

MKPS & ASSOCIATES

(Formerly DASS MAULIK MAHENDRA K AGRAWAL & CO)

CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To
The Members,
SRINAGAR BANIHAL EXPRESSWAY LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **SRINAGAR BANIHAL EXPRESSWAY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (Including other comprehensive income), the Statement of Changes in Equity, and the Statement Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a) We draw attention to note 33 to the accompanying financial statements regarding the cost overrun on the project to the extent of Rs 3,679.03 Mn accounted during the year.
- b) We also draw attention to note 32 to the accompanying financial statements where the company could not meet its borrowing obligations with the lenders during the year, as a result of which the loan accounts with various banks had become Non Performing Asset (NPA). The Management is confident of repayment of Principal and interest to the lenders in the coming years from the future annuity receivables as the company has already achieved Provisional Commercial Operational date (PCOD) last year.

Our opinion is not qualified in respect of above matters

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Board's Report including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

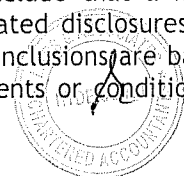
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes 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.

Report on Other Legal and Regulatory Requirements

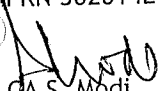
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure -A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the 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 statement of changes in Equity and the statement of Cash flows and dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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"; and
 - (g) The company has not paid or provided any managerial remuneration during the year. Hence, 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 is not applicable.



(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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For MKPS & Associates
Chartered Accountants
FRN 302014E


CA S. Modi
Partner
M No. 051361



Place: Hyderabad
Date: 15/05/2019

Annexure- A to the Independent Auditors' Report:

The Annexure referred to the Independent auditors' report to the members of the company on the financial statements for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us the company has been not regular in depositing the undisputed statutory dues including Income-Tax, Labour cess, Gst with the appropriate authorities.

According to the information and explanations given to us, undisputed Labour cess of Rs.34,793,136 under BOCWW Act and Gst of Rs.81,605 in respect of the aforesaid statutory dues are in arrears as at March 31,2019 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2019 which have not been deposited on account of a dispute.
- viii. In our opinion and according to the information and explanations given to us, *except for the dues stated below* the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any loans from Government and outstanding debentures during the year.

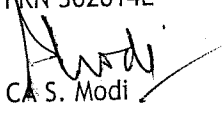
Details of delays in repayment of term loans obtained from banks and financial institutions, which were outstanding as at 31 March 2019:

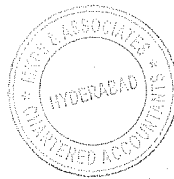
Name of the bank	Principal Amount in Rs.	Delay (in days)	Interest Amount in Rs.	Delays (in days)
ICICI BANK	1,20,00,000	65	1,53,36,046	1-122
CENTRAL BANK OF INDIA	10,00,00,000	65-249	23,28,62,771	1-336
DENA BANK	3,25,00,000	65-249	6,95,98,516	1-275
THE FEDERAL BANK LIMITED	3,75,00,000	65-249	9,54,67,174	1-336
J & K Bank	10,00,00,000	65-249	23,53,68,105	1-336

ORIENTAL BANK OF COMMERCE	5,00,00,000	65-249	11,89,20,077	1-336
BANK OF INDIA	10,00,00,000	65-249	23,82,01,156	1-336
E SBOP	5,00,00,000	65-249	11,69,69,729	1-336
ICICI Bank sub debt	4,00,00,000	65	8,26,44,109	1-122
INDIAN OVERSEAS BANK	10,00,00,000	65-249	16,83,39,240	1-244
ANDHRA BANK	5,00,00,000	65-249	11,81,09,345	1-336

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E


CA S. Modi
Partner
M No. 051361



Place: Hyderabad
Date: 15/05/2019

Annexure- B to the Independent Auditors' Report:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SRINAGAR BANIHAL EXPRESSWAY LIMITED ("the Company") as of 31st March 2019 in conjunction with our audit of the 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 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 ('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 over financial reporting 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



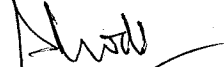
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 MKPS & Associates
Chartered Accountants
FRN 302014E


CA S. Modi
Partner
M No. 051361



Place: Hyderabad
Date: 15/05/2019

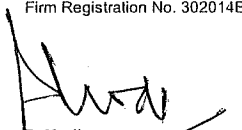
(Rs in Millions)

	Notes	31 March 2019	31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	1.87	1.90
Financial assets			
Other financial assets	5	18,642.35	16,843.51
Other non-current assets	6	3.08	826.83
Total non-current assets		18,647.31	17,672.24
Current assets			
Inventories	7	0.12	6.76
Financial assets			
Cash and cash equivalents	8	381.89	3.80
Other financial assets	9	1,397.29	456.20
Other current assets	10	236.89	546.64
Total current assets		2,016.20	1,013.41
Total assets		20,663.52	18,685.65
Equity and liabilities			
Equity			
Equity share capital	11	0.53	0.53
Other equity	12		
Retained earnings		(1,040.49)	(122.82)
Equity component of compound financial instrument		352.15	352.15
Capital contribution		909.61	686.32
Total equity		221.79	916.17
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	16,049.67	14,095.14
Other financial liabilities	14	250.65	265.97
Deferred tax liabilities (net)	15	487.82	420.27
Total non-current liabilities		16,788.14	14,781.38
Current liabilities			
Financial liabilities			
Trade payables			
i) Total outstanding dues to micro and small enterprises	16	7.35	-
ii) Outstanding dues to creditors other than micro and small enterprises		208.06	125.66
Others financial liabilities	17	3,080.46	2,768.27
Other current liabilities	18	128.27	50.30
Provisions	19	229.44	43.87
Total current liabilities		3,653.58	2,988.09
Total liabilities		20,441.73	17,769.47
Total equity and liabilities		20,663.52	18,685.65

The notes 1 to 34 are an integral part of these financial statements

In terms of our report attached.


For MKPS & Associates
Chartered Accountants
Firm Registration No. 302014E



S. Modi
Partner
Membership Number : 051361



Place : Hyderabad
Date : 15-May-2019

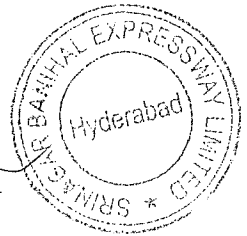
For and on behalf of the Board
Srinagar Banihal Expressway Limited


Y R Nagaraja
Director
DIN : 00009810


P Ravi Prasad
Director
DIN : 07872103


N Madhu Sudhana Reddy
Company secretary


D Lakshmana Rao
Chief Financial Officer



Srinagar Banihal Expressway Limited
 CIN:U45200AP2010PLC070676
 Statement of Profit and Loss for the year ended 31 March 2019

(Rs in Millions)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	20	4,697.04	2,261.23
Other income	21	1,003.46	1,718.50
Total income		5,700.50	3,979.73
Expenses			
Construction costs	22	4,125.22	2,036.82
O&M Expenses	23	313.67	-
Finance costs	24	2,120.61	1,810.32
Depreciation expense	4	0.02	0.04
Other expenses	25	117.56	73.42
Total expenses		6,677.07	3,920.61
Profit before tax		(976.58)	59.12
Current tax		-	4.44
Deferred tax		(58.90)	27.81
Income tax expense		(58.90)	32.25
Profit for the year		(917.67)	26.87
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability (asset)		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of taxes		-	-
Total comprehensive income for the year		(917.67)	26.87
Earnings per share			
Basic earnings per share (INR)	27	(17,461.19)	511.33
Diluted earnings per share (INR)	27	(17,461.19)	511.33

The notes 1 to 34 are an integral part of these financial statements

In terms of our report attached.

For MKPS & Associates
 Chartered Accountants
 Firm Registration No. 302014E

B. Modi
 Partner
 Membership Number : 051361



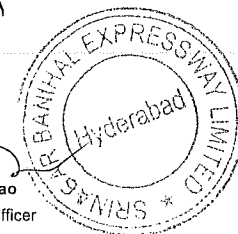
For and on behalf of the Board
 Srinagar Banihal Expressway Limited

Y R Nagaraja
 Director
 DIN : 00009810

Ravi Prasad
 Director
 DIN : 07872103

N. Madhu Sudhana Reddy
 N Madhu Sudhana Reddy
 Company secretary

D Lakshmana Rao
 Chief Financial Officer



Place : Hyderabad
 Date : 15-May-2019

Srinagar Banihal Expressway Limited
CIN:U45200AP2010PLC070676
Statement of Cash Flows for the year ended 31 March 2019

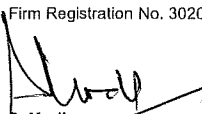
(Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit for the year (before tax)	(976.58)	59.12
<i>Adjustments for:</i>		
Depreciation and amortisation expense	0.02	0.04
Guarantee commission	70.74	71.80
Interest expense	2,120.61	1,810.32
Interest income	(1,003.46)	(1,718.50)
Others	(239.92)	(224.41)
	(28.58)	(1.62)
<i>Working capital adjustments:</i>		
(Increase)/decrease in other financial assets	(1,496.53)	(3,815.27)
(Increase)/decrease in other assets	1,098.04	492.34
(Increase)/decrease in inventories	6.63	37.14
Increase in other financial liabilities	38.88	2,554.31
Increase in trade payables	89.76	(163.55)
Increase in provisions	229.44	-
Increase (decrease) in other current liabilities	77.97	13.55
Cash used in operating activities	15.60	(883.10)
Income tax paid (net)	(29.31)	-
Net cash used in operating activities (A)	(13.71)	(883.10)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Interest received	16.63	-
Net cash from investing activities (B)	16.63	-
Cash flows from financing activities		
Proceed from long-term borrowings	1,356.44	895.13
Interest paid	(981.28)	(26.43)
Net cash flow from financing activities (C)	375.16	868.69
Net decrease in cash and cash equivalents (A+B+C)	378.08	(14.41)
Cash and cash equivalents at 1 April	3.80	18.21
Cash and cash equivalents at 31 March	381.89	3.80

The notes 1 to 34 are an integral part of these financial statements

In terms of our report attached.

For MKPS & Associates
Chartered Accountants
Firm Registration No. 302014E


S. Modi
Partner
Membership Number : 053161



For and on behalf of the Board
Srinagar Banihal Expressway Limited

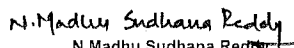


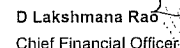
Y R Nagaraja
Director
DIN: 00009810

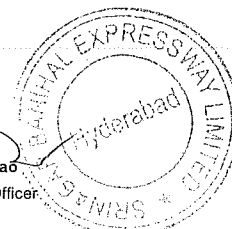


P. Savi Prasad
Director
DIN : 07872103

Place : Hyderabad
Date : 15-May-2019


N. Madhu Sudhana Reddy
Company secretary


D Lakshmana Rao
Chief Financial Officer



Srinagar Banihal Expressway Limited
 CIN:U45200AP2010PLC070676
 Statement of Cash Flows for the year ended 31 March 2019 (cont...)

Changes in Liability arising from financing activities

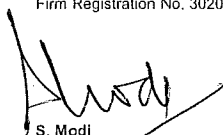
Particulars	1st April 2018	Cash flow	Non-Cash changes		31st March 2019
			Fair Value changes	Current/Non-Current classification	
Borrowings - Non Current	14,095.14	3,060.46	(241.92)	(864.00)	16,049.67
Borrowings - Current	-	-	-	-	-
Other Financial Liabilities	2,376.02	(1,704.02)	-	864.00	1,536.00
	16,471.15	1,356.44	(241.92)	-	17,585.67

The notes 1 to 34 are an integral part of these financial statements

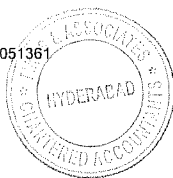
In terms of our report attached.

For MKPS & Associates
 Chartered Accountants
 Firm Registration No. 302014E

For and on behalf of the Board
 Srinagar Banihal Expressway Limited



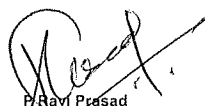
S. Modi
 Partner
 Membership Number : 051361



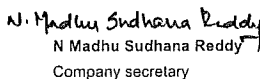
Place : Hyderabad
 Date : 15-May-2019



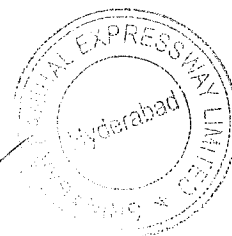
Y R Nagaraja
 Director
 DIN : 00009810



P Ravi Prasad
 Director
 DIN : 07872103


 N Madhu Sudhana Reddy
 Company secretary


 D Lakshmana Rao
 Chief Financial Officer



Srinagar Banihal Expressway Limited

CIN:U45200AP2010PLC070676

Statement of changes in equity for the year ended 31 March 2019

a. Equity share capital

(Rs in Millions)

	Amount
Balance as at 1 April 2017	0.53
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	0.53
Changes in equity share capital during 2018-19	-
Balance as at the 31 March 2019	0.53

b. Other equity

(Rs in Millions)

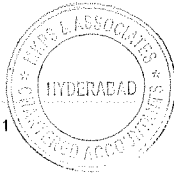
	Reserves and surplus	Equity component of compound financial instruments	Capital contribution	Total
	Retained earnings			
Balance at 1 April 2017	(149.69)	352.15	480.82	683.27
Total comprehensive income for the year ended 31 March 2018				
Profit or loss	26.87	-	-	26.87
Other equity (net of tax)			205.50	205.50
Total comprehensive income	26.87	-	205.50	232.38
Transactions with owners, recorded directly in equity	-	-	-	-
Balance at 31 March 2018	(122.82)	352.15	686.32	915.65
Total comprehensive income for the year ended 31 March 2019				
Profit or loss	(917.67)	-	-	(917.67)
Other comprehensive income (net of tax)	-	-	-	-
Other equity (net of tax)			223.28	223.28
Total comprehensive income	(917.67)	-	223.28	(694.39)
Transactions with owners, recorded directly in equity	-	-	-	-
Balance at 31 March 2019	(1,040.49)	352.15	909.61	221.27

The notes 1 to 34 are an integral part of these financial statements

in terms of our report attached.

For MKPS & Associates
Chartered Accountants
Firm Registration No. 302014E

S. Modi
Partner
Membership Number : 051361



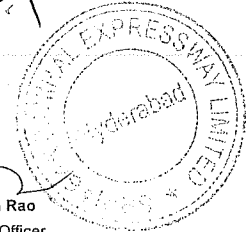
For and on behalf of the Board
Srinagar Banihal Expressway Limited

Y R Nagaraja
Director
DIN: 00009810

P Ravi Prasad
Director
DIN : 07872103

N. Madhu Sudhana Reddy
N Madhu Sudhana Reddy
Company secretary

D Lakshmana Rao
Chief Financial Officer



Place : Hyderabad
Date : 15-May-2019

Srinagar Banihal Expressway Limited
Notes to the financial statements for the year ended 31 March 2019

1. Reporting entity

Srinagar Banihal Expressway Limited (the 'Company') is a company domiciled in India, with its registered office situated at Ramky Grandiose, 15th Floor, Sy No 136/2 & 4, Gachibowli, Hyderabad, Telangana. The Company has been incorporated under the provisions of the Companies Act, 1956 as a Special Purpose Vehicle ("SPV") promoted by Ramky Infrastructure Limited ('RIL') and Jiangsu Provincial Transportation Engineering Group Co. Limited.

The project of the Company consists of design, construction, development, finance, operation and maintenance of four laning of a section on the Srinagar-Banihal National Highway 1 in the state of Jammu and Kashmir on design, build, finance, operate and transfer (DBFOT) annuity basis for a period of 20 years.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 15th May, 2019.

Details of the Company's accounting policies are included in Note3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(e)(ii) – realization of deferred tax assets

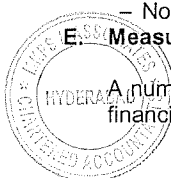
Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

- Note 3(d)(ii) – impairment test of non-financial assets;
- Note 3(e)(ii) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Notes 3(f) – recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(d) (i) – impairment of financial assets.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.



Srinagar Banihal Expressway Limited
Notes to the financial statements for the year ended 31 March 2019

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 3(a) – financial instruments;

3. Significant accounting policies

a. Financial instruments

Non-derivative financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost; non derivative financial liabilities at amortized cost. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition

Non- derivative financial assets

Financial assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The company's financial assets include cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current assets.

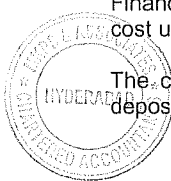
Non-derivative financial assets – service concession arrangements

The Company recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition and classified as trade receivables. Subsequent to initial recognition, such financial assets are measured at amortized cost.

Non-derivative financial liabilities

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

The company has the following financial liabilities: loans and borrowings, trade and other payables including deposits collected from various parties.



Srinagar Banihal Expressway Limited
Notes to the financial statements for the year ended 31 March 2019

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

b. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Computer equipment	3 years	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

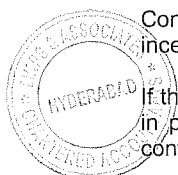
Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c. Revenue recognition

i. Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.



Srinagar Banihal Expressway Limited
Notes to the financial statements for the year ended 31 March 2019

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

ii. Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Company's accounting policy on recognising revenue on construction contracts (see (i) above). Operation or service revenue is recognised in the period in which the services are provided by the Company.

d. Impairment

i. Impairment of financial instruments

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in



Srinagar Banihal Expressway Limited

Notes to the financial statements for the year ended 31 March 2019

respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

e. Income tax

Income tax comprises of current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

f. Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

g. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

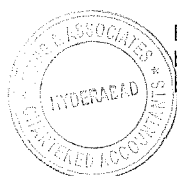
The effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

h. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which



Srinagar Banihal Expressway Limited

Notes to the financial statements for the year ended 31 March 2019

necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

i. Segment reporting

The Board of Directors assesses the financial performance of the Company and makes strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. the road project and hence no separate disclosures are required under Ind AS 108.

j. Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.



4. Property, plant and equipment
 A. Reconciliation of carrying amount

(Rs in Millions)

	Freehold land	Furniture and fixtures	Office equipment	Computer equipment	Total
Deemed cost (gross carrying amount)					
Balance at 1 April 2018	1.81	0.06	0.14	0.08	2.10
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2019	1.81	0.06	0.14	0.08	2.10
Accumulated depreciation and impairment losses					
Balance at 1 April 2018	-	0.02	0.09	0.08	0.20
Depreciation for the year	-	0.01	0.01	-	0.02
Impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2019	-	0.03	0.11	0.08	0.22
Carrying amounts (net)					
At 1 April 2018	1.81	0.04	0.05	-	1.90
Balance at 31 March 2019	1.81	0.03	0.04	-	1.87



Srinagar Banihal Expressway Limited

CIN:U45200AP2010PLC070676

Notes to the financial statements for the year ended 31 March 2019

5. Other financial assets

(Rs in Millions)

	31 March 2019	31 March 2018
Receivable from grantor	18,642.35	16,843.51
	18,642.35	16,843.51

6. Other non-current assets

(Rs in Millions)

	31 March 2019	31 March 2018
Security deposits	3.08	-
Mobilisation advance	-	826.83
Prepaid guarantee commission	-	-
	3.08	826.83

7. Inventories

(Valued at lower of cost and net realisable value)

(Rs in Millions)

	31 March 2019	31 March 2018
Steel and cement	0.12	6.76
	0.12	6.76

8. Cash and cash equivalents

(Rs in Millions)

	31 March 2019	31 March 2018
Cash in hand	-	-
Balances with banks in current accounts	381.89	3.80
	381.89	3.80

9. Other financial assets

(Rs in Millions)

	31 March 2018	31 March 2018
Receivable from grantor	1,397.29	456.20
	1,397.29	456.20

10. Other current assets

(Rs in Millions)

	31 March 2019	31 March 2018
Other receivables	146.42	7.08
Receivable from tax authorities	57.87	23.52
Mobilisation advance	-	-
Prepaid expenses	3.26	3.50
Prepaid guarantee commission	(0.00)	35.46
Advance to material suppliers	29.34	31.30
Advance against utility shifting work and other expenses	-	25.66
Advance against EPC work	-	420.12
	236.89	546.64



Srinagar Banihal Expressway Limited

CIN:U45200AP2010PLC070676

Notes to the financial statements for the year ended 31 March 2019

11. Share capital

(Rs in Millions)

	31 March 2019	31 March 2018
Authorised		
Equity shares of ` 10 each	14.53	14.53
0.001% Non Cumulative, Non Convertible Redeemable Preference Shares of Rs.10/- each	615.47	615.47
	630.00	630.00
Issued, subscribed and paid-up		
Equity shares of ` 10 each	0.53	0.53
	0.53	0.53

0.001% Non Cumulative, Non Convertible, Redeemable Preference Shares of ` 10 each have been issued and have been classified as financial liability (see Note 13).

A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

(Rs in Millions)

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
At the commencement of the year	0.05	0.53	0.05	0.53
Shares issued for cash	-	-	-	-
At the end of the year	0.05	0.53	0.05	0.53

B. Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

C. Shareholders holding more than 5% of equity share capital

(Rs in Millions)

	31 March 2019		31 March 2018	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited	0.04	74%	0.04	74%
Jiangsu Provincial Transportation Engineering Group Co.Ltd	0.01	26%	0.01	26%
	0.05	100%	0.05	100%

D. Details of shareholding by holding company

(Rs in Millions)

	31 March 2019		31 March 2018	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited				
- Equity shares	0.04	74%	0.04	74%

12. Other equity

(Rs in Millions)

	31 March 2019	31 March 2018
Retained earnings		
Balance at the beginning of the year	(122.82)	(149.69)
Add: (Loss)/ Profit for the year	(917.67)	26.87
Balance at the end of the year	(1,040.49)	(122.82)
Equity component of compound financial instruments (Refer note 13)		
Balance at the beginning of the year	352.15	352.15
Additions during the year	-	-
Balance at the end of the year	352.15	352.15
Capital contribution from parent*(Refer note 13)		
Balance at the beginning of the year	686.32	480.82
Additions during the year	223.28	205.50
Balance at the end of the year	909.61	686.32
	221.26	915.65

* Represents fair value of interest-free loan received from Holding Company



Srinagar Banihal Expressway Limited

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Notes to the financial statements for the year ended 31 March 2019

13. Borrowings

(Rs in Millions)

	31 March 2019	31 March 2018
Secured		
<i>Term Loans</i>		
<i>- From Banks</i>		
Andhra bank	887.42	947.22
Bank of India	1,775.59	1,895.26
Central Bank of India	1,775.37	1,895.00
IOB	1,774.53	1,894.13
J & K	1,775.73	1,895.39
Federal Bank	665.82	710.71
OBC	887.45	947.25
Dena bank	577.12	616.01
ICICI Bank - Subordinate Term loan	1,323.95	1,412.92
ICICI Bank - Senior Term loan	306.48	328.56
SBI	887.79	947.64
Unsecured loan (Related Party)		
Sub-debt from Ramky Infrastructure limited	614.87	400.18
Unsecured Loan from Ramky Infrastructure limited	1,624.61	-
Unsecured Loan from Oxford Ayyappa Consulting Services (India) Private Limited	944.29	-
Preference shares-Ramky Infrastructure limited	228.66	204.83
	16,049.67	14,095.14

Refer note 29 for detailed related party disclosure.

A. Security:

The first ranking rupee term loan, interest thereon and all amounts in respect thereof shall be secured on a first ranking pari-passu basis by a mortgage/hypothecation/assignment/security interest/ Charge/pledge, without limitation.

- All the Borrower's immovable, moveable properties both present and future except for Project Assets (as defined in Concession Agreement).
- Assignment of rights, interest and obligations of the Concessionaire to the extent covered by and in accordance with the Substitution Agreement
- All the Borrower's bank account(s) in relation to the project, including but not limited to the Escrow Account(s) to the extent of waterfall of the priorities as provided in the Escrow Agreement.
- Pledge of 30% of equity share capital of the Borrower held by Sponsors

B. Repayment schedule

Senior Term loans

Senior Term Loan is repayable in maximum 22 structured semi-annual instalments with the first repayment starting from July 2017 and Subordinate Term Loan is repayable 24 structured semi-annual instalments with the first repayment starting from July 2018 as per Amendment to Amending Common Loan Agreement Dt: 20th Oct 2016

(Rs in Millions)

Year	Senior Debt	Subordinate Debt
2017-18	20.00	-
2018-19	644.00	80.00
2019-20	768.00	96.00
2020-21	768.00	96.00
2021-22	774.00	96.00
2022-23	966.00	96.00
2023-24	1,160.00	112.00
2024-25	1,408.00	128.00
2025-26	1,410.00	128.00
2026-27	1,478.00	144.00
2027-28	1,668.00	144.00
2028-29	1,736.00	208.00
2029-30	-	272.00
Total	12,800.00	1,600.00



Srinagar Banihal Expressway Limited

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Notes to the financial statements for the year ended 31 March 2019

C. Terms and conditions attached to 10% Cumulative, Redeemable, Optional, Convertible Preference Shares

The Company issued 62 Millions 0.001% Non-Cumulative, Non-convertible, Redeemable Preference Shares of ₹10 each at par. These shares are redeemable either at par or premium at the option of the Board on or before 17 years anytime before redemption. Pursuant to the agreement, RIL made long-term non-reciprocal contributions of INR 510 Millions as at 1 April 2015, which as per the terms of agreement are not available for distribution as dividend. Management has evaluated that these contributions are in substance in the nature of equity and accordingly classified the amounts received as "equity component of compound financial instrument".

D. Terms and conditions attached to interest free sub-debt from Ramky Infrastructure Limited

To be repaid after repayment of Term loans & Sub debt from Banks

E. Terms and conditions attached to Unsecured loan received from Ramky Infrastructure Limited

The company has entered into an agreement to borrow an unsecured loan Rs 1700 Millions from Ramky Infrastructure Limited. Interest at the rate 15.50% per annum shall be payable in respect of loan taken from RIL and the principal amount shall be repaid within 60 Months or at the earliest of convenience of the borrower after a moratorium of 2 years from the date of first disbursement i.e., 8th March 2019

F. Terms and conditions attached to Unsecured loan received from Oxford Ayyappa Consulting Services (India) Private Limited

The company has entered into an agreement to borrow an unsecured loan Rs1500 Millions from Oxford Ayyappa Consulting Services (India) Private Limited. Interest at the rate 15.00% per annum shall be payable in respect of loan taken from Oxford Ayyappa Consulting Services (India) Private Limited and the principal amount will be repaid within three years from the date of first disbursement i.e., 27th Nov 2018

14. Other financial liabilities

(Rs in Millions)

	31 March 2019	31 March 2018
Retention money	250.65	230.06
Interest accrued but not due	-	35.91
	250.65	265.97

15. Deferred tax assets (liabilities)

A. Movement in temporary differences

(Rs in Millions)

	31 March 2019	31 March 2018
Deferred tax assets		
Financial instruments	95.84	33.64
SCA adjustments	(34.12)	15.69
MAT Credit	23.93	38.49
	85.66	87.83
Deferred tax liabilities		
Corporate guarantee	49.50	25.88
Interest - Effective interest rate	(14.73)	(37.63)
Financial instruments	(608.25)	(496.35)
	(573.48)	(508.10)
	(487.82)	(420.27)

16. Trade payables

(Rs in Millions)

	31 March 2019	31 March 2018
Creditors for construction and utility shifting	172.53	0.13
Payable to material supplier	34.96	124.86
Creditors for other expenses	7.93	0.67
	215.41	125.66

17. Other financial liabilities

(Rs in Millions)

	31 March 2019	31 March 2018
Current maturities of long-term debts:		
- Term loans	864.00	1,624.00
- Others	-	752.02
Loan outstanding for repayment	672.00	-
Interest accrued and due on borrowings	1,491.82	357.90
Security deposit received	52.65	34.35
	3,080.46	2,768.27

18. Other current liabilities

(Rs in Millions)

	31 March 2019	31 March 2018
Statutory liabilities	128.27	50.30
	128.27	50.30

19. Provisions

(Rs in Millions)

	31 March 2019	31 March 2018
Provision for major maintenance expenses	162.50	-
Provision for expenses	66.94	-
Provision for income tax, net of advance tax	-	43.87
	229.44	43.87



20. Revenue from operations (Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Construction income under SCA	4,365.14	2,261.23
Operating Income	331.91	-
	4,697.04	2,261.23

21. Other income (Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- From banks	16.63	5.42
- on financial asset	986.44	1,713.08
- Others	0.39	-
	1,003.46	1,718.50

22. Construction costs (Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Constructions costs under SCA	4,125.22	2,036.82
	4,125.22	2,036.82

23. O&M Expenses (Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
O&M Expenses	151.17	-
Provision for Major maintenance expenses	162.50	-
	313.67	-

24. Finance costs (Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense - Term Loans	1,957.66	1,810.31
Interest expense - Others	157.54	-
Other borrowing cost	5.41	0.02
	2,120.61	1,810.32

25. Other expenses (Rs in Millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Professional and consultancy charges	30.02	0.31
Guarantee commission	70.74	71.80
Audit fee (See note (i) below)	1.00	1.17
Insurance expenses	15.71	-
Miscellaneous expenses	0.10	0.14
	117.56	73.42

(i) Payments to auditors

	For the year ended 31 March 2019	For the year ended 31 March 2018
As Auditor		
- Statutory audit	0.60	0.59
- Tax audit	0.35	0.30
- Certification charges	0.05	0.28
	1.00	1.17

26 Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at 31 Mar 2019 was as follows:

	31 March 2019	31 March 2018
Total liabilities	20,441.73	17,769.47
Less: cash and cash equivalents	381.89	3.80
Adjusted net debt	20,059.83	17,765.67
Total equity	221.79	916.17
Adjusted net debt to equity ratio	90.45	19.39

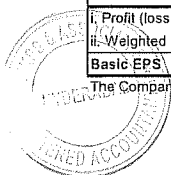
27 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

	31 March 2019	31 March 2018
i. Profit (loss) attributable to equity shareholders(basic)	(917.67)	26.87
ii. Weighted average number of equity shares (basic)	0.05	0.05
Basic EPS	(17,461.19)	511.33

The Company has no potentially dilutive equity shares outstanding during the year.



Srinagar Banihal Expressway Limited

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Notes to the financial statements for the year ended 31 March 2019

28 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements including their levels in the fair value hierarchy is not given. No assets and liabilities are measured at fair value. The following table shows the carrying amounts at amortized cost of financial assets and financial liabilities.

31 March 2019

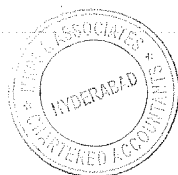
(Rs in Millions)

	Carrying amount		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets measured at fair value	-	-	-
Financial assets not measured at fair value			
Receivable from grantor	20,039.64		20,039.64
Cash and cash equivalents	381.89		381.89
	20,421.53	-	20,421.54
Financial liabilities not measured at fair value			
Secured bank loans	-	12,637.24	12,637.24
Loans from related parties	-	2,239.49	2,239.49
Loans from Others	-	944.29	
Preference shares	-	228.66	228.66
Trade payables	-	215.41	215.41
Others	-	3,331.11	3,331.11
	-	19,596.20	18,651.91

31 March 2018

(Rs in Millions)

	Carrying amount		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets measured at fair value	-	-	-
Financial assets not measured at fair value			
Receivable from grantor	17,299.71		17,299.71
Cash and cash equivalents	3.80		3.80
	17,303.51		17,303.52
Financial liabilities not measured at fair value			
Secured bank loans	-	13,490.12	13,490.12
Loans from related parties	-	400.18	400.18
Preference shares	-	204.83	204.83
Trade payables	-	125.66	125.66
Others	-	3,034.24	3,034.24
	-	17,255.03	17,255.03



B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii) 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; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables and loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 381.89 Millions at 31 March 2019 (31 March 2018: INR 3.80 Millions). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements

31 March 2019 (Rs in Millions)

	Carrying amount	Contractual Cash flows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	12,637.24	12,637.24	-	-	864.00	3,204.00	8,569.24
Loans from related parties	2,239.49	2,239.49	-	-	-	1,624.61	614.87
Loans from others	944.29	944.29	-	-	-	944.29	-
Preference shares	228.66	228.66	-	-	-	-	228.66
Trade payables	215.41	215.41	215.41	-	-	-	-
Others	3,331.11	3,331.11	2,899.11	432.00	-	-	-
	19,596.20	19,596.20	3,114.52	432.00	864.00	5,772.91	9,412.77

31 March 2018 (Rs in Millions)

	Carrying amount	Contractual Cash flows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	13,490.12	13,490.12	-	-	864.00	2,796.00	9,830.12
Loans from related parties	400.18	400.18	-	-	-	-	400.18
Preference shares	204.83	204.83	-	-	-	-	204.83
Trade payables	125.66	125.66	125.66	-	-	-	-
Others	3,034.24	3,034.24	1,772.24	1,262.00	-	-	-
	17,255.03	17,255.03	1,897.90	1,262.00	864.00	2,796.00	10,435.14

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate instruments.

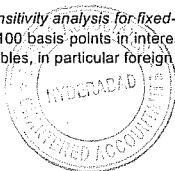
Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

	Note	(Rs in Millions)	
		31 March 2019	31 March 2018
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	13	16,049.67	14,095.14

Fair value sensitivity analysis for fixed-rate instruments

A change of 100 basis points in interest rates would have increased or decreased equity by INR 160.52 Millions after tax (2017-18: INR 150.18 Millions). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant



29. Related party disclosure

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	Ramky Infrastructure Limited	Holding Company
2	Oxford Ayyappa Consulting Services (India) Private Limited	Common promoter with controlling Stake
3	Mr.Y R Nagaraja	Director
4	Mr.Ravi Prasad	Director

B. Transactions with related parties during the year ended

		(Rs in Millions)		
S. No.	Name of the related party	Nature of transactions	31 March 2019	31 March 2018
1	Ramky Infrastructure Limited	Construction costs	372.29	1,222.53
		O & M expenditure	85.65	-
		Milestone and on account payment	1,461.48	802.31
		Utility shifting expenditure	77.47	69.41
		Utility shifting Paid	54.55	-
		Retention Money deducted	22.50	73.42
		Cost over run costs	3,679.03	-
		Sub debt received	457.13	389.65
		Mob Advance Repaid	826.83	-
		Unsecured loan received	1,612.00	-
2	Oxford Ayyappa Consulting Services (India) Private Limited	Interest expenses on Unsecured loan	14.01	-
		Unsecured loan received	1,463.55	-
		Interest expenses on Unsecured loan	72.58	-
		Processing fee on unsecured loan	39.83	-
		Unsecured loan repaid	586.00	-

C. Balances outstanding

		(Rs in Millions)		
S. No.	Name of the related party	Nature of transactions	31 March 2019	31 March 2018
1	Ramky Infrastructure Limited	Equity share capital	0.39	0.39
		Preference share capital	615.47	615.47
		Sub debt payable	1,693.28	1,236.15
		Unsecured loan	1,624.61	-
		On account payable	21.43	418.21
		Payable against utility shifting	151.00	-
		Mobilisation advance	-	826.83
2	Oxford Ayyappa Consulting Services (India) Private Limited	Retention money payable	250.65	228.15
		Unsecured loan payable	978.72	-

* The above balances are net of Ind AS adjustments and as per confirmatons from related parties



30. Service concession arrangement

a) The project of the company consists of Design, Construction, Development, Finance, Operation and maintenance of four laning of a section on the Srinagar-Banihal National Highway 1A in the state of Jammu and Kashmir on design, build, finance, operate and transfer (DBFOT) annuity basis for a period of 20 years.

b) During the year, the Company has recorded revenue of INR 4697.04 Millions on construction. The Company has recorded total loss of INR 917.67 Millions in the current year.

The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the road.

31 Dues to Micro and Small Enterprises

Information relating to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the company. The required disclosures are given below

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Dues remaining unpaid as at Balance sheet date		
Principal amount	4.90	-
Interest on the above	2.45	-
(b) Interest Paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period		
Principal amount	-	-
Interest on the above	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Act	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
(e) Interest accrued and remaining unpaid as at Balance sheet date	2.45	-

32 During the financial year ending March 31, 2019, the company could not meet its borrowing obligations with the lenders, as a result of which the loan accounts with various banks had become Non Performing Asset (NPA). The Annuities received during the year were used for construction purpose, as a result of which the company was not able to service the interest and principal during the year.

The company has achieved PCOD on 27th March 2018 and became eligible for receiving annuities. The company has already received first annuity and lapsed annuity for the delay attributable to NHAI. The remaining life of the project is 13 years and estimated annuity receivables are Rs 36,000 Mn (Approx). The company is confident of repayment of principal and interest to the lenders in the coming years

33 The Company had subcontracted the EPC contract of four laning of a section on the Srinagar-Banihal National Highway 1A in the state of Jammu and Kashmir on back to back basis with the Concession Agreement at a lumpsum consideration of Rs.11,750 Millions. However, due to extension of the construction period there has been an increase in the development cost of the project. In the current year, the company and the EPC subcontractor, Ramky Infrastructure Limited entered into a supplementary agreement where the company agreed to reimburse towards cost overrun of the project for an amount of Rs 3,679.03 Millions to the EPC Contractor.

34 Financial Asset:

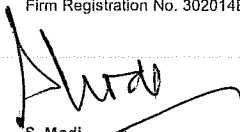
a) Financial Assets of Rs. 20,039.64 Millions includes construction cost of Rs. 367.14 Millions and margin Rs. 21.37 Millions incurred by the company. IE certification of the same is awaited.

b) As per the concession agreement, the scheduled COD/PCOD date was 26.06.2014 . The company achieved PCOD on 26.03.2018 with a delay of 1369 days. As on 31.03.2018 the company has received an extension of time for 523 days. The company has applied for further extension of time till 31.12.2019 being the date of COD, for which the approval of NHAI is awaited.

The notes 1 to 34 are an integral part of these financial statements

In terms of our report attached.

For MKPS & Associates
Chartered Accountants
Firm Registration No. 302014E

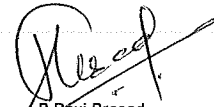

S. Modi
Partner
Membership Number : 051361

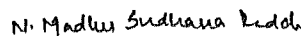


For and on behalf of the Board
Srinagar Banihal Expressway Limited



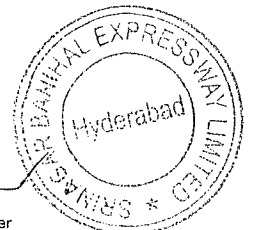
Y R Nagaraja
Director
DIN : 00009810


P Ravi Prasad
Director
DIN : 03872103



N Madhu Sudhana Reddy
Company secretary


D Lakshmana Rao
Chief Financial Officer



Place : Hyderabad
Date : 15-May-2019