 communicated to the Company that while it does not qualify to become NDSI-CIC, the Company needs to apply for Certificate of Registration for carrying out NBFI activities as it is meeting the Principal Business Criteria for financial year 2018-19. The Company had clarified on the observations of the RBI requesting for granting necessary registration. Response of the RBI is awaited.
- 8) The Company has executed a Securities Purchase Agreement (SPA) dated January 20, 2021 and related transaction documents, with a Purchaser acting through its Investment manager, for sale of the entirety of the Company's shareholding in Shree Jagannath Expressways Private Limited ('SJEPL'). SJEPL is an 'Associate' of the Company.  

The proposed sale of shares of SJEPL is subject to applicable regulatory and other approvals and certain conditions, more specifically laid down in the SPA. The valuation date for sale as per the SPA is September 30, 2020. The Equity value of the proposed transaction is subject to adjustments of debt and other capital and operational costs at closing date and hence, net consideration receivable is not ascertainable at this stage.

The company has recognised its share of profit of Rs. 156.37 lakhs and loss of Rs. 14.12 lakhs for its investment in SJEPL in its consolidated financial results for the quarter and nine months ended December 31, 2020 respectively. Negative / positive impact if any, of its share of profit/(loss) in SJEPL will be adjusted on closure of the transaction.
- 9) In case of subsidiary company, Orissa Steel Expressway Private Limited (OSEPL), the project was foreclosed and handed over to National Highway Authority of India (NHAI) due to non providing of encumbrance free land, forest clearance issues etc. by NHAI.  

Consequently, OSEPL invoked Arbitration on October 16, 2017 and finally Tribunal awarded Claim of Rs. 32,277 lakhs vide Award dated March 31, 2019 in favour of OSEPL. Accordingly, management of OSEPL believes that it will realise claim from respondent (NHAI) and hence Financial Statements of OSEPL has been prepared on Going Concern basis. Further as the project has been handed over to NHAI, expenditure incurred on the project which were classified as "Intangible Assets under Development" have been transferred to "Claims" and disclosed under "Non Current Financial Assets".

NHAI has moved to Hon'ble High Court against the above order and the matter is sub-judice. While during the period OSEPL has received an amount of Rs. 4,986 lakhs out of the Award amount.
- 10) Impact of COVID 19 - Operations and financials of the Company for the previous quarters were impacted due to the lockdown and related restrictions imposed by the State and Central Governments to contain the intensity and spread of COVID19. As a result of the lockdown, consequent restrictions, suspension of work and disruption in supply chains, tolling and construction operations across the sites have been affected during the previous quarters. However the operations of the Company has improved in the current quarter.  

The management of the company will continue to monitor the socio-economic situation as it unfolds and any material fallouts it could have on the business operations going forward.
- 11) The figures for the corresponding previous period have been regrouped/ reclassified wherever necessary, to make them comparable.



For and on behalf of the Board of Directors of  
BHARAT ROAD NETWORK LIMITED  
Managing Director  
Place of Signature : New Delhi/ Kolkata  
Date - February 11, 2021