



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
BHARAT ROAD NETWORK LIMITED**

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Bharat Road Network Limited ("the Company") for the Quarter and Nine Months ended 31<sup>st</sup> December, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and, accordingly, we do not express an audit opinion.

*Basis of Qualified Conclusion*

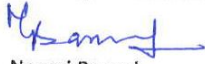
*We refer note 5 of the financial results, where the Company has not recognised interest on Rs. 5000 lakhs for the quarter ended 31 December 2018 which is not in compliance of Ind AS 34 Interim Financial Reporting read with Ind AS 109 Financial Instruments. Due to this, profit before tax of the Company for the quarter and nine months ended 31 December 2018 has been overstated by Rs.157.53 lakhs and current liabilities as at 31 December 2018 has been understated by the same amount.*

Based on our review conducted as stated above, *with the exception of the matter described in the basis of qualified conclusion paragraph*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



However, we draw attention to Note 4 of the financial results regarding treatment of investments in Special Purpose Vehicles as Qualifying Asset which is based on the legal opinion and capitalization of directly attributable borrowing costs incurred in respect thereof. Our conclusion is neither a reservation, nor a qualification or an adverse remark in respect of this matter.

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



Neeraj Bansal  
Partner  
Membership No.: 095960



Place: New Delhi

Date: 12<sup>th</sup> February 2019

**BHARAT ROAD NETWORK LIMITED**

Regd. Office: 5th Floor, 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046

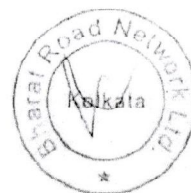
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**Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2018**

Sl. No.	Particulars	Quarter ended			Nine Months ended		(Rs. In Lakhs)
		Dec 31, 2018	Sept 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Year Ended March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	288.00	335.00	300.00	798.00	2,064.57	3,333.41
II	Other Income	1,748.70	1,810.40	1,842.29	5,303.93	1,917.97	3,084.02
III	<b>Total income (I+II)</b>	<b>2,036.70</b>	<b>2,145.40</b>	<b>2,142.29</b>	<b>6,101.93</b>	<b>3,982.54</b>	<b>6,417.43</b>
IV	<b>Expenses</b>						
	Employee benefits expense	122.17	132.17	177.62	384.86	508.42	664.08
	Finance Costs	1,005.75	1,115.84	322.46	2,816.22	565.79	872.51
	Depreciation and amortization expense	1.18	1.21	1.22	3.58	2.10	3.25
	Other expenses	108.48	177.86	111.64	354.45	219.02	825.93
	<b>Total expenses (IV)</b>	<b>1,237.58</b>	<b>1,427.08</b>	<b>612.94</b>	<b>3,559.11</b>	<b>1,295.33</b>	<b>2,365.77</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>799.12</b>	<b>718.32</b>	<b>1,529.35</b>	<b>2,542.82</b>	<b>2,687.21</b>	<b>4,051.66</b>
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>799.12</b>	<b>718.32</b>	<b>1,529.35</b>	<b>2,542.82</b>	<b>2,687.21</b>	<b>4,051.66</b>
VIII	<b>Tax expense</b>						
	Current tax	167.34	154.50	441.00	539.54	776.95	863.90
	Deferred tax	136.28	120.77	(0.37)	337.97	(15.00)	295.96
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>495.50</b>	<b>443.05</b>	<b>1,088.72</b>	<b>1,665.31</b>	<b>1,925.26</b>	<b>2,891.80</b>
X	<b>Other Comprehensive Income</b>						
	i) Items that will not be reclassified to profit or loss						
	- Remeasurement of the defined benefit plans	(1.61)	(1.15)	-	(4.45)	-	(7.44)
	ii) Income tax relating to items that will not be reclassified to profit or loss	0.74	0.07	-	1.30	-	2.17
	<b>Total Other Comprehensive Income</b>	<b>(0.87)</b>	<b>(1.08)</b>	<b>-</b>	<b>(3.15)</b>	<b>-</b>	<b>(5.27)</b>
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>494.63</b>	<b>441.97</b>	<b>1,088.72</b>	<b>1,662.16</b>	<b>1,925.26</b>	<b>2,886.53</b>
XII	<b>Paid- up Equity share capital</b> (Face value of Rs. 10/- each)	<b>8,395</b>	<b>8,395</b>	<b>8,395</b>	<b>8,395</b>	<b>8,395</b>	<b>8,395</b>
XIII	Other equity excluding revaluation reserves						<b>108,562.93</b>
XIV	<b>Earnings per equity share</b> (of Rs. 10/-each) (not annualised):						
	a) Basic (Rs. )	<b>0.59</b>	<b>0.53</b>	<b>1.30</b>	<b>1.98</b>	<b>2.91</b>	<b>4.09</b>
	b) Diluted (Rs. )	<b>0.59</b>	<b>0.53</b>	<b>1.30</b>	<b>1.98</b>	<b>2.91</b>	<b>4.09</b>

See accompanying notes to the financial results



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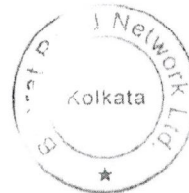
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**Notes:-**

- 1) The above Standalone financial results for the quarter and nine months ended December 31, 2018 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 12, 2019. Limited Review of these financial results for the quarter and nine months ended December 31, 2018, 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, pursuant to Regulation 33(3)(b)(i) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015, has opted not to additionally submit quarterly and nine monthly consolidated financial results. Accordingly the Company has presented only standalone financial results for the quarter and nine months.
- 3) 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.
- 4) 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.  
Accordingly, as at December 31, 2018 total borrowing cost capitalised to Non current Investment amounts to Rs.16,005.74 Lakhs including Rs.37.16 Lakhs for three months ended December 31, 2018 (Rs.8.38 Lakhs for three months ended Dec 31, 2017).
- 5) The Company had received an amount of Rs 5,000.00 Lakh from Religare Finvest Limited in the Year 2016-17. An application has been filed against the Company, under section 7 of the Insolvency and Bankruptcy Code, 2016, by Religare Finvest Limited, claiming to be a financial creditor, before the Hon'ble National Company Law Tribunal, Kolkata Bench for initiation of Corporate Insolvency Resolution Process against the Company, claiming Rs.5130.14 Lakhs. As the matter is sub-judice, the Company has not provided interest for the quarter ended December 31, 2018. The Company is in the process to take necessary steps to address the matter.
- 6) During the quarter, the Company has further pledged its investments in various SPVs in favour of lenders of the respective SPVs.
- 7) Other Income for the quarter ended December 31, 2018 includes unrealised gain of Rs.1,043.72 Lakhs arising on account of Investments mandatorily measured at Fair Value Through Profit and Loss (FVTPL).
- 8) The figures of previous periods have been regrouped / reclassified wherever necessary to conform to current periods classification.

**For and on behalf of the Board of Directors of  
BHARAT ROAD NETWORK LIMITED**

Place :Kolkata/New Delhi  
Date :12 February, 2019



  
**Managing Director**