

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

To
The Board of Directors of
Bharat Road Network Limited

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Bharat Road Network Limited (the "Company") for the quarter and year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, *except for the impact of the matter as described in the basis for qualified opinion paragraph*, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the company for the quarter and year ended March 31, 2020.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financials Results" 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 financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a *basis for our qualified opinion*.



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 1 'Presentation of Financial Statements' read with Ind AS 109 'Financial Instruments'. Due to this, loss before tax of the company for the quarter ended March 31, 2020 has been understated by Rs. 222.51 lakhs and profit before tax of the Company for the year ended March 31, 2020 has been overstated by Rs. 672.43 lakhs and the current liabilities as at March 31, 2020 has been understated by Rs. 672.43 lakhs.

Emphasis of Matter

We draw attention to note 3 of the financial results regarding treatment of investments in Special Purpose Vehicles as Qualifying Asset and capitalization of directly attributable borrowing costs incurred in respect thereof.

We draw attention to note 4b of the financial results regarding a receivable of the Company by way of assignment for which Company has initiated appropriate recovery process.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Results

The statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the company are responsible for the preparation and presentation of the statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibility for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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.
- 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all




S S KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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



Neeraj Bansal
Partner
Membership No. : 095960



Place: New Delhi

Date: July 24, 2020

UDIN: 20095960AAAHHJ4310

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

To
The Board of Directors of
Bharat Road Network Limited

Report on the Audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date Consolidated Financial Results of Bharat Road Network Limited ("Holding Company") and its Subsidiaries (the Holding company and its subsidiaries together refer to as "the Group") and its associates for the quarter and year ended March 31, 2020 ("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 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the impact of the matter as described in the basis for qualified opinion paragraph, and based on the consideration of the report of the other auditors on separate audited financial statements/ financial results/ financial information of the subsidiaries and associates, the Statement:

- i. Includes the results of the following entities :

Subsidiaries

- a. Solapur Tollways Private Limited
- b. Orissa Steel Expressway Private Limited
- c. Guruvayoor Infrastructure Private Limited

Associates

- a. Kurukshetra Expressway Private Limited
- b. Ghaziabad Aligarh Expressway Private Limited
- c. Shree Jagannath Expressways Private Limited
- d. Mahakaleshwar Tollways Private Limited

- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net loss, other comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2020.



Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associates 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 financial statements under the provisions of the Act 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 obtained by us and other auditors in terms of their report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our *qualified opinion*.

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 1 'Presentation of Financial Statements' read with Ind AS 109 'Financial Instruments'. Due to this, loss before tax of the Group for the quarter ended March 31, 2020 has been understated by Rs. 222.51 lakhs and loss before tax of the Group for the year ended March 31, 2020 has been understated by Rs. 672.43 lakhs and the current liabilities as at March 31, 2020 has been understated by Rs. 672.43 lakhs.

Emphasis of Matter

We draw attention to the following:

- I. Note 3 to the financial results regarding investments in Special Purpose Vehicles formed as per Concession Agreement and guidelines of respective government authority and treatment of such investments as qualifying asset and capitalization of directly attributable borrowing costs incurred in respect thereof.
- II. Note 4b of the financial results regarding a receivable of the Holding Company by way of assignment for which Holding Company has initiated appropriate recovery process.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

The statement has been prepared on the basis of the Consolidated Annual Financial Statements. The Holding company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net loss, other comprehensive loss and other financial information of the Group including its associates in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective Board of Directors of the Companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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.
- 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associates 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 statement 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remained responsible for the direction, supervision and performance of the audits carried out by them. We remained solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company included in the Statement of which we are the independent auditors 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.

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

Other Matters

- The accompanying Statement includes the audited financial results/statements and other financial information, in respect of;
 - Three subsidiaries, whose financial results/statements reflect total assets of Rs. 2,42,682.14 lakhs as at March 31, 2020, total revenues of Rs.5,892.61 lakhs and Rs. 32,060.27 lakhs, total net loss after tax of Rs. 2,347.80 lakhs and Rs. 1,671.44 lakhs, for the quarter and year ended on that date respectively, and net cash outflows of Rs. 506.19 lakhs for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.



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b) Four associates, whose financial results/statement reflects Group's share of net profit of Rs. 93.55 lakhs and Rs. 497.92 lakhs for the quarter and year ended March 31, 2020 respectively, as considered in the Statement whose financial results/financial statements and other financial information have been audited by their respective independent auditors.

The independent Auditor's Reports on the financial statements / financial results / financial information of these entities referred to in para i(a) and i(b) above have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included 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 above.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors referred in Para i(a) and i(b).

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the end of the third quarter of current financial year, which were subjected to a limited review by us, as required under the listing regulations.

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



Neeraj Bansal
Partner
Membership No. : 095960



Place: New Delhi

Date: July 24, 2020

UDIN: 26095960AAAATKQ119

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BHARAT ROAD NETWORK LIMITED

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Statement of Assets and Liabilities as at March 31, 2020

Sl. No.	Particulars	Standalone		Consolidated	
		As at	As at	As at	As at
		March 31, 2020 (Audited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
I. ASSETS					
Non-current assets					
(a)	Property, plant and equipment	8.14	11.92	117.86	125.36
(b)	Investment property	-	-	4.05	4.85
(c)	Goodwill on Consolidation	-	-	6,412.07	3,487.66
(d)	Other intangible assets	1.09	1.51	164,411.50	83,301.72
(e)	Intangible Asset Under Development	-	-	10,008.43	79,699.78
Financial assets					
(f)	Investments	114,426.68	123,986.08	41,899.99	45,690.18
(g)	Loans	4,848.50	-	4,851.66	3.56
(h)	Other financial assets	-	-	25,675.39	24,210.40
(i)	Other non-current assets	-	-	9,771.15	11,991.91
Total Non-Current assets		119,284.41	123,999.51	261,152.90	748,523.62
Current assets					
Financial assets					
(a)	Investments	-	-	6,664.00	6,567.59
(b)	Trade receivables	1,092.70	1,008.69	11,808.85	9,858.95
(c)	Cash and cash equivalents	3.75	7.88	2,408.15	2,918.47
(d)	Bank balance other than cash and cash equivalents	0.79	0.68	0.79	0.68
(e)	Loans	13,213.16	7,951.76	35,040.23	26,279.94
(f)	Other financial assets	11,310.61	367.99	13,164.86	751.91
(g)	Current tax assets (net)	121.93	38.55	304.23	193.39
(h)	Other current assets	42.85	9.16	1,815.14	1,488.63
Total Current assets		25,785.79	9,484.71	71,206.25	48,009.56
Total Assets		145,070.20	133,384.22	332,359.15	296,533.38
II. EQUITY AND LIABILITIES					
Equity					
(a)	Equity Share capital	8,395.00	8,395.00	8,395.00	8,395.00
(b)	Other Equity	109,220.18	109,485.00	91,731.85	92,268.15
Attributable to owners of the parent		117,615.18	117,880.00	100,126.85	101,163.15
Non-controlling interests		-	-	10,961.70	10,665.28
Total Equity		117,615.18	117,880.00	111,088.55	111,828.42
Liabilities					
Non-current liabilities					
Financial liabilities					
(a)	Borrowings	700.00	7,000.00	147,007.48	131,043.71
(b)	Other Financial Liabilities	-	-	10,820.95	3,331.19
(c)	Provisions	39.68	87.20	1,582.45	1,136.47
(d)	Deferred tax liabilities (net)	514.97	464.74	538.60	488.37
Total Non-current liabilities		1,314.65	7,551.94	159,949.48	135,999.74
Current liabilities					
Financial liabilities					
(a)	Borrowings	6,491.51	5,000.00	-	5,000.00
Trade payables					
Total outstanding dues of micro enterprise and small enterprise		1.80	-	1.80	-
Total outstanding of other than micro enterprise and small enterprise		200.70	64.89	200.70	64.92
(b)	Other financial liabilities	19,398.85	2,689.18	60,722.73	43,132.48
(c)	Other current liabilities	54.75	193.67	389.32	500.39
(d)	Provisions	2.76	4.39	6.57	7.42
Total Current liabilities		26,140.37	7,952.28	61,321.12	48,705.71
Total Equity and Liabilities		145,070.20	133,384.22	332,359.15	296,533.38



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BHARAT ROAD NETWORK LIMITED
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Statement of Standalone and Consolidated Cash Flow Statement for the Year ended March 31, 2020

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
A. Cash Flow from Operating Activities				
Net Profit Before Tax	327.93	2,034.08	(1,182.51)	(3,748.59)
Adjustments for:				
Depreciation and Amortization Expense	4.20	4.70	3,435.05	3,378.20
Finance Costs	203.65	4,395.44	19,343.94	20,482.13
Interest Income	(367.82)	(2,422.92)	(1,620.50)	(453.77)
Liability no longer required, written back	(321.23)	-	(321.23)	-
Advance written off	250.00	-	250.00	-
Sundry Balance Written Off	1.19	-	1.19	-
Interest on income tax refund	-	(2.74)	(3.49)	(3.14)
Net (gain)/loss on Fair Valuation of Investments	(182.34)	(3,968.90)	(890.97)	(4,338.11)
Operating Profit before Working Capital Changes	(284.42)	39.57	19,211.48	15,308.72
Increase/(Decrease) in Trade Payables, other liabilities and provisions	9,897.71	(5,846.87)	18,252.09	13,649.42
Decrease/(Increase) in trade receivables, loans, advances and other assets	(16,715.24)	3,981.52	(13,509.55)	3,541.10
Cash generated from/(used in) Operating activities	(6,602.45)	(1,825.78)	23,963.02	36,299.24
Direct Taxes paid (Net of refunds)	(183.56)	(661.42)	(181.12)	(714.44)
Net Cash flow from/(used in) Operating Activities	(6,786.01)	(2,487.20)	23,775.90	29,584.60
B. Cash Flow from Investing Activities				
Payments for Fixed Assets & Intangible Assets (Including Capital Advances) Net	(14.10)	(8.69)	(15,602.31)	(32,048.02)
Inter Corporate deposits given	-	(9,000.00)	-	-
Repayment of Inter Corporate deposits given	-	9,000.00	-	-
(Increase)/Decrease in Investments	9,978.50	(8,469.56)	13,346.02	7,398.60
Loan taken/(given)	-	-	(13,657.99)	(12,648.46)
Unsecured loans to Associates/Subsidiaries	(5,266.34)	11,575.60	-	-
Investment in fixed deposits	-	-	-	300.65
Interest received	443.28	4,455.52	210.72	521.46
Net Cash flow from/(used in) Investing activities	5,141.34	7,560.87	(15,703.56)	(36,475.77)
C. Cash Flow from Financing Activities				
Proceeds from/(Repayment) of long term borrowings	760.00	(1,300.00)	-	-
Proceeds from/(Repayment) of short term borrowings (net)	1,491.51	-	-	-
Increase/(Decrease) in Goodwill on consolidation	-	-	(924.41)	(940.09)
Proceeds from long term borrowings	-	-	23,321.55	33,131.26
Proceeds from/(Repayment) of short term borrowings (net)	-	-	(5,000.00)	-
Interest paid	(144.94)	(3,626.96)	(29,423.77)	(23,697.43)
Dividend including dividend distribution tax paid	(506.03)	(506.03)	(506.03)	(506.03)
Net Cash flow from/(used in) Financing Activities	1,600.54	(5,432.99)	(8,582.66)	6,587.71
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(4.13)	(359.32)	(510.32)	1,696.53
Opening Cash and Cash Equivalents	7.88	367.20	2,918.47	1,221.93
Closing Cash and Cash Equivalents	3.75	7.88	2,408.15	2,918.47



Notes:

- The above standalone financial results for the quarter and year ended March 31, 2020 and consolidated financial results for the quarter and year ended March 31, 2020 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 24, 2020. The Statutory Auditors of the Company have audited these financial results.
- 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 as SPVs as "Qualifying Asset". As per Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs" and in accordance with the accounting concept of "Matching costs and revenues", the Company has capitalized borrowing cost incurred on funds borrowed exclusively for investments in the SPVs as part of the cost of investments.
Accordingly, as at March 31, 2020 total borrowing cost capitalized to Non-current Investment amount to Rs. 16,028.85 Lakhs including Rs. 36.76 Lakhs for the year ended March 31, 2020 (Rs.147.43 Lakhs for the year ended March 31, 2019).
 - 4a) The Company had received an amount of Rs.7000 lakhs from IL&FS Financial Services Ltd (IL&FS) in the 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 to be admitted. Further the Company has a receivable of Rs. 11,419 Lakhs against IL&FS group for which the Company has initiated appropriate recovery process.
 - 4b) The Company has a receivable of Rs. 11,419 Lakhs against IL&FS group for which the Company has initiated appropriate recovery process. The Company has acquired this receivable by Assignment which has been acknowledged & accepted as Claim by IL&FS Transpotation Networks Ltd. "ITNL" (IL&FS group Company) and the Company has a corresponding liability.
 - 5) Other Income includes unrealized (loss)/gain on account of Investments mandatorily measured at Fair Value Through Profit and Loss (FVTPL).
 - 6) 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 Systemically Important Core Investment Company (NDCI - 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 Non-Deposit taking Systemically Important Core Investment Company (NDCI - CIC), the Company needs to apply for Certificate of Registration (COR) for carrying out NDI activities as it is meeting the Principal Business Criteria for FY 2018-19. The Company vide their letter dated Feb 28, 2020 had clarified on the observations of the RBI requesting for grant necessary registration. Response of the RBI is awaited.
 - 7a) The Standalone figures for the last quarter for current financial year are the following figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited (with limited review) year to date figures upto the third quarter ended December 31, 2019. The Standalone figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2018 and the published unaudited (with limited review) figures upto the third quarter ended December 31, 2018.
 - 7b) The Consolidated figures for the last quarter for current financial year are the following figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited (with limited review) year to date figures upto the third quarter ended December 31, 2019.
 - 7c) The Consolidated figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2019 and year to date figures upto the third quarter ended December 31, 2018.
 - 8) The Company had entered into a Share Purchase Agreement (SPA) with Cello Highways & Infrastructure Pte. Ltd. for sale of 39% stake jointly held by the Company in Ghazalbad Expressway Private Limited (an associate of the Company), Concessionaire (SPV) for Toll Laying of Ghazalbad - Aligarh Section of NH 01 BOF (Toll) Project in Uttar Pradesh along with the other partners/promoters of the SPV on May 05, 2019 subject to applicable regulatory and other approvals and fulfillment of certain conditions by the Parties for closure of the deal within a total period of 12 months from the date of agreement. However, the said SPA stood upset, as the validity of the SPA expired before the closure of the deal and the Parties have decided not to extend the validity further.
Now, the Company along with its co-promoters is in the advanced stage of discussions with another prospective investor, who has evinced interest in the project asset, to move ahead in the process of divestment.
 - 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, the Company invoked Arbitration on October 16, 2017 and finally Tribunal awarded Claim of Rs. 32,277.00 lakhs vide Award dated March 21, 2019 in favour of OSEPL. Accordingly, management of OSEPL believes that it will realize 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" disclosed under "Non-current Financial Assets".
NHAI has moved to High Court against the above order and the matter is sub-judice.
 - 10) Solapur Tollways Private Limited (STPL), subsidiary of the Company, has received Provisional Commercial Date of Operation (PCDO) for its Project for 82.95 Km of Toll Laying of Solapur to Maharashtra/Karnataka border Section (Km 249/000 to Km 348/000) of National Highway No. 9 (the "Project Highway") on design, build, finance, operate and transfer (DBFOT) basis on January 27, 2020. Toll collection has commenced from February 03, 2020.
 - 10) Impact of COVID 19: Due to the spread of pandemic COVID 19, there had been a nation wide lockdown announced by the Govt. of India w.e.f. March 24, 2020. The operations at the toll plazas have been completely suspended and hence there has been no revenue for the said period in the current financial year, notwithstanding the normal accrual of incidence of expenses. However, the Management is of the view, that these losses are recoverable under the provisions of the concession agreement and no significant impact is expected on account of the same. The resumption of Toll Collection was done w.e.f. April 20, 2020 as per directives of Ministry of Road Transport & Highways. Post resumption the collection was below normal and the Management anticipates that normalcy of collection will happen from the month of August 2020. Management is constantly reviewing the situation and shall take necessary action based on how the situation evolves. However, as of the reporting date, there is no material impact on the financial results.
 - 11) The figures for the corresponding previous period have been re-presented/reclassified wherever necessary, to make them comparable.



For and on behalf of the Board of Directors of
BIHAR ROAD NETWORK LIMITED

 Managing Director
 Place of Signature : Kolkata
 Date -24 July , 2020

Annexure 1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
(Rs. in Lakhs)			
Sr.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total Income	1,741.35	1,741.35
2	Total Expenditure	1,413.42	2,085.85
3	Profit/(Loss) before tax	327.93	(344.50)
4	Earnings per Share (Rs.)	0.27	(0.30)
5	Total Assets	145,070.20	145,129.19
6	Total Liabilities	145,070.20	145,129.19
7	Net worth	117,615.18	117,138.57
8	Any other financials item(s) (as felt appropriate by the Management)		

II

Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: Refer note no 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 1 'Presentation of Financial Statements' read with Ind AS 109 'Financial Instruments'. Due to this, profit before tax of the Company for the year ended March 31, 2020 has been overstated by Rs. 672.43 lakhs and the current liabilities as at March 31, 2020 has been understated by Rs. 672.43 lakhs.

b. Type of Audit Qualification - Qualified Opinion

c. Frequency of qualification - As at 30th Sept 2019, as at 31st Dec 2019 and as at 31st March 2020.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Company had received an amount of Rs.7000 lakhs from IL&FS Financial Services Ltd. (IL&FS) in the 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 to be admitted. Further the Company has a receivable of Rs.11,419 lakhs against IL&FS group for which the Company has initiated appropriate recovery process.

e. For Audit Qualification(s) where the impact is not quantified by the auditor: Same is already quantified.

(i) Management's estimation on the impact of audit qualification: Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable

(iii) Auditors' Comments on (i) or (ii) above: Not Applicable

<p>For S. S. Kothari Mehta & Co. Chartered Accountants Firm Registration No. 000756N</p> <p> Neeraj Bansal Partner Membership No. 025960</p> <p></p> <p>Place: New Delhi Date: July 24, 2020</p>	<p align="center">For and On behalf of the Board of Directors</p> <p> Santanu Ray Chairman - Audit Committee DIN : 00642736</p>	<p> Bajrang Kumar Choudhary Managing Director DIN : 00441872</p> <p> Arjundam Bhowmick Chief Financial Officer</p> <p>Place: Kolkata Date: July 24, 2020</p>
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Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

		(Rs. in Lakhs)	
Sln	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total Income	32,819.29	32,819.29
2	Total Expenditure	31,529.72	33,202.15
3	Profit/(Loss) before tax	(1,182.51)	(1,851.94)
4	Earnings per Share (Rs.)	(1.54)	(2.11)
5	Total Assets	332,159.15	332,418.14
6	Total Liabilities	332,159.15	332,418.14
7	Net worth	100,126.85	99,640.21
8	Any other financials item(s) (as felt appropriate by the Management)		

II

Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: Refer note no. 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 1 'Presentation of Financial Statements' read with Ind AS 109 'Financial Instruments'. Due to this, loss before tax of the Group for the year ended March 31, 2020 has been understated by Rs. 672.43 Lakhs and the current liabilities as at March 31, 2020 has been understated by Rs. 672.43 Lakhs.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: As at 30th Sept 2019, as at 31st Dec 2019 and as at 31st March 2020

d. For Audit Qualification(s) where the impact is quantified by the auditing, Management's Views: The Company had received an amount of Rs.7000 Lakhs from IIL&IS Financial Services Ltd. (IIL&IS) in the 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 a receipt from July 01, 2019 onwards, pending the settlement of dispute. An application has been filed against the Company by IIL&IS before the Hon'ble National Company Law Tribunal, Kolkata claiming their dues which is yet to be admitted. Further the Company has a receivable of Rs.11,119 Lakhs against IIL&IS group for which the Company has initiated appropriate recovery process.

e. For Audit Qualification(s) where the impact is not quantified by the auditor, Some is already quantified.

(i) Management's estimation on the impact of audit qualification: Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable

(iii) Auditor's Comments on (i) or (ii) above: Not Applicable

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756H

(Signature)
Heera Bansal
Partner
Membership No. 095960



For and On behalf of the Board of Directors

(Signature)
Santanu Ray
Chairman, Audit Committee
DIN : 00642736

(Signature)
Bhajan Kumar Choudhary
Managing Director
DIN : 00441873

(Signature)
Arvind Bhowmick
Chief Finance Officer

Place: New Delhi
Date: July 24, 2020

Place: Kolkata
Date: July 24, 2020