

# MKPS & ASSOCIATES

(Formerly DASS MAULIK MAHENDRA K AGRAWAL & CO)

**CHARTERED ACCOUNTANTS**

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Above Maruti Showroom,  
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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, 2021, 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, 2021, 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 37 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as lock-down restrictions by the Government of India, travel restrictions etc.) and uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
- b) We also draw attention to Note 34 to the accompanying financial statements where the company could not meet its borrowing obligations with the lenders during the financial year 2018-19, as a result of which the loan accounts with various banks had become Non Performing Asset (NPA) and further, two lenders have approached Debt Recovery Tribunal (DRT) and initiated for recovery proceedings.
- c) We also draw attention to Note 35 to the accompanying financial statements for claims of Rs 4900 Mn made by the subcontractors on the principal contractor and the company, Where the assessment of claims is in process and is at various stages by the company. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying financial statements.



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d) We also draw attention to Note 36 to the accompanying financial statements for deductions by NHAI of Rs 1030 Mn from the annuities to the company and Where the company has initiated for recoveries from NHAI. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying financial statements.

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.

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.

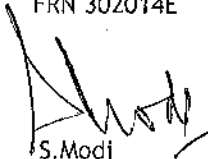
#### Report on Other Legal and Regulatory Requirements

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 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) The matters described under paragraph Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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
- (h) 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.
- (i) 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 35 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For MKPS & Associates  
Chartered Accountants  
FRN 302014E

  
S.Modi  
Partner  
M No. 051361  
UDIN: 21051361AAAAAL8482



Place: Hyderabad  
Date:04/06/2021

**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 2021, 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 Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- 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, the company is maintaining cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of services carried out by 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, Esi and PF with the appropriate authorities.

According to the information and explanations given to us, undisputed labour cess of Rs.36,861,176 under BOCWW Act in respect of the aforesaid statutory dues are in arrears as at March 31,2021 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 GST or cess as at 31st March, 2021 which have not been deposited on account of a dispute.



- viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to its bankers and financial institutions as per the details given below. 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 2021 are as follows :

Name of the Bank	Principal Amount in Rs.	Delay (In days)	Interest Amount in Rs.	Delay (In days)
ICICI Bank	6,00,00,000	66-796	11,32,77,078	1-853
Indian Overseas Bank	34,00,00,000	66-980	74,63,65,356	1-975
Andhra Bank	17,00,00,000	66-980	40,31,73,199	1-1067
Arcion Loan No -1	17,00,00,000	66-980	43,35,91,224	1-1067
Bank of India	34,00,00,000	66-980	83,68,22,235	1-1067
Oriental Bank of Commerce	17,00,00,000	66-980	39,63,03,559	1-1067
J & K Bank	34,00,00,000	66-980	81,11,56,017	1-1067
Arcion Loan No -3	12,75,00,000	66-980	33,70,93,380	1-1067
Bank of Baroda	11,05,00,000	66-980	27,18,27,146	1-1006
Arcion Loan No -2	34,00,00,000	66-980	84,42,52,474	1-1067
ICICI Bank Sub Debt	23,20,00,000	66-796	25,06,74,433	1-853

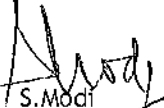
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations 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

  
S. Modi  
Partner

M No. 051361  
UDIN: 21051361AAAAAL8482



Place: Hyderabad  
Date: 04/06/2021

## **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 2021 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.





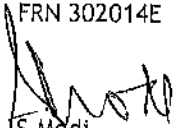
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 2021, 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

  
S. Modi  
Partner



M No. 051361  
UDIN: 21051361AAAAAL8482

Place: Hyderabad  
Date: 04/06/2021

(Rs. in Millions)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1.92	1.94
<b>Financial assets</b>			
Other financial assets	5	16,058.33	17,961.34
Other non-current assets	6	3.08	3.08
Deferred tax assets (net)	15	627.06	-
<b>Total non-current assets</b>		<b>16,690.39</b>	<b>17,966.36</b>
<b>Current assets</b>			
Inventories	7	-	0.06
<b>Financial assets</b>			
Cash and cash equivalents	8	1,500.14	1,597.63
Other financial assets	9	4,044.60	816.27
Other current assets	10	1,363.42	1,419.29
<b>Total current assets</b>		<b>6,908.16</b>	<b>3,833.25</b>
<b>Total assets</b>		<b>23,598.55</b>	<b>21,799.61</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	0.53	0.53
Other equity	12		
Retained earnings		(3,120.36)	(2,579.15)
Equity component of compound financial instrument		352.15	352.15
Capital contribution		909.61	909.61
Other comprehensive income		(0.39)	-
<b>Total equity</b>		<b>(1,858.46)</b>	<b>(1,316.86)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	14,806.05	15,211.84
Other financial liabilities	14	256.91	241.19
Deferred tax liabilities (net)	15	-	407.83
Provisions	16	1.14	0.68
<b>Total non-current liabilities</b>		<b>15,064.10</b>	<b>15,861.54</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
i) Total outstanding dues to micro and small enterprises	17	-	-
ii) Outstanding dues to creditors other than micro and small enterprises		206.55	136.40
Other financial liabilities	18	9,358.81	6,406.70
Other current liabilities	19	44.54	77.74
Provisions	20	783.02	634.10
<b>Total current liabilities</b>		<b>10,392.92</b>	<b>7,254.93</b>
<b>Total liabilities</b>		<b>25,457.02</b>	<b>23,116.47</b>
<b>Total equity and liabilities</b>		<b>23,598.55</b>	<b>21,799.61</b>

The notes 1 to 38 are an integral part of these financial statements

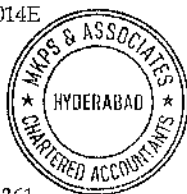
in terms of our report attached  
 For MKPS & Associates  
 Chartered Accountants  
 Firm Registration No. 302014E

S. Modi

Partner

Membership Number : 051361  
 UDIN:21051361AAAAA1.8482

Place : Hyderabad  
 Date :04-06-2021



For and on behalf of the Board  
 Srinagar Banihal Expressway Limited

Divakar Marri

Director

DIN: 06865376



N. Madhu Sudhana Reddy  
 N Madhu Sudhana Reddy  
 Company Secretary

Ayaz Jawad Hussain

Whole-time Director  
 cum CEO

DIN: 08825500

D Lakshmana Rao  
 Chief financial officer

(Rs in Millions)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	21	302.85	516.16
Other income	22	1,074.22	966.02
<b>Total income</b>		<b>1,377.07</b>	<b>1,482.18</b>
<b>Expenses</b>			
Construction costs	23	-	62.19
O&M Expenses	24	287.91	431.67
Finance costs	25	2,586.52	2,538.88
Depreciation expense	4	0.02	0.03
Employee Benefit expenses	26	10.27	10.96
Other expenses	27	68.48	43.10
<b>Total expenses</b>		<b>2,953.20</b>	<b>3,086.83</b>
<b>Profit Before Tax</b>		<b>(1,576.13)</b>	<b>(1,604.65)</b>
Current Tax		14.40	12.51
Previous year Tax		-	4.69
Deferred Tax expense/(income)		(1,049.30)	(83.19)
<b>Tax Expense</b>		<b>(1,034.90)</b>	<b>(65.99)</b>
<b>Profit After Tax</b>		<b>(541.21)</b>	<b>(1,538.66)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit Income / (Expenses)		(0.39)	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of taxes</b>		<b>(0.39)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(541.60)</b>	<b>(1,538.66)</b>
<b>Earnings per share</b>	29		
Basic earnings per share (Rs.)		(10,298.06)	(29,276.65)
Diluted earnings per share (Rs.)		(10,298.06)	(29,276.65)

The notes 1 to 38 are an integral part of these financials statements

in terms of our report attached

For MKPS & Associates

Chartered Accountants

Firm Registration No. 302014E

S. Modi

Partner

Membership Number : 051361

UDIN:21051361AAAAAL8482



For and on behalf of the Board  
Srinagar Banihal Expressway Limited

Divakar Marri

Director

DIN: 06865376

Ayaz Jawad Hussain

Whole-time Director cum CEO

DIN: 08825500



N. Madhu Sudhana Reddy  
N Madhu Sudhana Reddy

Company Secretary

D Lakshmana Rao

Chief financial officer

Place : Hyderabad

Date :04-06-2021

Srinagar Banihal Expressway Limited

CIN:U45200AP2010PLC070676

Statement of Cash Flows for the Year ended 31 March 2021

(Rs. in Millions)

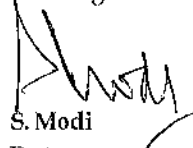
	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit for the year (before tax)	(1,576.13)	(1,604.65)
Adjustments for:		
Depreciation and amortisation expense	0.02	0.03
Guarantee commission	-	-
Interest expense	2,586.52	2,538.88
Interest income	(1,074.22)	(966.02)
Others	-	(3.13)
	<b>(63.81)</b>	<b>(34.89)</b>
Working capital adjustments:		
(Increase)/decrease in other financial assets	(302.86)	2,183.37
(Increase)/decrease in other assets	54.41	(1,144.92)
(Increase)/decrease in inventories	0.06	0.06
Increase in other financial liabilities	(3.29)	(9.19)
Increase in trade payables	70.15	(79.01)
Increase in provisions	148.99	405.33
Increase (decrease) in other current liabilities	(33.20)	(50.53)
<b>Cash used in operating activities</b>	<b>(129.53)</b>	<b>1,270.23</b>
Income tax paid (net)	-	(48.80)
<b>Net cash used in operating activities (A)</b>	<b>(129.53)</b>	<b>1,221.43</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(0.10)
Interest received	53.23	45.14
<b>Net cash from investing activities (B)</b>	<b>53.23</b>	<b>45.04</b>
<b>Cash flows from financing activities</b>		
Proceed from long-term borrowings	464.21	82.14
Interest paid	(485.40)	(132.87)
<b>Net cash flow from financing activities (C)</b>	<b>(21.19)</b>	<b>(50.73)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(97.49)</b>	<b>1,215.74</b>
Cash and cash equivalents at 1 April	1,597.63	381.89
<b>Cash and cash equivalents at the end of the year</b>	<b>1,500.14</b>	<b>1,597.63</b>

The notes 1 to 38 are an integral part of these financials statements

For MKPS & Associates

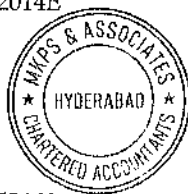
Chartered Accountants

Firm Registration No. 302014E

  
S. Modi  
Partner

Membership Number : 053161

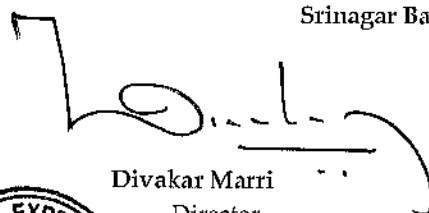
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Place : Hyderabad

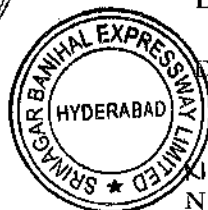
Date :04-06-2021

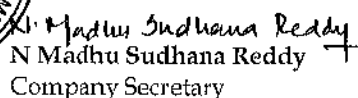
For and on behalf of the Board  
Srinagar Banihal Expressway Limited

  
Divakar Marri  
Director

Director

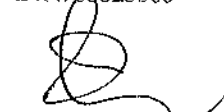
DIN: 06865376



  
N Madhu Sudhana Reddy  
Company Secretary

Ayaz Jawad Hussain  
Whole-time Director cum CEO

DIN: 08825500



D Lakshmana Rao  
Chief financial officer

## a. Equity share capital

(Rs. in Millions)

Particular	Amount
Balance as at 1 April 2019	0.53
Changes in equity share capital during 2019-20	-
Balance as at 31 March 2020	0.53
Changes in equity share capital during 2020-21	-
Balance as at 31 March 2021	0.53

## b. Other equity

(Rs. in Millions)

Particular	Reserves and surplus	Equity component of compound financial instruments	Capital contribution	Items of Other comprehensive income (OCI)	Total
Balance as at 1 April 2019	(1,040.49)	352.15	909.61	-	221.27
Changes during the year 2019-20	(1,538.66)	-	-	-	(1,538.66)
Balance at 31 March 2020	(2,579.15)	352.15	909.61	-	(1,317.39)
Balance at 1 April 2020	(2,579.15)	352.15	909.61	-	(1,317.39)
Changes during the year 2020-21	(541.21)	-	-	(0.39)	(541.60)
Balance at 31 March 2021	(3,120.36)	352.15	909.61	(0.39)	(1,858.99)

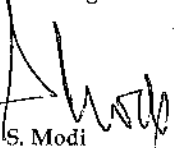
The notes 1 to 38 are an integral part of these financials statements

In terms of our report attached.

For MKPS &amp; Associates

Chartered Accountants

Firm Registration No. 302014E



S. Modi

Partner

Membership Number : 051361

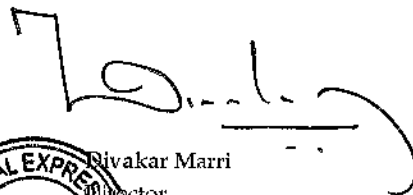
UDIN:21051361AAAAAL8482

Place : Hyderabad

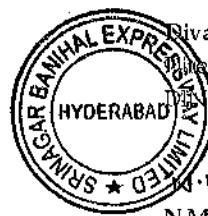
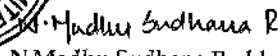
Date :04-06-2021

For and on behalf of the Board


Srinagar Banihal Expressway Limited


Sivakar Marri  
Director

DIN:06865376



  
N Madhu Sudhana Reddy  
Company Secretary
Ayaz Jawad Hussain  
Whole-time Director cum CEO

DIN: 08825500


  
D Lakshmana Rao  
Chief financial officer

**Srinagar Banihal Expressway Limited**  
**Notes to the financial statements for the year ended 31 March 2021**

**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 04 June 2021.

Details of the Company's accounting policies are included in Note 3.

**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 2021 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.



**Srinagar Banihal Expressway Limited**  
**Notes to the financial statements for the year ended 31 March 2021**

**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.

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.



**Srinagar Banihal Expressway Limited**  
**Notes to the financial statements for the year ended 31 March 2021**

***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.

***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:

<b>Asset</b>	<b>Management estimate of useful life</b>	<b>Useful life as per Schedule II</b>
Office equipment	5years	5years
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).





**Srinagar Banihal Expressway Limited**  
**Notes to the financial statements for the year ended 31 March 2021**

**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.

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.



**Srinagar Banihal Expressway Limited**  
**Notes to the financial statements for the year ended 31 March 2021**

**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 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.



**Srinagar Banihal Expressway Limited**  
**Notes to the financial statements for the year ended 31 March 2021**

**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 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**

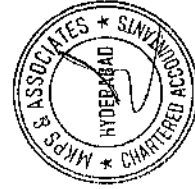
The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.



## 4. Property, plant and equipment

(Rs in Millions)

	Freehold land	Furniture and fixtures	Office equipment	Plant & Machinery	Computer equipment	Total
<b>Gross carrying amount</b>						
Balance at 1 April 2019	1.81	0.06	0.14	-	0.08	2.09
Additions	-	-	-	0.09	0.01	0.10
Disposals	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>1.81</b>	<b>0.06</b>	<b>0.14</b>	<b>0.09</b>	<b>0.09</b>	<b>2.19</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>1.81</b>	<b>0.06</b>	<b>0.14</b>	<b>0.09</b>	<b>0.09</b>	<b>2.19</b>
<b>Accumulated depreciation</b>						
Balance at 1 April 2019	-	0.04	0.10	-	0.08	0.22
for the year	-	0.01	0.01	0.01	-	0.03
On disposals	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>0.05</b>	<b>0.11</b>	<b>0.01</b>	<b>0.08</b>	<b>0.25</b>
Charge for the year	-	0.01	0.01	0.01	0.00	0.02
Elimination on disposal of assets	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>0.06</b>	<b>0.12</b>	<b>0.02</b>	<b>0.08</b>	<b>0.27</b>
<b>Net carrying amount</b>						
Balance at 31 March 2020	1.81	0.01	0.03	0.08	0.01	1.94
<b>Balance at 31 March 2021</b>	<b>1.81</b>	<b>0.00</b>	<b>0.03</b>	<b>0.07</b>	<b>0.01</b>	<b>1.92</b>



## 5. Other financial assets

(Rs in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivable from grantor	16,058.33	17,961.34
<b>Total</b>	<b>16,058.33</b>	<b>17,961.34</b>

## 6. Other non-current assets

(Rs in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	3.08	3.08
<b>Total</b>	<b>3.08</b>	<b>3.08</b>

## 7. Inventories

(Valued at lower of cost and net realisable value)

(Rs in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw Materials	-	0.06
<b>Total</b>	<b>-</b>	<b>0.06</b>

## 8. Cash and cash equivalents

(Rs in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash in hand	-	-
Balances with banks:	-	-
- in current accounts	14.80	4.02
- deposits with maturity is less than 3 months	1,485.34	1,593.61
<b>Total</b>	<b>1,500.14</b>	<b>1,597.63</b>

## 9. Other financial assets

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivable from grantor	-	816.27
Annuity Receivable	4,044.60	-
<b>Total</b>	<b>4,044.60</b>	<b>816.27</b>

## 10. Other current assets

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Other receivables- Withheld Annuity	1,278.91	1,277.35
Receivable from tax authorities	62.07	92.67
Prepaid expenses	3.00	15.71
Advance to material suppliers	18.23	30.89
Interest accrued but not received	1.21	2.67
<b>Total</b>	<b>1,363.42</b>	<b>1,419.29</b>



## 11. Share capital

(Rs. in Millions)

Particulars	As at	
	31 March 2021	31 March 2020
<b>i. Authorised share capital:</b>		
52555 Equity Shares of Rs.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
<b>ii. Issued and Subscribed capital:</b>		
52555 Equity Shares of Rs.10/- each fully paid	0.53	0.53
<b>Total</b>	<b>0.53</b>	<b>0.53</b>

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

Particulars	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
At the commencement of the period	0.05	0.53	0.05	0.53
Shares issued during the year	-	-	-	-
<b>At the end of the Year</b>	<b>0.05</b>	<b>0.53</b>	<b>0.05</b>	<b>0.53</b>

## 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

	As at 31 March 2021		As at 31 March 2020	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited	0.04	74.00%	0.04	74.00%
Jiangsu Provincial Transportation Engineering Group Co.Ltd	0.01	26.00%	0.01	26.00%
	0.05	100.00%	0.05	100.00%

## D Details of shareholding by holding company

	As at 31 March 2021		As at 31 March 2020	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited - Equity shares	0.04	74.00%	0.04	74.00%

## 12. Other equity

(Rs. in Millions)

Particular	As at	
	31 March 2021	31 March 2020
<b>Surplus/ (Deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(2,579.15)	(1,040.49)
Add: (Loss)/ Profit for the year	(541.21)	(1,538.66)
<b>Balance at the end of the year</b>	<b>(3,120.36)</b>	<b>(2,579.15)</b>
<b>Equity component of compound financial instruments</b>		
Balance at the beginning of the year	352.15	352.15
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>352.15</b>	<b>352.15</b>
<b>Capital contribution from parent*(Refer note 13)</b>		
Balance at the beginning of the year	909.61	909.61
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>909.61</b>	<b>909.61</b>
<b>Other comprehensive income</b>		
Balance at the beginning of the year	-	-
Changes during the year	(0.39)	-
<b>Balance at the end of the year</b>	<b>(0.39)</b>	<b>-</b>
<b>Total</b>	<b>(1,858.99)</b>	<b>(1,317.39)</b>



## 13. Borrowings

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020
<b>Secured</b>		
<b>Term Loans</b>		
- From Banks		
Andhra Bank	767.88	827.64
Bank of India	1,536.33	1,655.95
Indian Overseas Bank	1,535.41	1,654.95
Jammu & Kashmir Bank Limited	1,536.48	1,656.09
Oriental Bank of Commerce	767.88	827.65
Dena bank	499.37	538.24
ICICI Bank - Subordinate Term loan	1,148.13	1,235.65
ICICI Bank - Senior Term loan	256.82	284.56
	<b>8,048.29</b>	<b>8,680.73</b>
- From Financial Institution		
Arcion I	577.50	622.50
Arcion II	1,540.00	1,660.00
Arcion III	769.99	829.99
	<b>2,887.49</b>	<b>3,112.49</b>
<b>Unsecured loan (Related Party)</b>		
Sub-debt from Ramky Infrastructure limited	773.37	689.62
Unsecured Loan from Ramky Infrastructure limited	1,908.60	1,619.40
Unsecured Loan from Oxford Ayyappa Consulting Services (India) Private Limited	751.37	702.35
Unsecured Loan from Madhya Pradesh Waste Management Private Limited	152.00	152.00
Preference shares-Ramky Infrastructure limited	284.93	255.25
	<b>3,870.27</b>	<b>3,418.62</b>
	<b>14,806.05</b>	<b>15,211.84</b>

\* The Term loans had become NPA in FY 2018-19, however, the company has not received recall notice from Lenders, hence they are continued to be reported under Non current liabilities.

## 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 Amendatory Common Loan Agreement Dt: 20th Oct 2016

(Rs in Millions)

Year	Senior Debt	Subordinate Debt
2017-18	20.00	-
2018-19	544.00	80.00
2019-20	748.00	96.00
2020-21	768.00	96.00
2021-22	774.00	96.00
2022-23	936.00	96.00
2023-24	1,130.00	112.00
2024-25	1,368.00	128.00
2025-26	1,410.00	128.00
2026-27	1,468.00	144.00
2027-28	1,638.00	144.00
2028-29	1,716.00	208.00
2029-30	280.00	272.00
<b>Total</b>	<b>12,800.00</b>	<b>1,600.00</b>



**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 Rs.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 Rs 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 2500 Millions from Ramky Infrastructure Limited. Interest at the rate 15.50% per annum later on amended the same on 15th February 2021 reducing the interest rate @ 8% from 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 of Rs.1500 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 till March 31, 2020 and 8% p.a. with effect from April 01, 2020 onwards as per the supplementary loan agreement executed on ..... and the principal amount will be repaid within three years from the date of first disbursement i.e., 27th Nov 2018.

**G. Terms and conditions attached to Unsecured loan received from Madhya Pradesh Waste Management Private Limited**

The company has entered into an agreement to borrow an unsecured loan Rs.152 Millions from Madhya Pradesh Waste Management Private Limited. Interest should be charged at the rate 15.00% per annum till March 2020 and as per supplementary agreement dated .....the rate of interest reduced from 15% to 8% with effect from April 01, 2020. The principal is repayable within 60 months or at the earliest convenience of the borrower after a moratorium of 2 years from the date of first disbursement i.e 20 march 2020.

**14. Other financial liabilities**

(Rs. in Millions)

Particular	As at	As at
	31 March 2021	31 March 2020
Retention money	256.91	241.19
<b>Total</b>	<b>256.91</b>	<b>241.19</b>

**15. Deferred tax assets (liabilities)**

(Rs. in Millions)

Particular	As at	As at
	31 March 2021	31 March 2020
<b>Deferred Tax Assets (DTA)</b>		
MAT Credit	6.33	20.73
DTA on Section 43B items and Major Maintenance	1,114.77	507.70
	<b>1,121.10</b>	<b>528.43</b>
<b>Deferred tax liabilities</b>		
Interest - Effective interest rate	(33.84)	(37.34)
Service Concession Arrangement adjustments	(112.31)	(519.49)
Financial instruments	(347.89)	(379.43)
	<b>(494.04)</b>	<b>(936.26)</b>
<b>Net Deferred Tax Liability</b>	<b>627.06</b>	<b>(407.83)</b>

**16 Provisions**

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for employee benefits		
- Provision for leave encashment	0.53	0.30
- Provision for Gratuity	0.61	0.38
<b>Total</b>	<b>1.14</b>	<b>0.68</b>

**17 Trade payables**

(Rs. in Millions)

Particulars	As at	As at
	31 March 2021	31 March 2020
Creditors for construction and utility shifting	173.82	95.11
Payable to material supplier	24.44	36.15
Creditors for other expenses	8.29	5.14
<b>Total</b>	<b>206.55</b>	<b>136.40</b>





## 18. Other financial liabilities

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term debts:		
- Term loans	870.00	864.00
- Others	-	-
Loan outstanding for repayment	2,400.00	1,536.00
Interest accrued and due on borrowings	-	-
a) From banks	5,444.54	3,494.81
b) From others	610.37	458.98
Security deposit received	33.90	52.91
<b>Total</b>	<b>9,358.81</b>	<b>6,406.70</b>

## 19. Other current liabilities

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory liabilities	44.54	77.74
<b>Total</b>	<b>44.54</b>	<b>77.74</b>

## 20. Provisions

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020
Provision for major maintenance expenses	512.28	333.13
Provision for expenses	270.62	300.90
Provision for Current Gratuity	0.02	0.01
Provision for Current Leave Encashment	0.10	0.06
<b>Total</b>	<b>783.02</b>	<b>634.10</b>



## 21. Revenue from operations

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Construction Income under Service Concession Arrangement	-	65.32
Operating Income	302.85	450.84
<b>Total</b>	<b>302.85</b>	<b>516.16</b>

## 22 Other income

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income		
- From banks	51.76	44.95
- on financial asset (under service concession arrangements)	1,022.46	918.21
Miscellaneous Income	-	2.86
<b>Total</b>	<b>1,074.22</b>	<b>966.02</b>

## 23 Construction costs

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Constructions costs under Service Concession Arrangement	-	62.19
	-	-
<b>Total</b>	<b>-</b>	<b>62.19</b>

## 24. Operation &amp; Maintenance Expenses

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
O&M Expenses	108.75	261.04
Provision for Major maintenance expenses	179.16	170.63
<b>Total</b>	<b>287.91</b>	<b>431.67</b>

## 25. Finance costs

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense - Term Loans	2,251.49	2,022.98
Interest expense - Others	321.86	504.66
Other borrowing cost	13.17	11.24
<b>Total</b>	<b>2,586.52</b>	<b>2,538.88</b>

## 26. Employee Benefit expenses

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	9.86	10.07
Contribution to provident fund	0.16	0.15
Leave encashment and Gratuity	0.25	0.74
<b>Total</b>	<b>10.27</b>	<b>10.96</b>



## 27. Other expenses

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Professional and consultancy charges	15.67	23.29
Audit fee	2.38	1.16
Insurance expenses	50.43	18.57
Miscellaneous expenses	0.00	0.08
<b>Total</b>	<b>68.48</b>	<b>43.10</b>

## (i) Payments to auditors

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>As Auditor</b>		
- Statutory audit	0.59	0.60
- Tax audit	0.35	0.35
- Certification charges	0.12	0.21
- Special Audit Fee	1.32	-
<b>Total</b>	<b>2.38</b>	<b>1.16</b>

## 28 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 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 2021 was as follows:

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	25,457.02	23,116.48
Less: cash and cash equivalents	1,500.14	1,597.63
<b>Adjusted net debt</b>	<b>23,956.88</b>	<b>21,518.85</b>
Total equity	(1,858.46)	(1,316.84)
<b>Adjusted net debt to equity ratio</b>	<b>(12.89)</b>	<b>(16.34)</b>

## 29 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

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
i. (Loss)/Profit attributable to equity shareholders (Rs. in Million)	(541.21)	(1,538.66)
ii. Weighted average number of equity shares	0.05	0.05
<b>Basic &amp; Diluted EPS</b>	<b>(10,298.06)</b>	<b>(29,276.65)</b>

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



**28. Assets and liabilities relating to employee benefits****i Defined Contribution Plans**

The company makes contribution, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans. The company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expenses towards contribution to provident fund and employee state insurance for the year aggregated to Rs. 0.16 Millions (31 March 2020: Rs 0.15 Millions).

**ii Defined Contribution Plans**

The company operates the following post-employment defined benefit plan:

In accordance with the the Payment of Gratuity Act, 1972 of India, the company provides for Gratuity, defined Retirement Benefit Scheme (Plan-A), Covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at end of the year and are charged to the statement of profit and loss. This defined plans expose the company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk . the company also has Leave encashment policy (Plan B)

**A. Funding****Plan A**

The gratuity plan is unfunded.

**Plan B**

Leave encashment plan is unfunded.

**B. Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

**Plan A**

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	0.39	-
Current service cost	0.09	0.06
Interest cost	0.03	-
Past Service Cost	-	0.33
Benefits paid	-	-
Actuarial (gains)/ losses	-	-
- changes in financial assumptions	(0.01)	-
- experience adjustments	0.13	-
<b>Balance at the end of the year</b>	<b>0.62</b>	<b>0.39</b>

**Plan B**

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	0.35	-
Benefits paid	(0.12)	-
Current service cost	0.12	0.05
Past Service Cost	-	-
Interest cost	0.02	0.30
Actuarial (gains) losses recognised in other comprehensive income	-	-
- changes in demographic assumptions	(0.0040)	-
- changes in financial assumptions	-	-
- experience adjustments	0.27	-
<b>Balance at the end of the year</b>	<b>0.64</b>	<b>0.35</b>

**C. Expense recognised in profit or loss****Plan A**

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	0.09	0.06
Past service cost	-	0.33
Interest cost	0.03	-
Past service gain	-	-
Interest income	-	-
	<b>0.12</b>	<b>0.39</b>



Plan B		(Rs. in Millions)	
Particulars	As at 31 March 2021	As at 31 March 2020	
Current service cost	0.12	0.05	
Past service cost	-	0.30	
Interest cost	0.02	-	
Past service gain	-	-	
Interest income	-	-	
	0.14	0.35	

## Remeasurements recognised in other comprehensive income

Plan A		(Rs. in Millions)	
Particulars	As at 31 March 2021	As at 31 March 2020	
Actuarial (gain) loss on defined benefit obligation	0.12	-	
Return on plan assets excluding interest income	-	-	
	0.12	-	

Plan B		(Rs. in Millions)	
Particulars	As at 31 March 2021	As at 31 March 2020	
Actuarial (gain) loss on defined benefit obligation	0.27	-	
Return on plan assets excluding interest income	-	-	
	0.27	-	

## D. Defined benefit obligation

## i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

## Plan A

Particulars	31 March 2021	31 March 2020
Discount rate	6.90%	6.78%
Future salary growth	4.00%	4.00%
Mortality table	IALM (2012-14)	IALM (2012-14)

## Plan B

Particulars	31 March 2021	31 March 2020
Discount rate	6.90%	6.78%
Future salary growth	4.00%	4.00%
Mortality table	IALM (2012-14)	IALM (2012-14)

## ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

## Plan A

Particulars	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	0.54	0.72	0.34	0.45
Withdrawal rate (1% movement)	0.65	0.59	0.41	0.37
Future salary growth (1% movement)	0.73	0.54	0.46	0.34

## Plan B

Particulars	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	0.60	0.67	0.34	0.37
Withdrawal rate (1% movement)	0.64	0.64	0.35	0.35
Future salary growth (1% movement)	0.67	0.60	0.38	0.33

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Liability for Leave encashment as on 31 March 2021 is Rs.0.64 Millions (previous year: Rs. 0.35 Millions). Cost of Leave encashment liability is a non funded liability. Expenses recognised during the year in P&amp;L Rs. 0.14 Millions and in OCI Rs. 0.27 Millions (in P&amp;L Rs. 0.35 Millions and in OCI Rs. 0.00 Millions)



**30. 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 2021**

(Rs in Millions)

	Carrying amount		
	Financial assets - amortized cost	Financial liabilities - amortised cost	Total carrying amount
<b>Financial assets measured at amortized cost</b>			
Receivable from grantor	20,102.93	-	20,102.93
Cash and cash equivalents	1,500.14	-	1,500.14
	<b>21,603.07</b>	<b>-</b>	<b>21,603</b>
<b>Financial liabilities measured at fair value</b>			
Secured bank loans	-	10,935.78	10,935.78
Loans from related parties	-	2,681.97	2,681.97
Loans from Others	-	903.37	903.37
Preference shares	-	284.93	284.93
Trade payables	-	206.55	206.55
Others	-	9,615.71	9,615.71
	<b>-</b>	<b>24,628.31</b>	<b>24,628.32</b>

**31 March 2020**

(Rs in Millions)

	Carrying amount		
	Financial assets - amortized cost	Financial liabilities - amortised cost	Total carrying amount
<b>Financial assets measured at amortized cost</b>			
Receivable from grantor	18,777.61	-	18,777.61
Cash and cash equivalents	1,597.63	-	1,597.63
	<b>20,375.23</b>	<b>-</b>	<b>20,375.24</b>
<b>Financial liabilities measured at fair value</b>			
Secured loan from banks and financial institutions	-	11,793.22	11,793.22
Loans from related parties	-	2,309.02	2,309.02
Loans from Others	-	854.35	854.35
Preference shares	-	255.25	255.25
Trade payables	-	136.40	136.40
Others	-	6,647.89	6,647.89
	<b>-</b>	<b>21,996.13</b>	<b>21,996.13</b>

**B. Financial risk management**

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

- credit risk
- liquidity risk
- 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.



**Srinagar Banihal Expressway Limited**

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Notes to the financial statements for the Year ended 31 March 2021

*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 Rs.1,500.14 Millions at 31 March 2021 (31 March 2020: Rs.1597.62 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 2021

(Rs in Millions)

Particular	Carrying amount	Contractual Cash flows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	10,935.78	10,935.78	-	-	870.00	4,638.00	5,427.78
Loans from related parties	2,681.97	2,681.97	-	-	-	1,908.60	773.37
Loans from others	903.37	903.37	-	-	-	903.37	-
Preference shares	284.93	284.93	-	-	-	-	284.93
Trade payables	206.55	206.55	206.55	-	-	-	-
Others	9,615.71	9,615.71	290.80	8,714.54	-	-	610.37
	<b>24,628.32</b>	<b>24,628.31</b>	<b>497.35</b>	<b>8,714.54</b>	<b>870.00</b>	<b>7,449.97</b>	<b>7,096.45</b>



Srinagar Banihal Expressway Limited

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Notes to the financial statements for the Year ended 31 March 2021

31 March 2020

(Rs in Millions)

Particular	Carrying amount	Contractual Cash flows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	11,793.22	11,793.22	-	-	864	3,870.00	7,059.22
Loans from related parties	2,309.02	2,309.02	-	-	-	1,619.40	689.62
Loans from others	854.35	854.35	-	-	-	854.35	-
Preference shares	255.25	255.25	-	-	-	-	255.25
Trade payables	136.40	136.40	136.40	-	-	-	-
Others	6,647.89	6,647.89	294.10	5,894.81	-	219.96	239.02
	<b>21,996.14</b>	<b>21,996.14</b>	<b>430.50</b>	<b>5,894.81</b>	<b>864.00</b>	<b>6,563.71</b>	<b>8,243.11</b>

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	31 March 2021	31 March 2020
<b>Fixed rate instruments</b>			
Financial assets	8	1,485.34	1,593.61
Financial liabilities	13	14,806.05	15,211.84

*Fair value sensitivity analysis for fixed-rate instruments*

A change of 100 basis points in interest rates would have increased or decreased equity by Rs.188.68 Millions after tax (2019-20: Rs. 174.91 Millions). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.





## 31. 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	Madhya Pradesh Waste Management Private Limited	Common promoter with controlling Stake
4	Mr.Divakar Marri	Director
5	Mr.Ravi Prasad	Director
6	Mr.N.Madhu Sudhana Reddy	Company Secretary

## B. Transactions with related parties during the year ended

(Rs in Millions)

S. No.	Name of the related party	Nature of transactions	31 March 2021	31 March 2020
1	Ramky Infrastructure Limited	Construction costs	-	45.67
		O & M expenditure	105.63	39.18
		Milestone and on account payment	-	77.22
		Utility shifting expenditure	22.46	-
		Utility shifting Paid	5.99	-
		Retention Money deducted/ Released	-	(9.46)
		Unsecured loan received	-	7.40
		Interest expenses on Unsecured loan and Preference Shares	132.21	251.56
2	Oxford Ayyappa Consulting Services (India) Private Limited	Unsecured loan received	-	-
		Interest expenses on Unsecured loan	58.04	131.24
		Processing fee on unsecured loan	-	-
		Unsecured loan repaid	-	152.00
3	Madhya Pradesh Waste Management Private Limited	Unsecured loan received	-	152.00
		Interest expenses on Unsecured loan	12.16	0.75
4	N Madhu sudhana Reddy	Remuneration	-	0.48

## C. Balances outstanding

(Rs in Millions)

S. No.	Name of the related party	Nature of transactions	31 March 2021	31 March 2020
1	Ramky Infrastructure Limited	Equity share capital	0.39	0.39
		Preference share capital	615.47	615.47
		Sub debt payable	1,693.28	1,693.28
		Unsecured loan	1,908.60	1,619.40
		Interest Payable	361.31	239.02
		On account payable	173.58	(55.89)
		Payable against utility shifting	15.94	151.00
		Retention money payable	241.19	241.19
2	Oxford Ayyappa Consulting Services (India) Private Limited	Unsecured loan payable	725.55	725.55
		Interest Payable	272.98	219.29
3	Madhya Pradesh Waste Management Private Limited	Unsecured loan payable	152.00	152.00
		Interest Payable	11.92	0.67
4	N Madhu sudhana Reddy	Remuneration Payable	0.47	0.04



**32 Service concession arrangement Disclosures****32(a) 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 Rs. 302.85 Millions on construction and O&M (PY 516.16 Millions). The Company has recorded total loss of Rs 541.60 Millions in the current year (PY loss of Rs.1538.63 Million )

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

**32 (b) Disclosure pursuant "Going Concern"**

The Company operates in the infrastructure business sector which involves huge capital investments. The high gestation period required for break even for such infra structure investments is sufficiently addressed due to the long concession life of this project. The balance concession period is 11 years. The company's net worth has eroded primarily due to high interest on term loans. The Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Accordingly, the financial statements have been prepared on going concern basis.

**33 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	(Rs in Millions)	
	As at 31 March 2021	As at 31 March 2020
(a) Dues remaining unpaid as at Balance sheet date		
Principal amount	-	-
Interest on the above	-	-
(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	-	-

34 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) and further two banks have approached Debt Recovery Tribunal (DRT) and initiated for recovery proceedings.

The Company has achieved PCOD on 27th March 2018 and became eligible for receiving annuities. The company has been receiving annuities and lapsed annuity for the delay attributable to NHAI was also received. The remaining life of the project is 11 years and estimated annuity receivables are Rs. 33,312 Millions (Approx). The company is confident of repayment of principal and interest to the lenders in the coming years.



35 During the Year March 2020, claims worth Rs.4,900.00 Millions were filed by some of the sub-contractors of the Project on the Principal contractor and the Company. These claims are majorly towards change in scope, escalation, idle machinery, interest, others. The said claims are at various stages of assessment including opinion from legal counsel if required and also possibilities of recovering some of the claims from the Authority. Finalization of the claim may take significantly longer time in the current situation of Covid. Prima facie, Management is of the view that pending assessment of claims, no liability is to be provided for now in books as on date of signing of the financial statements.

36 During the earlier financial year, NHAI has made various deductions from Annuity towards substandard steel, deviation of high embankment and others. The Company has a net receivable of Rs.1,030.00 Millions from NHAI towards above deductions. Based on the internal/external assessment, the Company is confident that the amount is fully recoverable from NHAI.

37 The entire globe including India the outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. At the time of finalisation of these financial statements the severity of the pandemic in the form of Wave 2 is peaking day by day across the country and on account of which various state Governments have started imposing lockdown like restrictions in various parts of the country, is fighting with the deadly COVID-19 Pandemic and this is the biggest challenge before all businesses across the globe.

The operations of the Company were impacted due to lockdown. There is no material impact on the financial results of the Company as on March 31, 2021. However, during the current year, to the extent to which COVID-19 Pandemic will impact the Company's results will depend on the future developments which are uncertain.

38 Previous year figures have been re grouped, reclassified and recast wherever necessary to confirm to current year's classification.

The notes 1 to 38 are an integral part of these financials statements

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

S. Modi  
Partner  
Membership Number : 051361  
UDIN:21051361AAAAAL8482



For and on behalf of the Board  
**Srinagar Banihal Expressway Limited**

Divakar Marri  
Director  
DIN: 06865376



Ayaz Jawad Hussain  
Whole-time Director cum CEO  
DIN: 08825500

N. Madhu Sudhana Reddy  
N Madhu Sudhana Reddy  
Company Secretary

D Lakshmana Rao  
Chief financial officer

Place : Hyderabad  
Date :04-06-2021