INDEPENDENT AUDITOR'S REPORT

To the Members of Ashoka Ranastalam Anandapuram Road Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Ashoka Ranastalam Anandapuram Road Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") 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, 2019, its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis of 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 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1.	*Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)* The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	***Principal Audit Procedures*** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • The Company has received contract from NHAI on Hybrid Annuity Model and is required to DBOT the project under construction. For the aforesaid contract we have reviewed the existing contract; o Read, analysed the contract o Identified the distinct performance obligations in the contract. o Compared these performance obligations with that identified and recorded by the Company. o Allocated the price to each distinct performance obligation. o Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration, if any. • Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the Other Information. The Other Information obtained at the date of this Auditor's Report is the Directors Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of Management and those Charged with Governance for the Standalone 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone 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.

2. 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 attached 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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion the aforesaid Standalone 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

   g. 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: The Company has not paid any managerial remuneration and hence we have no reporting under this clause.

   h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Sd/-

Nuzhat Khan
Partner
M. No. 124960
Mumbai ,Dated:

ANNEXURE A

To the Independent Auditors' Report on the Standalone IND AS Financial Statements of Ashoka Ranastalam Anandapuram Road Limited

(i) The company does not hold any Property, Plant and Equipment during the year, hence clause 3(i)(a), 3(i)(b) and 3(i)(c) of the Companies (Auditors Report) Order 016 are not applicable.

(ii) The company does not hold any Inventory during the year, hence clause 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Companies (Auditors Report) Order 2016 are not applicable.

(iii) The company has not granted any loan secured or unsecured to any Company, firm, Limited Liability Partnership or other Parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clause 3(iii)(a) 3(iii)(b) and 3(iii)(c) of the Companies (Auditors Report) Order 2016 are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments, provided any guarantees and security and thus the provisions of section 185 and 186 with respect to loans, investments, guarantees and security given are not applicable to the company and therefore the provisions of clause 3(iv) of the Companies (Auditors Report) Order 2016 are not applicable.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to port operations, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) According to information and explanation given to us and on the basis of our examination of records of the Company, amount deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess, Goods and Service tax and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of interest to bank and Financial Institutions except for interest which was due as at Balance Sheet date and the same was paid in the first week of April.

(ix) The Company has not raised any money by way of initial public offer and further public offer (including debt instrument). According to the information and explanations given to us and based on the documents and records produced to us, the Company has not taken term loan during the year in respect of its Hybrid Annuity Project execution and the same is applied for the purpose for which the loan was availed.

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company has not paid any managerial remuneration during the year and hence provisions of section 197 read with schedule V to the Companies Act, 2013 are not applicable.

(xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standard.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Sd/-

Nuzhat Khan
Partner
M. No. 124960
Mumbai ,Dated:

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls with reference to Financial Statements 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 Ranastalam Anandapuram Road Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

Because of the inherent limitations of 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 with reference to Financial Statements 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Sd/-

Nuzhat Khan
Partner
M. No. 124960
Mumbai ,Dated:

ASHOKA RANASTALAM ANANDAPURAM ROAD LIMITED
CIN : U45500DL2017PLC315722
BALANCE SHEET AS AT MARCH 31, 2019
(All figures are in Rs in lakh unless otherwise stated) **(₹ In Lakh)**

	Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Financial assets			
	(i) Other Financial Assets	**2**	1,677.70	-
	(b) Deferred Tax Asset (net)		-	-
	(c) Other non-current assets	**3**	446.22	2,203.35
	TOTAL NON-CURRENT ASSETS		**2,123.93**	**2,203.35**
2	**CURRENT ASSETS**			
	(a) Financial assets			
	(i) Trade receivables	**4**	77.16	63.64
	(ii) Cash and cash equivalents	**5**	36.65	445.91
	(iii) Other financial assets	**6**	28,490.40	11,265.97
	(b) Other current assets	**7**	4,911.34	3,140.87
	TOTAL CURRENT ASSETS		**33,515.54**	**14,916.39**
	TOTAL ASSETS		**35,639.47**	**17,119.74**
II	**EQUITY & LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	**8**	5,489.50	3,844.00
	(b) Other Equity	**9**	1,386.96	(45.68)
	(c) Instruments Entirely Equity In Nature	**10**	2,320.80	-
	Equity Attributable to Owners		**9,197.26**	**3,798.32**
	TOTAL EQUITY		**9,197.26**	**3,798.32**
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	**11**	12,500.00	-
	(ii) Other financial liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non-current liabilities	**12**	691.26	6,072.71
	TOTAL NON-CURRENT LIABILITIES		**13,191.26**	**6,072.71**
3	**CURRENT LIABILITIES**			
	(a) Financial liabilities			
	(i) Trade payables			
	- Dues of Micro and Small Enterprise	**13**	-	-
	- Dues of Other than Micro and Small Enterprise	**13**	6,903.59	1,162.65
	(ii) Other Financial liabilities	**14**	47.06	118.86
	(b) Current Tax Liabilities (net)		94.24	
	(c) Other current liabilities	**15**	6,206.06	5,967.20
	TOTAL CURRENT LIABILITIES		**13,250.95**	**7,248.71**
	TOTAL LIABILITIES		**26,442.21**	**13,321.42**
	TOTAL EQUITY AND LIABILITIES		**35,639.47**	**17,119.74**
	Significant Accounting Policies	**1**		

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
FRN: 106971W

For & on behalf of the Board of Director:
Ashoka Ranastalam Anandapuram Roac

Sd/-	Sd/	Sd/-	Sd/-	Sd/-
Nuzhat Khan	Pooja A Lopes	Ravindra M Vijayvargiya	Piyush K. Jain	Rajendra C. Burad
Partner	**Company Secretary**	**Chief Financial Officer**	**Director**	**Director**
M.No: 124960			DIN - 07588639	DIN - 0011263ε

Date: May 18, 2019
Place: Mumbai

Date: May 18, 2019
Place: Mumbai

ASHOKA RANASTALAM ANANDAPURAM ROAD LIMITED
CIN : U45500DL2017PLC315722
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019
(All figures are in Rs in lakh unless otherwise stated) **(₹ In Lakh)**

	Particulars	Note No.	For the year ended 31-Mar-19	For the year ended 31-Mar-18
I	**INCOME**			
	Revenue from Operations	**14**	39,375.73	13,487.36
	Other Income	**15**	4.65	13.60
	Total Income		**39,380.38**	**13,500.96**
II	**EXPENSES:**			
	Operating Expenses	**16**	36,608.37	13,266.46
	Finance Expenses	**17**	928.04	206.31
	Other Expenses	**18**	12.28	73.88
	Total Expenses		**37,548.69**	**13,546.64**
III	**Profit before Exceptional Items and Tax (I-II)**		**1,831.70**	**(45.68)**
IV	**Tax Expense:**			
	Current Tax		399.05	-
	Deferred Tax		-	-
			399.05	**-**
V	**Profit for the year (III- IV)**		**1,432.65**	**(45.68)**
VI	**Other Comprehensive Income (OCI) :**			
	(a) Items not to be reclassified subsequently to profit or loss			
	Re-measurement gains/(losses)on defined benefit plans		-	-
	Income tax effect on above		-	-
	(b) Items to be reclassified subsequently to profit or loss		-	-
	Other Comprehensive Income		-	-
VII	Total comprehensive income for the year (V+VI)		**1,432.65**	**(45.68)**
VIII	Earnings per Equity Shares of Nominal Value ₹ 10 each:			
	Basic Rs per share		**3.08**	**(0.23)**
	Diluted Rs per share		**3.08**	**(0.23)**
	Significant Accounting Policies	**1**		

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
FRN: 106971W

For & on behalf of the Board of Directors
Ashoka Ranastalam Anandapuram Road Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Nuzhat Khan	Pooja A Lopes	Ravindra M Vijayvargiya	Piyush K. Jain	Rajendra C. Burad
Partner	**Company Secretary**	**Chief Financial Officer**	**Director**	**Director**
M.No: 124960			DIN - 07588639	DIN - 00112638

Date: May 18, 2019
Place: Mumbai

Date: May 18, 2019
Place: Mumbai

ASHOKA RANASTALAM ANANDAPURAM ROAD LIMITED
CIN : U45500DL2017PLC315722
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ In Lakh)

Particulars	For year ended 31-Mar-2019	For year ended 31-Mar-2018
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Extraordinary Items and Taxation	**1,831.70**	**(45.68)**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Finance Income	(1,542.17)	-
Interest, Commitment & Finance Charges	928.04	206.31
Profit on Sale of Mutual Fund	(4.65)	(13.60)
Operating Profit Before Changes in Working Capital	**1,212.92**	**147.02**
Adjustments for changes in Operating Assets & Liabilities:		
Decrease/(Increase) in Trade and other Receivables	(17,104.97)	(16,391.99)
Increase / (Decrease) in Trade and Operating Payables	(70.47)	13,184.21
Cash Generated from Operations	**(17,175.45)**	**(3,207.77)**
Income Tax Paid	(680.90)	(281.85)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(16,643.43)**	**(3,342.59)**
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Investments	(1,313.00)	(4,801.48)
Sale proceeds of Investments	1,317.65	4,815.08
NET CASH CASH FLOW FROM INVESTING ACTIVITIES	**4.65**	**13.60**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	1,645.50	3,844.00
Capital Contribution by Holding Company	2,320.80	-
Proceeds from Borrowings	12,500.00	-
Interest, commitment & Finance Charges Paid	(236.78)	(69.10)
NET CASH FLOW FROM FINANCING ACTIVITIES	**16,229.52**	**3,774.90**
Net Increase In Cash & Cash Equivalents	(409.26)	445.91
Cash and Cash Equivalents at the beginning of the year	**445.91**	**-**
Cash and Cash Equivalents at the end of the year	**36.65**	**445.91**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with Banks	36.39	445.78
Cash on hand	0.25	0.12
	36.65	**445.91**
Cash and cash equivalents for statement of cash flows	**36.65**	**445.91**

Note:

1. Cash and Cash Equivalents comprises of balances with bank in current accounts, cash on hand and Bank Deposits with maturity less than 3 months.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) on Cash Flow Statement.

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
FRN: 106971W

For & on behalf of the Board of Directc
Ashoka Ranastalam Anandpuram Road Lin

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Nuzhat Khan	Pooja A Lopes	Ravindra M Vijayvargiya	Piyush K. Jain	Rajendra C. Burad
Partner	**, Secretary**	**Chief Financial Officer**	**Director**	**Director**
M.No: 124960			DIN - 07588639	DIN - 00112638

Date: May 18, 2019
Place: Mumbai

Date: May 18, 2019
Place: Mumbai

ASHOKA RANASTALAM ANANDAPURAM ROAD LIMITED
Notes to financial statements for the year ended March 31, 2019.
(All figures are in lakh unless otherwise stated)

A Statement of Changes in Equity for the period ended

Particulars	**As at Mar 31, 2019**		**As at Mar 31, 2018**	
	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	3,84,40,000	3,844.00	-	-
- issued during the reporting period	1,64,55,000	1,645.50	3,84,40,000.00	3,844.00
Balance at the end of Reporting period	**5,48,95,000**	**5,489.50**	**3,84,40,000**	**3,844.00**

B Other Equity

(₹ In Lakh)

Particulars	**As on Mar 31, 2019**	**As on Mar 31, 2018**
Retained Earnings		
Opening Balance	(45.68)	-
Profit for the year	1,432.65	(45.68)
Retained Earnings	**1,386.96**	**(45.68)**

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
FRN: 106971W

Sd/-

Nuzhat Khan
Partner
M.No: 124960
Date: May 18, 2019
Place: Mumbai

For & on behalf of the Board of Directors
Ashoka Ransatalam Anandpuram Road Limited

Sd/-	Sd/-	Sd/-	Sd/-
Pooja A Lopes	Ravindra M Vijayvargiya	Piyush K. Jain	Rajendra C. Burad
ıy Secretary	**Chief Financial Officer**	**Director**	**Director**
		DIN - 07588639	DIN - 0011263ε

Date: May 18, 2019
Place: Mumbai

Note:1

A Corporate profile

The Ashoka Ransatalam Anandpuram Road Limited, the Company, is a Special Purpose Vehicle (SPV) incorporated on April 6, 2017 under the provisions of the Companies Act 2013 , in pursuance of the contract with National Highway Authority Limited (NHAI). The Company is in the business of Construction and maintatinance of Six-laning of NH-16 from Ranastalam to Anandpuram (Visakhapatnam) (from km 634.000 to km 681.000) in the state of Andhra Pradesh under NHDP Phase-V on Hybrid Annuity Mode (Package II) Hybrid Annuity . The said DBOT projects which the Company undertakes are capital intensive and have construction period of 910 days ; coupled with longer maintainance periods of 15 years. 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 passed at the meeting of the board of directors on 18th May,2019.

B New standards and interpretations not yet adopted

1 **Ind AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

(i) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.
On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.
The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

2 **Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

(*) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

(*) **Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognisedthose past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

3 **Amendment to Ind AS 19 Plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

4 **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

5 **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

6 **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

7 **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

C **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, 2019 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.

D Use of estimates

The preparation of the financial statememts 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 finacial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

E 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.

1 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.

2 Revenue Recognition

Revenue from Operations

The Company is rendering Construction and Maintainance Services to NHAI under the Hybrid Annuity Model.

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18. The company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The adoption of Ind AS 115 does not have significant effect on the financial results.

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

The Company is in the Contruction Phase and the Construction income is recognised over time based on the progess 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 seperate Obligation , since the same is required to be done on 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.

Interest Income

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

3 **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 Decomissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v Depreciation on all assets of the Company is charged on written down method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

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.

4 **Financial Asset**

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

5 **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.

6 **Investments**

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

7 **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.

8 **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.

9 **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.

10 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.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

11 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.

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.

12 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.

13 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.

14 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.

ASHOKA RANASTALAM ANANDAPURAM ROAD LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All figures are in Rs in lakh unless otherwise stated)

2 Non Current - Financial Asset - Others

(₹ In Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(Unsecured, considered good at amortised cost)		
Financial Asset as per Service Concession Agreement (Contract Assets)	1,677.70	-
Total :::::	**1,677.70**	**-**

3 Other Non Current Asset

(₹ In Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(Unsecured, considered good)		
Advance Tax net of provision	281.85	281.85
Mobilisation Advance - Ashoka Buildcon Limited	-	1,750.00
Prepaid Processing fees paid	164.38	171.50
Total :::::	**446.22**	**2,203.35**

4 Trade Receivables-Current

(₹ In Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(Unsecured, considered good at amortised cost)		
Utility Shifting	77.16	63.64
Total :::::	**77.16**	**63.64**

5 Cash and cash equivalents

(₹ In Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance with Schedule Bank	36.39	445.78
Cash on hand	0.25	0.12
Total :::::	**36.65**	**445.91**

6 Other Financial Asset -Current

(₹ In Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Financial Asset as per Service Concession Agreement (Contract Assets)	28,490.40	11,265.97
Total :::::	**28,490.40**	**11,265.97**

7 Other Current Asset

(₹ In Lakh)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Prepaid Expenses	3.95	0.13
Balance with Tax Authority	2,168.38	99.14
Mobilisation Advance - Ashoka Buildcon Limited	2,100.65	1,750.00
Others - Advance recoverable in Cash or kind	2.42	-
Prepaid Guarantee Commission	-	19.71
Other Advances	635.95	1,271.89
Total :::::	**4,911.34**	**3,140.87**

8 Equity Share Capital

(I) Authorised Capital:

Class of Shares	Par Value	As at 31-Mar-19		As at 31-Mar-18	
	(₹)	No. of Shares	(₹ In Lakh)	No. of Shares	(₹ In Lakh)
Equity Shares	10.00	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Total :::::			**6,000.00**		**6,000.00**

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

Class of Shares	Par Value	As at 31-Mar-19		As at 31-Mar-18	
	(₹)	No. of Shares	(₹ In Lakh)	No. of Shares	(₹ In Lakh)
Equity Shares	10.00	5,48,95,000	5,489.50	3,84,40,000	3,844.00
Total :::::			**5,489.50**		**3,844.00**

(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.

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-19
Equity Shares:	**Numbers**
Outstanding as at beginning of the period	3,84,40,000
Addition during the period	1,64,55,000
Outstanding as at end of the period	**5,48,95,000**

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

Class of Shares	As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-18
	Equity Shares	%	Equity Shares	%
Ashoka Concessions Ltd	5,48,95,000	100%	3,84,40,000	100%

9 Other Equity **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Surplus / Retained Earnings		
Balance as per Last balance Sheet	(45.68)	-
Profit for the year	1,432.65	(45.68)
Total ::::	**1,386.96**	**(45.68)**

10 Instruments Entirely Equity In Nature **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Ashoka Concessions Ltd	2,320.80	-
Total ::::	**2,320.80**	**-**

The above is interest free and is payable only at the option of the Company . The lender has residual interest in the asset after payment of all liabilities of the Company

11 Financial Liabilities - Borrowings (at Fair Value) **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
(Secured considered goods)		
Term Loans from Banks	3,900.00	-
Term Loans from Financial Institutions	8,600.00	-
Less: Current Maturities	-	-
Total ::::	**12,500.00**	**-**

The break-up of above:

Secured	**12,500.00**	**-**
Unsecured	**-**	**-**
	12,500.00	**-**

I. Terms and Conditions

The company has entered into Common Loan Agreement with Axis Bank on 20th September 2017.
On 31st July 2018 Axis bank has entered into Novation Agreement with India Infrastructure Finance Company Limited ("IIFCL").

II. Particulars of the loan are as under:

(a) Axis Bank to fund Rs. 221 crores with sublimit of Overdraft of Rs. 50 crores (To an extent of Rs. 27 Crores, for funding of cash flow mismatch between the COD and the First Annuity Payment and thereafter for the interim period between 2 (two) Annuity Payments.) and Bank Guarantee Facility to the extent of Rs.60 crores.

(b) IIFCL to fund Rs.194 crores as per the Novation Agreement .

(c) The Applicable Interest Rate shall be Axis 1-year MCLR as on the date of first disbursement plus Spread of 0.85% (point eight five percent)
Rate for OD Limit would be 3 month MCLR + Spread of 0.70%.

III. Security

(a) First charge Security Interest on all the tangible movable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable/fixed assets and current assets, both present and future if any, of the Borrower other than the Project Assets, except those acquired out of free flow of the Borrower during the Operation period and shall be informed to the Lenders from time to time by way of hypothecation;

(b) A first charge Security Interest over the Project's book debts, operating cash flows, Receivables, commissions, revenues of whatsoever nature and wherever arising;

(c) A first charge Security Interest over all the bank accounts of the Borrower including the Escrow Account and the sub-accounts (or any account in substitution thereof) that may be opened in accordance with CLA and the Supplementary Escrow Agreement along with the monies lying therein, or any account created by the Borrower under any of the other Project Documents, and all funds from time to time deposited therein, the Receivables, commissions, revenues and all Authorised Investments or other securities.

(d) A pledge over Equity Shares held by the Sponsor in the Borrower representing 51% (fifty one percent) of the total paid up equity share capital of the Borrower, with equivalent voting rights, in favour of the participating lender, till the Final Settlement Date.

(e) A counter guarantee by the Borrower in favour of the Security Trustee, to secured only the BG Facility.

IV. Terms of Repayment

Particulars	As at 31-Mar-19
Repayment within one year	-
Repayment beyond one year to five years	2,668.21
Repayment beyond five years	9,831.79
	12,500.00

V. Disclosure as per the Amendment to INDAS 7 " Statement of cash flow "

Particulars	Non Current Borrowings	Current Borrowings	Current Maturities	Total
Opening Balance	-	-	-	**-**
Changes in Financial Cash flo	12,500.00	-	-	**12,500.00**
Other Non- Cash Adjustmen	-	-	-	**-**
Closing Balance	**12,500.00**	**-**	**-**	**12,500.00**

12 Other Non Current liabilities **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Mobilisation Advance received from NHAI	-	5,935.50
Interest Payable on Mobilization Advance- NHAI	691.26	137.21
Total ::::	**691.26**	**6,072.71**

(i) The Company had received Mobilisation advances of Rs. 11,871.0 Lakhs i.e. 10% of Bid project Cost of Rs. 1,18,710 lakhs from NHAI. The Mobilisation advances will be recovered in four equal instalment by NHAI from the payments which will be made by NHAI in the form of milestone payment and the same is based on % of work done.
The rate of interest on the Mobilization Advance is equal to the Bank rate, compounded annually.

13 Current Financial Liabilities - Trade Payables **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Dues of Micro and Small Enterprise	-	-
Dues of Other than Micro and Small Enterprise:		
- Related Parties	6,810.06	-
- Others	93.53	1,162.65
Total ::::	**6,903.59**	**1,162.65**

(i) As per the intimation available with the Company, there are no Micro, Small and Medium 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.

(ii) The above information regarding Micro, Small and Medium 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 - Current Financial Liabilities **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Advance Recoverable in cash or kind		
- Ashoka Buildcon Limited	12.56	56.01
Payable to NHAI - IE Fees	11.50	62.85
Interest Accrued (*)	23.00	-
Total :::::	**47.06**	**118.86**

(*) The above interest is paid to the Lender on April 02, 2019.

15 Other current liabilities **(₹ In Lakh)**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Duties & Taxes	269.92	31.70
Moblisation Advance received from NHAI (Refer Note 13(i))	5,936.14	5,935.50
Total ::::	**6,206.06**	**5,967.20**

16 Revenue From Operations **(₹ In Lakh)**

Particulars	For the year ended 31-Mar-19	For year ended 31-Mar-18
Contract Revenue:		
Contract Revenue	36,285.76	11,265.97
Revenue from Utility Shifting	1,547.81	2,221.39
Other Operating Income:		
Finance Income on financial assets carried at amortised cost	1,542.17	-
Total :::::	**39,375.73**	**13,487.36**

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

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

The Ashoka Ranastalam Anandapuram Road Limited, the Company, is a Special Purpose Vehicle (SPV) incorporated on April 6, 2017 under the provisions of the Companies Act 2013 , in pursuance of the contract with National Highway Authority Limited (NHAI). The Company is in the business of Construction and maintatinance of Six-laning of NH-16 from Ranastalam to Anandpuram (Visakhapatnam) (from km 634.000 to km 681.000) in the state of Andhra Pradesh under NHDP Phase-V on Hybrid Annuity Mode (Package II) Hybrid Annuity , which will be partly financed by the concessionaire who shall recover its investment and costs through payments to be made by the Authority, in accordance with the terms and conditions to be set forth in a concession agreement to be entered into.The said DBOT projects which the Company undertakes are capital intensive and have construction period of 910 days ; coupled with longer maintainance periods of 15 years.

Salient features of the Project :

1. Bid Project Cost as per Concession Agreement(CA) is ₹ 118710 lacs which will be increased by Price Index .
2. 40% of the Bid project Cost will be paid upfront during the Construction phase based on the completion of stages mentioned in CA.
3. CA also states 10% of the Bid Project Cost will be paid as advance and the same will be recovered from grant.
4. 30 Annuity will be paid as biannual installment .
5. Interest : RBI rate plus 3% will be paid by NHAI
6. O&M revenue is fixed as per CA which will be paid in two installments during the year.

(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 periodic maintenance in terms of the Concession at regular intervals.

(c) Changes to the Concession during the period

The Company has received project during the year and there is no changes in the contract alloted to the Company by NHAI

(d) **Classification of the Concession**

The Company has applied the principles enumerated in Appendix C of Ind AS – 115 titled "Service Concession Arrangement" and has classified the arrangement as a Financial Asset resulting in recognition of an Financial Asset. Revenue is recognised during the construction period as revenue from construction services as well as financial income.

(e) Disclosure of Construction services revenue, cost and margin :

The Company is applying Appendix C of INDAS 115 " Service Concession Arrangement" to the aforesaid Hybrid Contract. The revenue of the various activities under the concession agreement is being recognised on the basis of the fair value of the revenue of the respective activity estimated by the concessionaire on the asbis of its projections accross the following activities i.e.,Construction , Operation and Maintainance , Periodic maintainance

The Company has recognised the following Revenue, Cost and margin from construction services.

Particulars	**₹ in Lakh**
Construction Revenue	37,833.56
Construction Cost	36,668.86
Margin earned	1,164.70

II **INDAS 115 "Revenue from Contracts with Customers"**

1 **Disaggregation of Revenue**

(a) **Based on type of Services**

	2018-19	**2018-19**
Construction Revenue	37,833.56	13,487.36

(b) **Geographical region**

The Company is in the business of Construction and maintatinance of Six-laning of NH-16 from Ranastalam to Anandpuram (Visakhapatnam) which is in India.

(c) **Market Type**

There is only one Customer / grantor to whom the services is provided - National Highway Authority Limited (NHAI).

(d) **Type of Contract**

Construction:

The Contract is a Hybrid Contract , where the Company will get Bid Project Cost as per Concession Agreement(CA) is ₹ 118710 lacs which will be increased by Price Index . Thus thus the Contact is a mix of fixed Considertion and variable consideration in the form of Price Inflation Index.

Operation and Maintainance:

The Company will get Fixed Amount of Operation and Maintainance receipts as per the terms of the Concession

Finance Income:

The Company will get Interest income on Financial Assets after COD date as per the terms of the Concession

(e) **Contract Duration**

The said DBOT projects have construction period of 910 days ; coupled with longer maintainance periods of 15 years.

(f) **Timing of transfer of services**

Revenue from Construction activity satisfies the test of over the time and therefore the Revenue from Construction Activity will recognise overtime.

Revenue from Maintainance activity will be recognised at a point in time

(g) **Pending Performance Obligation**

The balance performance obligation outstanding as on March 31, 2019 is Rs 64855.45 lacs which is expected to be completed by March 31, 2020 substantially

2 **Movement of Contract Balances**

(i) Advance from Customers	**2018-19**	**2017-18**
Opening Balance	11,871.00	-
Advance Received during the year	-	11,871.00
Advance Adjusted / Recovered	(5,935.50)	-
Closing Balance	**5,935.50**	**11,871.00**

(ii) Financial Asset	**2018-19**	**2017-18**
Opening Balance	11,265.97	-
Recognised during the year	37,827.92	11,265.97
Receipt during the year	(18,925.79)	
Closing Balance	**30,168.10**	**11,265.97**

17 Other Income **(₹ In Lakh)**

Particulars	For the year ended 31-Mar-19	For year ended 31-Mar-18
Profit on sale of Current Investments (carried at FVTPL)	4.65	13.60
Total :::::	**4.65**	**13.60**

18 Construction Expenses **(₹ In Lakh)**

Particulars	For the year ended 31-Mar-19	For year ended 31-Mar-18
Sub-contracting Charges	34,603.58	10,678.57
Technical Consultancy Charges	174.35	62.85
Project Monitoring Charges	282.63	303.65
Subcontract Utility Shifting	1,547.81	2,221.39
Total :::::	**36,608.37**	**13,266.46**

19 Finance Expenses **(₹ In Lakh)**

Particulars	For the year ended 31-Mar-19	For year ended 31-Mar-18
Interest on Mobilisation Advance from NHAI	616.32	152.45
Interest on Term Loan	235.15	-
Interest on Income Tax	10.95	
Other Financial Charges	65.62	53.86
Total :::::	**928.04**	**206.31**

20 Other Expenses **(₹ In Lakh)**

Particulars	For the year ended 31-Mar-19	For year ended 31-Mar-18
Rent Rates & Taxes	0.26	0.33
Printing and Stationery	-	0.05
Insurance	0.13	0.24
Filling Fees	0.09	0.07
Legal & Professional Fees	8.06	14.56
Auditor's Remuneration	3.73	3.00
Miscellaneous Expenses	0.00	0.03
Bank Charges	0.02	0.12
Preliminary Expenses	-	55.48
Total :::::	**12.28**	**73.88**

21 Tax Expense

Income tax expense in the statement of profit and loss consists of:	**2018-19**	**2017-18**
Current Tax	399.05	-
Deferred tax	-	-
Income tax recognised in statement of profit or loss	**399.05**	**-**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

Current Tax		**2018-19**	**2017-18**
Profit Before tax		**1,831.70**	**-45.68**
Enacted tax rates in India (%)		34.94%	30.09%
Computed expected tax expenses		640.07	-13.75
Effects of deductable Expenses		-538.90	
Income tax expenses - Net	A	**101.17**	**-**
Tax liability as per Minimum Alternate Tax on book profits			
Minimum Alternate Tax rate		21.55%	19.06%
Computed tax liability on book profits		394.71	-8.71
Interest and Other Adjustments		4.34	
	B	**399.05**	**-8.71**
Higher of Above (A, B)		**399.05**	**-**

21 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	2018-19	2017-18
Profit / (Loss) for the period (Rs in Lacs)	1432.65	(45.68)
Outstanding equity shares at period end	5,48,95,000	3,84,40,000
Weighted average Number of Shares outstanding during the period – Basic	4,65,09,712	2,00,27,855
Weighted average Number of Shares outstanding during the period - Diluted	4,65,09,712	2,00,27,855
Earnings per Share - Basic (₹ Per Share)	3.08	(0.23)
Earnings per Share - Diluted (₹ Per Share)	3.08	(0.23)

B Reconciliation of weighted number of outstanding during the period:

Particulars	2018-19	2017-18
Nominal Value of Equity Shares (₹ Per Share)	10.00	10.00
Total number of equity shares outstanding at the beginning of the period	3,84,40,000	-
Add : Issue of Equity Shares during the period	1,64,55,000	3,84,40,000
Total number of equity shares outstanding at the end of period	5,48,95,000	3,84,40,000
Weighted average number of equity shares at the end of period- Basic	4,65,09,712	2,00,27,855
Weighted average number of equity shares at the end of period- Dilutive	4,65,09,712	2,00,27,855

22 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules,

(A) List of Related Parties

(a) Parties where control exists
(i) Ashoka Buildcon Ltd. (Ultimate Holding Company)
(ii) Ashoka Concessions Ltd (Holding Company)

(B) Transactions during the period:

Nature of Transactions	Parties Where Control Exists	
	As at Mar 31, 2019	As at Mar 31, 2018
Issue of Shares		
Ashoka Concessions Ltd	1,645.50	3,844.00
Quasi Equity / Unsecured Loan received		
Ashoka Concessions Ltd	2,320.80	-
Subcontracting Expenditure		
Ashoka Buildcon Ltd -EPC	34,603.58	10,678.57
Ashoka Buildcon Ltd-Utility	1,547.81	2,221.39
Ashoka Concessions Ltd - Project Consultancy Charges	89.14	229.90
Reimbursement of Expense- BG		
Ashoka Buildcon Ltd.	52.43	66.15
Reimbursement of Expenses/ liability		
Ashoka Concessions Ltd		
- Expenses	-	55.09
- Liability	-	9.50
Outstanding balance Payable		
Ashoka Buildcon Ltd.- Projects	6,796.80	1,194.31
Quasi Equity- O/s		
Ashoka Buildcon Ltd.- Quasi Equity	2,320.80	-
Outstanding balance Receivable		
Ashoka Buildcon Ltd- Mobilisation Advance	2,100.65	3,500.00

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 during the financial year through examining the financial position of the related party and the market in which the related party operates.

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

Segment Information: As the company's business activities falls within a single primary business segment viz. " Infrastructure Development" vide DBOT Hybrid Annuity Project , and it operates in a single geographical segment i.e. India, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" of the Companies (Accounting Standards) Rules, 2006

24 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has taken Site office premises on leave and license basis which are cancellable contracts.

25 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2019

26 Legal disputes and Contingent liabilities

(₹ In Lakh)

Particulars	As at 2018-19	As at 2017-18
Capital commitment- Project Commitment	46,717.92	81,322.00
Bank Guarantees issued by bankers from the parent Company Limits	11,871.00	11,871.00

27 In the opinion of the Board of Directors, all the 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.

28 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. Uncertainity 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.

29 Financial instruments

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

(₹ In Lakh)

Particulars	Carrying Value		Fair Value	
	As at Mar 31, 2019	March 31, 2018	As at Mar 31, 2019	March 31, 2018
Financial assets				
Amortized cost:				
Trade receivables	77.16	63.64	77.16	63.64
Cash and bank balances	36.65	445.91	36.65	445.91
Other financial assets	30,168.10	11,265.97	30,168.10	11,265.97
Total Financial Assets	**30,281.91**	**11,775.52**	**30,281.91**	**11,775.52**
Financial liabilities				
Amortized cost:				
Borrowings	12,500.00	-	12,500.00	-
Other financials liabilities	47.06	118.86	47.06	118.86
Trade payable	6,903.59	1,162.65	6,903.59	1,162.65
Total Financial Liabilities	**19,450.66**	**1,281.52**	**19,450.66**	**1,281.52**

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

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.

30 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).

Recognised and measure at fair value

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

i) Long-term fixed-rate receivables 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 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.

31 Financial Risk Management

The Company is in the business of Construction and maintatinance of Six-laning of NH-16 from Ranastalam to Anandpuram (Visakhapatnam) (from km 634.000 to km 681.000) in the state of Andhra Pradesh under NHDP Phase-V on Hybrid Annuity Mode (Package II) Hybrid Annuity . The nature of the business is capital intensive and the Company is exposed to interest , WPI and pricing risk. DBOT projects which the Company undertakes are capital intensive and have gestation period of 910 days ; coupled with longer maintainance periods of 15 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.

The Company's activities expose it to a variety of financial risks: inflation risk, 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 inflation and 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. The concession consists of constructiing a Road and therefore the largest business risk is the timely execution and completion of the project and acheiving Commercial Operations Date ie. the completion milestone. Since the project is on annuity basis, the biggest business risk is ensuring the concession terms are adequately adhered to and the project is completed as per the business plan to ensure cash flow from annuity is recorded on time.

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 has not completed its financial closure as on the date of Balance sheet , therefore average cost of debt cannot be determined , however based on the negotiation and communication with lenders , the average cost of funding remains at 9.10% 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 borowing 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 ,borrowings and Mobilization Advances Liability. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
		(₹ In Lakh)
March 31, 2019	+100	(191.27)
	-100	191.27
March 31, 2018	+100	(120.08)
	-100	120.08

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

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.

Financial Asset & Trade Receivable

(i) The maximum exposure to the credit risk at the reporting date is primarily from trade receivable on account of Utility Shifting and on account of Financial Asset Receivable as per Appendix C -INDAS 115 " Service Concession Arrangements" amounts to ₹ 30,245.26 lakh as at March 31, 2019. 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. In the case of the Company , the customer is NHAI which is a GOI undertaking , and therefore the credit risk is minimal.

v Liquidity risk

Timely completion of the project and receipt of annuity payment on time has a major impact on the liquidity of the company. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the company.

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

(₹ In Lakh)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Cash and Cash Equivalent	36.65	445.91
Trade receivables	77.16	63.64
Other Current Financial Assets	28,490.40	11,265.97
Other Current Assets	4,911.34	3,140.87
Total	**33,515.54**	**14,916.39**
Less:		
Trade payables	6,903.59	1,162.65
Other current Financial liabilities	47.06	118.86
Other current liabilities	6,206.06	5,967.20
Total	**13,156.71**	**7,248.71**
Net Working Capital	**20,358.83**	**7,667.67**

vi Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. 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 contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the company has sub-contracts the construction of the facility at a fixed price contract its Ultimate holding Company i.e, Ashoka Buildcon Ltd.

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.

32 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.

(₹ In Lakh)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Long term borrowings	12,500.00	-
Other Non-current liabilities	691.26	6,072.71
Financial Liability Current -Trade Payable	6,903.59	-
Other financials liabilities-Non Current	47.06	-
Other Current Liabilities	6,206.06	5,967.20
Total Liabilities (A)	**26,347.97**	**12,039.91**
Less:		
Cash and Cash Equivalent	36.65	445.91
Other Bank Balances	-	-
Total Assets (B)	**36.65**	**445.91**
Net debt (A-B)	**26,311.33**	**11,594.00**
Equity including Other Equity	9,197.26	3,798.32
Capital and Net debt (C)	**35,508.59**	**15,392.32**
Gearing ratio (Net Debt/ Capital & Net Debt)	**74.10%**	**75.32%**

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.

(All figures are in Rs in lakh unless otherwise stated)

33 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, 2019.

As per our report of even date attached
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

For and behalf of the Board of Directors of
Ashoka Ranastalam Anandpuram Road Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Nuzhat Khan	Pooja A Lopes	Ravindra M Vijayvargiya	Piyush K. Jain	Rajendra C. Burad
Partner	**Company Secretary**	**Chief Financial Officer**	**Director**	**Director**
M.No: 124960			DIN - 07588639	DIN - 00112638
Date: May 18, 2019				Date: May 18, 2019
Place: Mumbai				Place: Mumbai