

INDEPENDENT AUDITOR'S REPORT

To the Members of
ASHOKA HIGHWAYS (DURG) LIMITED

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **ASHOKA HIGHWAYS (DURG) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We invite attention to note no. 1(ii)(a) relating to the projections on the basis of which the depreciation and the impairment testing is done. For depreciation & impairment testing company has considered the traffic growth rate of traffic survey report conducted during the year, extension of suspended period due to Covid-19 & demonisation.

Our audit opinion is not modified in respect of the above matters.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon)

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies

Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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 relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Sd/-

Place: New Delhi
Date: 8th June, 2020

Shashank Agrawal
(Partner)
(M No. 536670)
UDIN: 20536670AAAAAE7764

Annexure 'A' to the Independent Auditor's Report of ASHOKA HIGHWAYS (DURG) LIMITED for the Year ended as on 31st March 2020

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
b. The Fixed Assets have been physically verified by the management at regular Intervals and no material discrepancies were noticed on such verification.
c. The title deeds of immovable properties are held in the name of the company.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, Goods service tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2020, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable

- b. According to the information and explanation given to us, there are no dues of provident fund, employee state insurance, income tax, Goods service tax, cess and other statutory dues which have not been deposited on account of dispute.
- viii. During the year, the company has not defaulted in repayment of loans or borrowing to a bank or dues to debenture holder. The Company has not taken any loans or borrowings from Government or a financial institution.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. 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.
- xv. 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 directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Place: New Delhi
Date: 8th June, 2020

Shashank Agrawal
(Partner)
(M No. 536670)
UDIN: 20536670AAAAAE7764

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)

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 with reference to financial statements of **ASHOKA HIGHWAYS (DURG) LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Sd/-

Shashank Agrawal
(Partner)
(M No. 536670)

UDIN: 20536670AAAAAE7764

Place: New Delhi
Date: 8th June, 2020

ASHOKA HIGHWAYS (DURG) LIMITED

CIN : U74999MH2007PLC168772

BALANCE SHEET AS AT MARCH 31, 2020



(₹ In Lakh)

Particulars	Note No.	As at 31-Mar-20	As at 31-Mar-19
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, plant and equipment	1	56.90	70.50
(b) Capital work-in-progress	1	-	-
(c) Intangible assets	1	42,798.65	46,322.12
(d) Financial assets			
(i) Loans	2	11.83	11.83
(e) Other non-current assets	3	53.68	134.59
TOTAL NON-CURRENT ASSETS		42,921.06	46,539.04
2 CURRENT ASSETS			
(a) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	4	302.51	303.62
(iii) Cash and cash equivalents	5	258.63	1,152.17
(iv) Bank balances other than (iii) above	5	0.10	0.10
(v) Other financial assets	6	0.80	27.27
(c) Other current assets	7	171.80	76.42
TOTAL CURRENT ASSETS		733.84	1,559.58
TOTAL ASSETS		43,654.90	48,098.62
I EQUITY & LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	8	2,971.52	2,971.52
(b) Other Equity	9	2,579.59	4,350.54
Equity Attributable to Owners		5,551.11	7,322.06
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10	29,910.33	34,321.76
(ii) Other financial liabilities	11	-	81.12
(b) Provisions	12	8.32	2,572.95
TOTAL NON-CURRENT LIABILITIES		29,918.65	36,975.83
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Trade payables	13		
- Dues of Micro and Small Enterprise		-	-
- Dues of Other than Micro and Small Enterprise		534.59	543.72
(ii) Other financial liabilities	14	3,639.51	3,199.80
(b) Other current liabilities	15	25.75	52.86
(c) Provisions	16	3,985.30	4.35
TOTAL CURRENT LIABILITIES		8,185.15	3,800.73
TOTAL LIABILITIES		38,103.79	40,776.56
TOTAL EQUITY AND LIABILITIES		43,654.90	48,098.62
Significant Accounting Policies	A		

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN: 04661N

For & on behalf of the Board of Directors

Ashoka Highways (Durg) Limited

Sd/-

Shashank Agrawal

Partner

M.No: 536670

Sd/-

Ravindra M Vijayvargiya

Chief Financial Officer

Sd/-

Pooja Lopes

Director & CS

DIN : 00112675

Sd/-

Ashish A Katariya

Director

DIN - 00580763

Date: June 08, 2020

Place: New Delhi

Date: June 08, 2020

Place: Nashik

ASHOKA HIGHWAYS (DURG) LIMITED

CIN : U74999MH2007PLC168772

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2020



(₹ In Lakh)

Particulars	Note No.	For the year ended 31-Mar-20	For the year ended 31-Mar-19
I INCOME			
Revenue from Operations	17	7,932.61	7,933.10
Other Income	18	61.40	87.18
Total Income		7,994.01	8,020.28
II EXPENSES:			
Operating Expenses	19	1,829.99	1,994.21
Employee Benefits Expenses	20	325.94	300.86
Finance Expenses	21	3,934.70	3,908.27
Depreciation and Amortisation	22	3,549.51	4,117.58
Other Expenses	23	112.38	91.37
Total Expenses		9,752.52	10,412.29
III Profit before Exceptional Items and Tax (I-II)		(1,758.51)	(2,392.01)
IV Exceptional Items		-	-
V Profit before Tax (III - IV)		(1,758.51)	(2,392.01)
VI Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
		-	-
VII Profit for the year (V - VI)		(1,758.51)	(2,392.01)
VIII Other Comprehensive Income (OCI) :			
(a) Items not to be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(12.44)	0.19
(b) Items to be reclassified subsequently to profit or loss		-	-
Other Comprehensive Income		(12.44)	0.19
IX Total comprehensive income for the year (VII+VIII)		(1,770.95)	(2,391.82)
X Earnings per Equity Shares of Nominal Value Rs 5 each:			
Basic Rs per share		(5.92)	(8.05)
Diluted Rs per share		(5.92)	(8.05)
Significant Accounting Policies	1		

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN: 04661N

For & on behalf of the Board of Directors

Ashoka Highways (Durg) Limited

Sd/-

Sd

Sd/-

Sd/-

Shashank Agrawal

Partner

M.No: 536670

Ravindra M Vijayvargiya

Chief Financial Officer

Pooja Lopes

Director & CS

DIN : 00112675

Ashish A Katariya

Director

DIN - 00580763

Date: June 08, 2020

Place: New Delhi

Date: June 08, 2020

Place: Nashik

ASHOKA HIGHWAYS (DURG) LIMITED

CIN : U74999MH2007PLC168772

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020



(₹ In Lakh)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Extraordinary Items and Taxation	(1,758.51)	(2,392.01)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation & Amortisation	3,549.51	4,117.58
Interest & Finance Income	(20.09)	-
Profit on Sale of Mutual Fund	(34.02)	(76.20)
Profit on Sale of Fixed Assets	(0.08)	(0.53)
Provision for Periodic Maintainance	1,065.94	1,227.16
Interest, Commitment & Finance Charges	3,068.03	3,238.28
Interest on Group Company Loans	450.47	433.28
Finance Charges on carrying value of provisions - Schedule Maintainance	350.13	183.05
Unwinding of Financial Guarantee (Amortisation)	8.92	8.04
Amortisation of Upfront fees and Government Grant	21.71	26.50
Operating Profit Before Changes in Working Capital	6,702.00	6,765.15
Adjustments for changes in Operating Assets & Liabilities:		
Decrease/(Increase) in Trade and other Receivables	(70.54)	556.19
Increase / (Decrease) in Trade and Operating Payables	(35.60)	(44.09)
Cash Generated from Operations	6,595.87	7,277.25
Income Tax Paid	61.94	-
NET CASH FLOW FROM OPERATING ACTIVITIES	6,657.80	7,277.25
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(14.29)	(14.48)
Sale of Fixed Assets	1.93	0.71
Purchase of Investments	(5,368.16)	(8,915.56)
Sale proceeds of Investments	5,402.18	8,991.76
Finance Income	20.09	-
NET CASH CASH FLOW FROM INVESTING ACTIVITIES	41.75	62.43
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	-
Repayment of Borrowings	(4,480.02)	(4,090.14)
Interest, commitment & Finance Charges Paid	(3,113.07)	(3,238.28)
NET CASH FLOW FROM FINANCING ACTIVITIES	(7,593.09)	(7,328.42)
Net Increase In Cash & Cash Equivalents	(893.54)	11.26
Cash and Cash Equivalents at the beginning of the year	1,152.17	1,140.91
Cash and Cash Equivalents at the end of the year	258.63	1,152.17
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with Banks		
On current accounts	26.88	1,117.39
Deposits with Original maturity less than 3 months	227.00	-
Cash on hand	4.75	34.78
Cash and cash equivalents for statement of cash flows	258.63	1,152.17

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN: 04661N

For & on behalf of the Board of Directors

Ashoka Highways (Durg) Limited

Sd/-
Shashank AgrawalPartner
M.No: 536670

Date: June 08, 2020

Place: New Delhi

Sd/-
Ravindra M Vijayvargiya
Chief Financial OfficerSd/-
Pooja Lopes
Director & CS
DIN : 00112675Sd/-
Ashish A Katariya
Director
DIN - 00580763

Date: June 08, 2020

Place: Nashik

ASHOKA HIGHWAYS DURG LIMITED

Notes to financial statements for the year ended March 31, 2020

(All figures are in lacs unless otherwise stated)


A Statement of Changes in Equity for the period ended

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	2,97,15,184	2,971.52	2,97,15,184	2,971.52
Changes in equity share capital during the year - issued during the reporting period	-	-	-	-
Balance at the end of Reporting period	2,97,15,184	2,971.52	2,97,15,184	2,971.52

B Other Equity

Particulars	Retained Earnings	Capital Contribution	Security Premium Reserve	Other Comprehensive Income	(₹ In Lakh)
					Total
Balance as at 1 April 2018	(13,578.22)	15,333.98	5,772.63	(0.33)	7,528.06
Profit for the year	(2,392.01)				(2,392.01)
Corporate Guarantee on Loan during the year		(785.70)			(785.70)
Other comprehensive income/(loss) for the year				0.19	0.19
Balance as at 31 March 2019	(15,970.23)	14,548.28	5,772.63	(0.14)	4,350.54
Profit for the year	(1,758.51)				(1,758.51)
Corporate Guarantee on Loan during the year					-
Other comprehensive income/(loss) for the year				(12.44)	(12.44)
Balance as at 31 March 2020	(17,728.74)	14,548.28	5,772.63	(12.58)	2,579.59

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN: 04661N

For & on behalf of the Board of Directors

Ashoka Highways (Durg) Limited

Sd/-

Sd/-

Sd/-

Sd/-

Shashank Agrawal

Partner

M.No: 536670

Ravindra M Vijayvargiya

Chief Financial Officer

Pooja Lopes

Director & CS

DIN : 00112675

Ashish A Katariya

Director

DIN - 00580763

Date: June 08, 2020

Place: New Delhi

Date: June 08, 2020

Place: Nashik

A Corporate profile

The Ashoka Highways (Durg) Limited, the Company, is a Special Purpose Vehicle (SPV) incorporated on 15th March 2007 under the provisions of the Companies Act 1956 by Ashoka Buildcon Limited, in pursuance of the contract with National Highway Authority Limited (NHAI) to design, engineering, finance, construction, operation and maintenance of End of Durg Bypass -Chhatisgarh / Maharashtra Border Section from km 322.400 to km 405.000 of NH-6 under NHDP Phase IIIA on Build, Operate and Transfer (BOT) basis. The concession period is 20 (Twenty) Years including Construction period of 30 (Thirty) Months. The construction of the entire project has been sub-contracted to the parent company Ashoka Buildcon Limited as an EPC contractor.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 08 2020

B Significant Accounting Policies**(i) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter.

The financial statements for the year ended March 31, 2020 are prepared in accordance with Ind AS .

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

(ii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

(iii) Summary of significant accounting policies

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

a) Current and non-current classification

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

An asset is current when :

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

All other assets are classified as non-current.

A liability is current when :

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

The Company classifies all other liabilities as non-current.

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

b) Revenue Recognition

Revenue is recognised upon satisfaction of separate performance Obligation as per the Contract with Customers.

i Revenue from Operation

The Company is rendering Construction and Maintainance Services to NHAI under the DBFOT.

To recognize revenue, the Company applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation in the contract, and (5) recognize revenue when a performance obligation is satisfied.

At contract inception, The company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. For performance obligations where control is transferred over time, revenue is recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. The method for recognizing revenues and costs depends on the nature of the services rendered.

For Recognition of Revenue, the Company has identified its performance obligation as Construction Services activity and Maintainance activity.

The Company is in the Construction Phase and the Construction income is recognised over time based on the progress of the work i.e., cost incurred during the period and margin on the Construction Activity.

Maintenance after COD date till the tenure of the Project will be recognised over time proportionately over the concession period on the basis of the allocation of the transaction price over this performance obligation.

Periodic Maintenance which is required to be done as per the service concession agreemnet is not recognised as a separate Obligation since the same is required to be done on a strength test.

Finance income is recognised on the basis of the IRR considered in the project.

Utility shifting Income is recognised as and when the work is completed and the same is certified by the Client.

ii Interest Income

Interest income from financial asset is recognised using effective interest rate method.

c) Property, Plant and Equipment (PPE)

- i** Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.
- ii** Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.
- iii** Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.
- iv** Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
- vi** An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

viii Leasehold improvements is amortized on a straight line basis over the period of lease.

d) Financial Asset

The Company recognises its expenditure incurred on the project as a financial asset in accordance with the principles laid down in Appendix D of Ind AS 115, Service Concession Agreements. The project satisfies the test of Financial Asset.

e) Borrowing costs

All borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Investments

Current Investments are accounted on fair value value with changes in Profit and Loss account.

g) Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

h) Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

i) Earnings per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Provisions, Contingent Liabilities and Contingent Assets

i Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

ii Contingent liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

k) Employee Benefits

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

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

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

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

Past service costs are recognised in profit or loss on the earlier of:

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

Termination Benefits

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

l) Cash and cash equivalents

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

m) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

n) Financial instruments**Financial Assets & Financial Liabilities****Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Non-derivative financial instruments**Subsequent measurement****Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

o) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1 Property Plant and Equipment

(i) **Details of Additions, Adjustments, Depreciation and Net Block - Asset class wise for 2019-20**

Particulars	Land	Vehicles	Office equipments	Furniture and fixtures	Total
Cost or valuation					
As at April 1, 2018	1.48	64.80	135.62	13.43	215.33
Additions		2.67	30.28		32.95
Sales/Disposals/Adjustments			1.44		1.44
As at 31 March 2019	1.48	67.47	164.46	13.43	246.84
Additions			12.97	1.32	14.29
Sales/Disposals/Adjustments		2.14			2.14
As at March 31, 2020	1.48	65.33	177.43	14.75	258.99
Depreciation					
As at April 1, 2018	-	36.40	94.99	10.07	141.47
Charge for the period	-	7.40	28.13	0.61	36.14
Sales/Disposals/Adjustments			1.26		1.26
As at 31 March 2019	-	43.80	121.86	10.68	176.34
Charge for the period		5.92	19.48	0.64	26.04
Sales/Disposals/Adjustments		0.29			0.29
As at March 31, 2020	-	49.43	141.34	11.32	202.09
Net Block Value					
At March 31, 2020	1.48	15.90	36.09	3.43	56.90
At March 31, 2019	1.48	23.67	42.60	2.75	70.50

(ii) **Intangible Assets**

Particulars	Concession Rights	Total
Cost or valuation		
As at April 1, 2018	64,809.24	64,809.24
Additions	-	-
Sales/Disposals/Adjustments	-	-
As at 31 March 2019	64,809.24	64,809.24
Additions	-	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2020	64,809.24	64,809.24
Depreciation		
As at April 1, 2018	14,405.68	14,405.68
Charge for the period	4,081.44	4,081.44
Sales/Disposals/Adjustments	-	-
As at 31 March 2019	18,487.12	18,487.12
Charge for the period	3,523.47	3,523.47
Sales/Disposals/Adjustments	-	-
As at March 31, 2020	22,010.59	22,010.59
Net Block Value		
At March 31, 2020	42,798.65	42,798.65
At March 31, 2019	46,322.12	46,322.12

(ii)(a) **Impairment/Amortisation Assessment**

The company has Amortised Intangible Assets and Assessment of impairment of its Toll Collection Right based on :-

1. Traffic growth rate of Traffic Study Report conducted during the year. Traffic Study Report was conducted as the traffic growth on the stretch was below the estimates considered under the financial closure agreement.
2. Due to Covid-19, Authority has suspended the Toll Collection for the period of 25th March'2020 to 19th April'2020 and Company is also estimating Impact on Toll Collection post toll suspension period on account of Economic Slow Down, which will be Compensated by NHAI by Extension of Toll Collection Right. Company has considered extension of time equal to suspended period toll loss for calculating amortisation and impairment of toll collection right (Concessiona Right)
3. Consider Extension on account Toll Suspension during Demonisation.

(iii) Capital Work in Progress	As at March 31, 2020	As at March 31, 2019
Opening	-	18.47
Addition during the year	-	-
Capitalisation during the year	-	18.47
Closing	-	-

2 Loans - Non Current (₹ In Lakh)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
UnSecured: Considered good (At Amortised Cost):		
Security Deposits	11.83	11.83
Total :::::	11.83	11.83

3 Other Non Current Asset (₹ In Lakh)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
Advance Gratuity	3.16	3.53
Advance Tax & TDS (Net of Provision)	4.61	66.55
Unamortised portion of Upfront Fees & Guarantee Commission	45.91	64.51
Total :::::	53.68	134.59

4 Trade Receivables-Current (₹ In Lakh)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
(Unsecured, at amortised cost)		
Considered good :		
Toll collection receivable	7.10	9.77
NHAI	295.41	293.85
Considered doubtful (*):		
Less: Provision for doubtful debts	(90.77)	(90.77)
Total :::::	302.51	303.62

i (*) Trade receivable includes amount dues from NHAI for utility shifting & ancillary work

ii **Expected Credit loss:-**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. Since the Company does not have trade receivable except for COS, POS Toll Collection and other small regular receivable, no expected credit loss is being provided.

5 Cash and cash equivalents (₹ In Lakh)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
(A) Cash & Cash Equivalents		
(I) Cash on hand	4.75	34.78
(II) Balances with Banks		
On Current account	26.88	1,117.39
Deposits with Original maturity less than 3 months	227.00	-
Sub Total :::::	258.63	1,152.17
(B) Other Bank Balances		
Deposits with maturity for more than 12 months (*)	0.10	0.10
Sub Total :::::	0.10	0.10
Total :::::	258.73	1,152.27

(i) (*) Deposit of ₹.0.10 lacs (P.Y. ₹ 0.10 Lacs) with bank is lodged with Commercial Tax Authority.

6 Other Financial Asset - Current (₹ In Lakh)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
Interest receivable	0.69	0.08
Receivable from NHAI on account of Suspension period	-	27.08
Unbilled Revenue	0.11	0.11
Total :::::	0.80	27.27

i **Reimbursement from NHAI for Suspension period**

Note (*) :- During the Year, the Company has received balance reimbursement from NHAI for the period from November 9, 2016 till December 2, 2016 i.e., 24 days where there was suspension for collection of Toll from NHAI due to demonitisation.

7 Other Current Asset			(₹ In Lakh)	
Particulars	As at 31-Mar-20	As at 31-Mar-19		
Prepaid Expenses	123.18	26.46		
Balance with Tax Authorities	23.20	23.29		
Current portion of unamortised Guarantee and Upfront fees	20.35	23.47		
Advance to Suppliers	5.07	3.20		
Total ::::	171.80	76.42		

8 Equity Share Capital

(I) Authorised Capital:

Class of Shares	Par Value (₹)	As at 31-Mar-20		As at 31-Mar-19	
		No. of Shares	Amount (₹ In Lakh)	No. of Shares	Amount (₹ In Lakh)
Equity Shares	10.00	7,60,00,000	7,600.00	7,60,00,000	7,600.00
Total ::::			7,600.00		7,600.00

(II) Issued, Subscribed and Paid-up Capital (Fully Paid-up):

Class of Shares	Par Value (₹)	As at 31-Mar-20		As at 31-Mar-19	
		No. of Shares	Amount (₹ In Lakh)	No. of Shares	Amount (₹ In Lakh)
Equity Shares	10.00	2,97,15,184.00	2,971.52	2,97,15,184	2,971.52
Total ::::			2,971.52		2,971.52

(III) Terms/rights attached to equity shares:

The company is a subsidiary of Ashoka Concessions Ltd which is a subsidiary of Ashoka Buildcon Limited a company listed on the stock exchanges at BSE and NSE.

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not issued any bonus equity shares to its Shareholders since inception. The Company has also not granted any option to its employees under Employee Stock Option Scheme (ESOP) since inception.

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

(IV) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at 31-Mar-20	As at 31-Mar-19
	Equity Shares	Equity Shares
Outstanding as at beginning of the period	2,97,15,184	2,97,15,184
Addition during the period	-	-
Matured during the period	-	-
Outstanding as at end of the period	2,97,15,184	2,97,15,184

(V) Details of shares in the Company held by each shareholder holding more than 5% shares:

Class of Shares	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-19
	Equity Shares	%	Equity Shares	%
Ashoka Concessions Ltd	1,51,54,732	51.00%	1,51,54,732	51.00%
Highway Concessions One Pvt Ltd	1,45,60,442	49.00%	1,45,60,442	49.00%

9 Other Equity

9 Other Equity			(₹ In Lakh)	
Particulars	As at 31-Mar-20	As at 31-Mar-19		
Security Premium Reserve	5,772.63	5,772.63		
Capital Contribution	14,548.28	14,548.28		
Surplus / Retained Earnings	(17,728.74)	(15,970.23)		
Other Compressive Income	(12.58)	(0.14)		
Gross Total :::	2,579.59	4,350.54		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(*) Capital Contribution

(a) Guarantee Obligation :

On application of INDAS 109 " Financial Instruments" , the Company has accounted for Guranatee Obligation for the Corporate Guarantee given by Ashoka Buildcon Limited to the lenders for the financing of the Company. Therefore the Company has booked Deferred Guarantee Liability as at Transition date i.e., April 1, 2015 and the same is credited to Capital Contribution and shown under Other Equity.

(b) Interest Free Loans:

On application of IND AS 32 " Financial Instruments : Presentation" , the Company has classified Interest free loan from Shareholders as Equity and thus the same is shown as Capital Contribution in Other Equity.

10 Borrowings - Non Current

(₹ In Lakh)

Particulars	As at 31-Mar-20	As at 31-Mar-19
(A)Secured - at amortized cost		
(i) Non Convertible Debentures	13,455.56	15,602.97
(ii)Term loans		
- from banks	12,429.63	14,440.03
Sub Total :::	25,885.19	30,043.00
(B)Unsecured - at amortized cost		
(i) Loans from Shareholders	4,025.14	4,278.76
Sub Total :::	4,025.14	4,278.76
Gross Total :::	29,910.33	34,321.76

(a) Terms of Repayments:

Sr. No.	Particulars of Lender	Nature of Loan	EMI Amount (In Rs Lakh) and	Mode of Repayment	Interest Type	Rate of Interest	Maturity Date
1	IDFC Infrastructure Finance Limited	Non Convertible Debenture	Structured monthly installment ending in August'2025	Monthly instalment from November 15, 2016	Fixed interest	5- year IDF benchmark rate prevailing on the date of disbursement plus spread	Maturity Date: August'2025
	Nature of Security	First charge by way of hypotication of entire movable asset of the Company , both present and future , including movable plant and machinery and all movable assets both present and future except project assets (as defined under Concession Agreement) and except those acquired out of free cash flow of the Company and being informed from time to time to lenders. A first charge on all accounts of the Company including Escrow account and Sub account including but not limited to Major Maintenance reserve, debt Service reserve and any other reserve and Other bank account of the Company. Pledge of 51% shares held by the Holding Company					
2	IDFC Bank Limited	Term Loan	Structured monthly installment ending in August'2025	Monthly instalment from June 15, 2015	Variable Interest	MCLR(1 year) + Spread	Maturity Date : August'2025
	Nature of Security	The Term Loans are secured as a First charge by way of hypotication of entire movable asset of the Company , both present and future , including movable plant and machinery and all movable assets both present and future except project assets (as defined under Concession Agreement) and except those acquired out of free cash flow of the Company and being informed from time to time to lenders. A first charge on all accounts of the Company including Escrow account and Sub account including but not limited to Major Maintenance reserve, debt Service reserve and any other reserve and Other bank account fo the Company.					

(b) Intercorporate Loan from Related Party:

The said loans are repayable on demand when there is surplus cash available with the company. Based on the management's assessment of repayment the same has been classified as non-current.

(c) Marurity Profile of term Loans and Non Convertible Debenture is as follows:

Maturity period	As at 31-Mar-20	As at 31-Mar-19
Repayment within one year from the end of the financial year	3,536.63	3,238.54
Repayment beyond one year to five years from the end of the financial year	22,184.33	20,240.85
Repayment beyond five years from the end of the financial year	3,700.85	9,802.15
Total	29,421.81	33,281.54

(d) There has been no continuing default in repayments of loan instalments and interest in respect of loans outstanding as at March 31, 2020.

(e) The Company has availed moratorium as per RBI Circular dated March 27, 2020 - Covid 19 Regulatory Package, as amended from time to time.

11 Other Non Current Financial Liabilities

(₹ In Lakh)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Deferred Payment Liability	-	81.12
Total :::	-	81.11

Deferred Payment Liability

As per the terms of the concession agreement the Company is required to make a cash pay-out (i.e. negative grant), of ₹ 100 lakh to National Highways Authority of India, in the thirteenth year of the concession period. The same is capitalized to the Concession rights.

12 Provisions - Non Current

(₹ In Lakh)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Provision for Scheduled Maintenance	-	2,568.88
Provision for Employee's Benefits:		
Provision for Unearned Leave	8.32	4.07
Total :::	8.32	2,572.95

(i) **Provision for Scheduled Maintenance:**

The company makes provision for the periodic maintenance required to be carried out by it as an obligation under the concession agreement. The details of the provisions made are as follows:

Particulars	Opening	Provisions made during the period and Unwinding	Provisions reversed / adjusted during the period	Closing
March 31, 2020	2,568.88	1,416.07	-	3,984.95
March 31, 2019	1,158.67	1,410.21	-	2,568.88

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

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is funded.

i) **The amount recognised in the balance sheet and the movements in the net defined benefit obligation in case of Gratuity over the year is as**

Particulars	As at 31-Mar-20	As at 31-Mar-19
a) Reconciliation of opening and		
Defined Benefit obligation at the beginning of the year	10.60	7.46
Current Service Cost	6.90	3.13
Interest Cost	0.79	0.55
Remeasurement due to Experience Adjustment	12.15	(0.29)
Benefits paid	(0.87)	(0.25)
Defined Benefit obligation at the year end	29.57	10.60
b) Reconciliation of opening and		
Fair Value of plan assets at the beginning of the year	14.15	10.50
Interest Income	1.56	0.93
Actuarial Gain/ (Loss)	(0.30)	(0.09)
Benefits paid	(0.87)	(0.25)
Employer Contribution	18.19	3.06
Actual Return on Plan Assets	32.73	14.15
c) Reconciliation of fair value of		
Fair Value of Plan Assets	32.73	14.15
Present value of obligation	29.57	10.60
Amount recognized in Balance Sheet	(3.16)	(3.55)
d) Expenses recognized during the		
Current Service Cost	6.90	3.13
Interest Cost	0.79	0.55
Interest Income on Planned Assets	(1.56)	(0.93)
Defined Benefit Cost Charged to P&L	6.13	2.75
e) Total remeasurment included in	-	-

ii) Actuarial assumptions

Particulars	As at 31-Mar-20	As at 31-Mar-19
Financial Assumptions:		
Discount rate (per annum)	6.82%	7.72%
Rate of escalation in salary (per annum)	7.00%	7.00%
Demographic Assumptions:		
Mortality Rate	100%	100%
Disability Rate	0%	0%
Withdrawal rate:	1%	1%
Retirement age	58 years	58 years
Average Future Service	21.00	22.00

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption.

Scenario	Defined Benefit Obligation (*)	%	Defined Benefit Obligation (*)	%
	2019-20		2018-19	
Under Base Scenario	29,57,027.00	0.0%	10,60,847	0.0%
Salary Escalation - up by 1%	36,05,381.00	21.9%	12,92,914	21.9%
Salary Escalation - down by 1%	24,36,248.00	-17.6%	8,74,569	-17.6%
Withdrawal Rate-up by 1%	29,27,950.00	-1.0%	10,63,359	0.2%
Withdrawal Rate-down by 1%	29,88,488.00	1.1%	10,55,449	-0.5%
Discount Rate- up by 1%	24,51,043.00	-17.1%	8,81,073	-16.9%
Discount Rate- down by 1%	35,96,954.00	21.6%	12,87,737	21.4%

(*) for a change of 100 basis points from the assumed assumptions

v) Experience adjustments on Present Value of Defined Benefits Obligation and Plan Assets

Particulars	As at 31-Mar-20	As at 31-Mar-19
Liabilities		
(Gain) / Loss on Plan Liabilities	7.54	0.17
Percentage of Opening Plan Liabilities	71.89%	2.24%
Assets		
Gain / (Loss) on Plan Assets	0.30	0.09
Percentage of Opening Plan Liabilities	-2.11%	-0.90%

13 Trade Payables - Current

(₹ In Lakh)

Particulars	As at 31-Mar-20	As at 31-Mar-19
(A) Trade Payables:		
Micro & Small Enterprises	-	-
Related Parties	270.75	234.90
Others	263.84	308.81
Total :::	534.59	543.72

- (i) The balance of payables as per books of accounts are subject to reconciliations.
- (ii) As per the intimation available with the Company, there are no Micro and Small Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- (iii) The above information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

14 Other Financial liabilities - Current

(₹ In Lakh)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Current Maturities of Long-Term Debt	3,536.63	3,199.80
Interest Accrued but not due	-	(0.00)
Others :		
Due to Employees	12.84	-
Deferred Payment Liability	90.04	-
Total :::	3,639.51	3,199.80

15 Other current liabilities			(₹ In Lakh)
Particulars	As at 31-Mar-20	As at 31-Mar-19	
Duties & Taxes	25.75	52.86	
Total ::::	25.75	52.86	

16 Provisions - Current			(₹ In Lakh)
Particulars	As at 31-Mar-20	As at 31-Mar-19	
Provision for Unearned Leave	0.35	4.35	
Provision for Scheduled Maintenance	3,984.95	-	
Total ::::	3,985.30	4.35	

17 Revenue From Operations			(₹ In Lakh)
Particulars	For the Year 2019-20	For the Year 2018-19	
Toll Collection	7,890.31	7,933.10	
Revenue from Construction Services - COS	42.30	-	
Total ::::	7,932.61	7,933.10	

I Disclosures as required by Appendix E of Ind AS 115 relating to "Service Concession Arrangements: Disclosures"

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

The Ashoka Highways (Durg) Limited, the Company, is a Special Purpose Vehicle (SPV) incorporated on 15th March 2007 under the provisions of the Companies Act 1956 by Ashoka Buildcon Limited, in pursuance of the contract with National Highway Authority Limited (NHAI) to design, engineering, finance, construction, operation and maintenance of End of Durg Bypass -Chhatisgarh / Maharashtra Border Section from km 322.400 to km 405.000 of NH-6 under NHDP Phase IIIA on Build, Operate and Transfer (BOT) basis. The concession period is 20 (Twenty) Years including Construction period of 30 (Thirty) Months. The SPV has toll collection rights during the concession period. The construction of the entire project has been sub-contracted to the parent company Ashoka Buildcon Limited as an EPC contractor.

(b) Obligations of Operations and maintenance

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

(c) Changes to the Concession during the period

No changes in the arrangement have occurred during the accounting period.

(d) Classification of the Concession

The Company has applied the principles enumerated in Appendix D of Ind AS – 115 titled "Service Concession Arrangement" and has classified the arrangement as a tolling arrangement resulting in recognition of an Intangible Asset.

(e) Recognition of Construction services revenue and costs:

The Company has completed the Construction activity in the February 2012, However the Company has applied INDAS 115 "Service Concession Arrangement" retrospectively and has recognised margin on Construction activity and the same is debited to Intangible Assets and credited to Reserve and Surplus on the transition date.

18 Other Income			(₹ In Lakh)
Particulars	For the Year 2019-20	For the Year 2018-19	
(A) Interest Income on financial assets carried at Cost/Amortised Cost:			
Interest on Bank Deposits	20.09	-	
Interest on Income Tax	5.56	2.91	
(B) Other Non Operating Income:			
Profit / (Loss) on sale of Assets (net)	0.08	0.53	
Profit on sale of Current Investments	34.02	76.20	
Miscellaneous Income	1.65	7.54	
Total ::::	61.40	87.18	

19 Operating Expenses		
(₹ In Lakh)		
Particulars	For the Year 2019-20	For the Year 2018-19
Sub-contracting Charges - Fly over	42.30	-
Consumption of Construction Materials	1.26	2.87
Labour Charges	0.17	5.51
Repair to Machineries	3.52	1.58
Power & Water Charges	49.05	65.46
Technical Consultancy Charges	42.82	77.69
Site Monitoring Charges	-	10.85
Periodic Maintenance	1,065.94	1,227.16
Routine Maintenance	597.48	580.56
Insurance	27.45	22.53
Total ::::	1,829.99	1,994.21

20 Employee Benefits Expenses		
(₹ In Lakh)		
Particulars	For the Year 2019-20	For the Year 2018-19
Salaries, Wages and Allowances	292.54	271.16
Contribution to Provident and Other Funds	32.41	24.37
Staff Welfare Expenses	0.99	5.33
Total ::::	325.94	300.86

21 Finance Expenses		
(₹ In Lakh)		
Particulars	For the Year 2019-20	For the Year 2018-19
Interest on Loans	3,068.03	3,238.28
Interest on Others (*)	450.47	433.28
Finance Charges on carrying value of provisions - Schedule Maintenance	350.13	183.05
Amortisation of Upfront fees	21.71	26.50
Finance Cost on Deferred payment Liabilities	8.92	8.04
Bank Guarantee charges	35.44	19.12
Total ::::	3,934.70	3,908.27

(*) The company has recognised interest expense payable to M/s Ashoka Buildcon limited & Ashoka Concessions Ltd. on the amounts received from them from time to time. The interest rate, being 1% more than the weighted average rate of the lenders is calculated on the daily outstanding balance and accordingly an amount of ₹ 450.47 lakh (P.Y: ₹ 433.28 Lakh) has been charged to interest expense.

22 Depreciation And Amortisation (₹ In Lakh)

Particulars	For the Year 2019-20	For the Year 2018-19
Depreciation on tangible Property , Plant and Equipment	26.04	36.14
Amortisation on Intangible Assets	3,523.47	4,081.44
Total ::::	3,549.51	4,117.58

23 Other Expenses (₹ In Lakh)

Particulars	For the Year 2019-20	For the Year 2018-19
Rent Rates & Taxes	0.47	25.43
Printing and Stationery	2.73	2.68
Travelling & Conveyance	5.54	3.65
Internet Charges	0.60	0.93
Communication	0.73	0.88
Vehicle Running Charges	12.43	14.41
Legal & Professional Fees	55.82	25.43
Director's Sitting Fee	1.80	1.00
Auditor's Remuneration:		
Audit Fees	2.15	2.15
Tax Audit Fees	0.30	0.30
Taxes, Certifications & other services	2.24	0.56
Marketing & Advertisement Expenses - Net	7.28	2.00
Miscellaneous Expenses	16.12	10.79
Bank Charges	4.17	1.16
Loss of Sale of Machinery	-	-
Total ::::	112.38	91.37

24 Deferred Taxation

Provision for the deferred tax liability is not recognised since the timing difference (on account of excess of depreciation allowable under income tax law over depreciation as per books) originating in the current period is capable of reversal within the tax holiday period.

The company has not recognized Deferred Tax Asset arising on account of timing difference of loss carried forward under the Income Tax Act, in the books of accounts because there is no virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized. As a matter of prudence, the Company has not recognized deferred tax asset on such losses.

25 Earnings Per Share ('EPS') :

Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

A Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2019-20	2018-19
Profit / (Loss) for the period (Rs in Lakh)	(1758.51)	(2392.01)
Outstanding equity shares at period end	2,97,15,184	2,97,15,184
Weighted average Number of Shares outstanding during the period – Basic	2,97,15,184	2,97,15,184
Weighted average Number of Shares outstanding during the period - Diluted	2,97,15,184	2,97,15,184
Earnings per Share - Basic (Rs Per Share)	(5.92)	(8.05)
Earnings per Share - Diluted (Rs Per Share)	(5.92)	(8.05)

B Reconciliation of weighted number of outstanding during the period:

Particulars	2019-20	2018-19
Nominal Value of Equity Shares (Rs Per Share)	10.00	10.00
Total number of equity shares outstanding at the beginning of the period	2,97,15,184	2,97,15,184
Add : Issue of Equity Shares during the period	-	-
Total number of equity shares outstanding at the end of period	2,97,15,184	2,97,15,184
Weighted average number of equity shares at the end of period- Basic	2,97,15,184	2,97,15,184
Weighted average number of equity shares at the end of period- Dilutive	2,97,15,184	2,97,15,184

ASHOKA HIGHWAYS (DURG) LIMITED

CIN : U74999MH2007PLC168772


NOTES FORMING PART OF THE FINANCIAL STATEMENTS
26 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015
(A) List of Related Parties

(a) Parties where control exists

- (i) Ashoka Buildcon Limited (Ultimate Holding Company)
- (ii) Ashoka Concessions Limited (Holding Company)
- (iii) Highway Concessions One Private Limited

(b) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise;

- (i) Ashoka Highway AD
- (ii) Ashoka Highway Bhandara Limited
- (iii) Ashoka Sambalpur Barghar Tollways Limited
- (iv) Ashoka Belgaum Dharward Tollways Limited
- (v) Jaora Naygaon Toll Road Company Private Limited

(B) Transactions during the period:

(₹ In Lakh)

Nature of Transactions	Description	For the year 2019-20	For the year 2018-19
O & M Expenditure/EPC:			
Ashoka Concessions Ltd	Parties where control exists	597.48	579.06
Ashoka Buildcon Ltd	Parties where control exists	53.06	-
Advertisement Expenses :			
Ashoka Highway AD	Fellow Subsidiary	0.82	-
Assets Sales :			
Ashoka Highways Bhandara Limited	Fellow Subsidiary	0.48	-
Ashoka Belgaum Dharward Tollways Limited	Fellow Subsidiary	0.48	-
Jaora Naygaon Toll Road Company Private Limited	Fellow Subsidiary	0.48	-
Ashoka Sambalpur Barghar Tollways Limited	Fellow Subsidiary	0.48	0.84
Consultancy Charges:			
Ashoka ConcessionsBuildcon Limited	Parties where control exists	17.70	15.58
Reimbursement of Expenses:			
Ashoka Buildcon Ltd.	Parties where control exists	46.31	23.75
Liability Paid on behalf of Company:			
Ashoka Highway Bhandara Limited	Fellow Subsidiary	-	1.00
Director Sitting Fees:			
Rajendra Singhvi	Independent Director	1.20	0.60
Nirbhayakishor Mishra	Independent Director	0.60	0.40
Interest Expenses			
Ashoka Concessions Limited	Parties where control exists	305.51	285.24
Ashoka Buildcon Limited	Parties where control exists	144.95	148.04
Loan Taken:			
Ashoka Buildcon Limited	Parties where control exists	-	-
Loan Repayment:			
Ashoka Buildcon Limited	Parties where control exists	322.93	419.48
Ashoka Concessions Limited	Parties where control exists	336.11	436.60

(C) Outstanding Balances

(₹ In Lakh)

Nature of Transactions	Description	As at 31-Mar-20	As at 31-Mar-19
Outstanding Payable - Loan			
Ashoka Buildcon Ltd.	Parties where control exists	3,625.04	3,817.51
Ashoka Concessions Ltd	Parties where control exists	9,601.30	9,662.45
Ashoka Highway Bhandara Ltd.	Fellow Subsidiary	-	-
Highway Concessions One Pvt Ltd-0%	Parties where control exists	4,809.37	4,809.37
For Contract Work:			
Ashoka Buildcon Ltd.	Parties where control exists	412.06	405.42
For Trade Payables:			
Ashoka Buildcon Limited	Parties where control exists	9.33	4.98
Ashoka Concessions Limited	Parties where control exists	50.25	48.58
Outstanding Receivable			
Ashoka Highways Bhandara Limited	Fellow Subsidiary	0.48	-
Ashoka Belgaum Dharward Tollways Limited	Fellow Subsidiary	0.48	-
Jaora Naygaon Toll Road Company Private Limited	Fellow Subsidiary	0.48	-
Ashoka Sambalpur Barghar Tollways Limited	Fellow Subsidiary	1.32	0.84

Transactions pertaining to contract expenses with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

27 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Disclosure pursuant to Ind AS 116 - " Leases"

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 applicable from 01/04/2019. Ind AS 116 has been implemented w.e.f. April 1, 2019 and the associated disclosure requirements are applicable for financial statements for the year ended March 31, 2020. As per the Standard it is optional to apply the standard for short term leases (period of 12 months or less). Since the lease agreements are for a period of 11 months, company has availed the exception of short term leases. Apart from this, there are no other assets taken on lease and hence IND AS 116 is not applicable.

Total amount of lease payments towards short term leases is ₹ 0.43 Lakh and shown as expense in the profit & Loss statement

29 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2020 and March 31, 2019. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2020 and March 31, 2019.

30 Legal disputes and Contingent liabilities

Particulars	₹ In Lakh	
	As at 2019-20	As at 2018-19
Bank Guarantees issued by bankers from the parent Company Limits	4,813.00	2,993.00

31 In the opinion of the Board of Directors, all the assets other than fixed assets have value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

32 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

33 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019.

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Amortized cost:				
Trade receivables	302.51	303.62	302.51	303.62
Cash and bank balances	258.73	1,152.27	258.73	1,152.27
Other financial assets	12.63	39.10	12.63	39.10
FVTPL	-	-	-	-
Total Financial Assets	573.87	1,494.99	573.87	1,494.99
Financial liabilities				
Amortized cost:				
Financial liabilities- Borrowings	29,910.33	34,321.76	29,910.33	34,321.76
Other financials liabilities	3,639.51	3,280.92	3,639.51	3,280.92
Trade payable	534.59	543.72	534.59	543.72
Total Financial Liabilities	34,084.43	38,146.40	34,084.43	38,146.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

34 Fair Value Hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

i) Recognised and measure at fair value

There is no outstanding financial instrument as on March 31, 2020 which are measured at fair value.

ii) Measure at amortized cost for which fair value is disclosed.

The Company has determined fair value of all its financial instruments measured at amortized cost by using Level 3 inputs.

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

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

35 Financial Risk Management

The Company is in the business of four laning of Ashoka Highways (Durg) Limited section of National Highway in the State of Chhatisgarh on design, build, finance, operate and transfer basis. The nature of the business is capital intensive and the Company is exposed to traffic volume risks. BOT projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 20 years. Given the nature of the segments in which the company operates, be it in the Road Sector, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process.

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

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

i Business / Market Risk

Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. One of the first and foremost business risk is the achievement of the traffic projections made at the time of the bid. This will include the introduction of alternate roads by the state or central government which impacts the traffic projected to ply on the asset under the control of the Company. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company to risk.

ii Capital and Interest rate Risk:-

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. The Company's average cost of debt remains at 10% p.a approximately. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short term borrowing with floating interest rates.

iii Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	₹ In Lakh	
	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2020	+100	(40.25)
	-100	40.25
March 31, 2019	+100	(42.79)
	-100	42.79

iv Credit risk:-

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

Trade and Other Receivables:-

- (i) The maximum exposure to the credit risk at the reporting date is primarily from trade and Other receivables amounting to ₹ 303.21 Lakh as at March 31, 2020 and ₹ 330.89 Lakh as at March 31, 2019.
- (ii) The credit risk from customers in the case of this project is very low as without payment of upfront toll the vehicles are not allowed to pass. However there are frequent local political issues which result in leakages which is a credit risk for the Company.

v Liquidity risk

- (a) The company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.
- (b) The company has outstanding borrowings of ₹ 33,446.96 Lakh as at March 31, 2020 and ₹ 37,521.56 Lakh as at March 31, 2019.
- (c) The achievement of the projections in the traffic and the toll rates is critical for the liquidity to pay the lenders and to complete Routine and major maintenance activity within the prescribed schedule of NHAI.
- (d) During the current year the companies' working capital is negative resulting in insufficiency of Current Assets to meet the Current Obligation. Accordingly, liquidity risk is perceived. The Current Liabilities of the Company exceeds current Assets by ₹ 7,451.31 Lakh as at March 31, 2020. These conditions indicate the existence of an uncertainty as to timing and realization of cash flow of the company. However with support of Holding Company from time to time the Management is confident to overcome the same in near future.

(e) The Working Capital Position of the Company is given below : (₹ In Lakh)

Particulars	As at	
	March 31, 2020	March 31, 2019
Cash and Cash Equivalent	258.63	1,152.17
Other Bank Balance	0.10	0.10
Other financial assets	0.80	27.27
Trade receivables	302.51	303.62
Other Current Assets	171.80	76.42
Total	733.84	1,559.58
Less:		
Trade payables	534.59	543.72
Other financial liabilities	3,639.51	3,199.80
Other current liabilities	25.75	52.86
Provisions	3,985.30	4.35
Total	8,185.15	3,800.73
Net Working Capital	(7,451.31)	(2,241.15)

Maturity Profile of Borrowings

The table below provides details regarding the contractual maturities of significant financial liabilities : (₹ In Lakh)

Particulars	within 1 year	2 year	3-5 years	More than 5 years	Total
As at March 31, 2020					
Financial Liabilities -Borrowings	3,536.63	5,208.50	16,975.84	7,726.00	33,446.96
Trade Payables	534.59	-	-	-	534.59
Other Financial Liabilities	90.04	-	-	-	90.04
As at March 31, 2019					
Financial Liabilities -Borrowings	3,199.80	4,452.99	15,787.87	14,080.91	37,521.57
Trade Payables	543.72	-	-	-	543.72
Other Financial Liabilities	-	81.12	-	-	81.12

vi Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously for Schedule Maintenance activities. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to maintain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the company has sub-contracted the maintenance activity at a fixed price contract to its Ultimate holding Company.

vii Exchange risk

Since the operations of the company are within the country, the company is not exposed to any exchange risk directly. The company also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal.

However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

36 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and Other Bank Balances.

Particulars	₹ In Lakh)	
	As at March 31, 2020	As at March 31, 2019
Long term borrowings	29,910.33	34,321.76
Other financial liabilities- Non-Current	-	81.12
Financial Liability Current -Trade Payable	534.59	543.72
Other financial liabilities-Current	3,639.51	3,199.80
Other Current Liabilities	25.75	52.86
Total Liabilities (A)	34,110.18	38,199.26
Less:		
Cash and Cash Equivalent	258.63	1,152.17
Other Bank Balances	0.10	0.10
Total Assets (B)	258.73	1,152.27
Net debt (A-B)	33,851.45	37,046.99
Equity including Other Equity	5,551.11	7,322.06
Capital and Net debt (C)	39,402.55	44,369.05
Gearing ratio (Net Debt/ Capital & Net Debt)	116.40%	119.76%

In order to achieve this overall objective, the Company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

37 No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

38 Impact of Covid-19 Pandemic:

The Indian Economy has been severely impacted due to global COVID19 Pandemic resulted into lockdown, wider restrictions and disruption to the business. Supply chain, logistics and travel ban has made the business come to a standstill effective from March 26, 2020. The Company Toll Collection also has got impacted. However there is an expected extension of time (EOT) in Toll Collection Right from NHAI, the same is being considered for calculating Amortisation to draw the Financial Statement for the year ended March 31, 2020. The Company is also considering making claims for the O & M Expenses to NHAI which it is expecting to be favourably accepted. However no such claims have been accounted in the financial. Therefore the management's assessment of the impact of COVID19 Pandemic does not envisage any material impact on the operations of the Company. The said assessment also did not require any adjustments to assets and liabilities while preparing Financial Statement for the year March 31, 2020. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

39 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN: 04661N

For & on behalf of the Board of Directors

Ashoka Highways (Durg) Limited

Sd/-

Sd/-

Sd/-

Sd/-

Shashank Agrawal

Partner

M.No: 536670

Ravindra M Vijayvargiya

Chief Financial Officer

Pooja Lopes

Director & CS

DIN : 00112675

Ashish A Katariya

Director

DIN - 00580763

Date: June 08, 2020

Place: New Delhi

Date: June 08, 2020

Place: Nashik