**RAMKY ENVIRO ENGINEERS LIMITED**

Annual Report **2019-20**

TRANSFORMING TO ACCELERATE

# A SUSTAINABLE REVOLUTION

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# At Ramky Enviro Engineers Limited (Ramky Enviro), we have been at the forefront of delivering environmental infrastructure and environmental-related services

For over 25 years, we have been exclusively into this space, without any distraction, undertaking several pioneering initiatives and defining the industry's revolution in India. We have set new benchmarks of governance, operational and technology excellence to remain ahead of the curve. We have built capacities and capabilities to deal with the mega challenge of environment at scale, and emerge as Asia's largest and fastest-growing Waste Management and Integrated Environmental Services Provider in the Middle East and Africa.

Now with KKR coming on board and providing us with growth capital and international visibility, it is time that we think beyond.

We are undertaking organisation-wide transformation to build on our competencies and shape our next 25 years. We are rejuvenating and strengthening our Corporate Governance standards. We are building a team of talented professionals and enhancing our operations, supply chain and digital functions. We are increasingly focussing on emerging technologies and strengthening our presence in emerging economies where pollution, waste management and climate change are pressing issues.

At Ramky Enviro, we are ready to learn new things, adopt better practices and act with agility.

## We are Transforming to Accelerate a Sustainable Revolution

# RAMKY ENVIRO: SHAPING A SUSTAINABLE WORLD

Ramky Enviro is Asia's largest waste management and comprehensive environmental services provider and the fastest growing company in the category of its presence in the Middle East and Africa. With our scale of operations, innovation and operational excellence across a gamut of environmental services and infrastructure solutions, we are helping to create cleaner, greener and sustainable societies.

**Our Values**

- Integrity
- Customer Satisfaction
- Innovation
- Quality, Timely & Budgetary Deliverance
- Safety, Health & Environment
- Social Commitment

## Our Reputation

Constructing the first United States EPA standard landfill in India.

Constructing India's largest waste to energy plant.

Converting a waste dump with 15+ million tonnes of municipal solid waste spread over 300+ acres into a scientifically capped landfill to protect the environment.

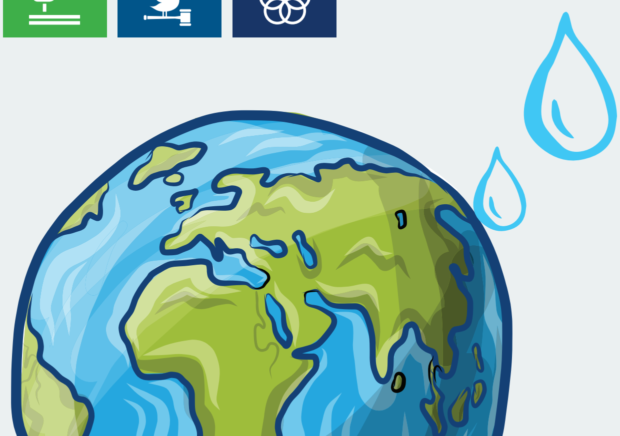
During the financial years, the Credit rating of the Company was upgraded from BBB as on March 2019 to AA presently.


### Awards Won

- VC Circle Award for the Best Industrial Company of the Year 2020.
- Frost & Sullivan Certificate of Merit for Delhi Waste to Energy Facility under Environmental Leadership Category, Service Sector, 2020.
- 3 SKOTCH Awards to MSW Bilaspur, June 2018.
- 3R Excellence Awards in Municipal Solid Waste Management for Delhi, Chennai and Hyderabad MSW Projects 2018 by 8th Regional 3R forum in Asia and the Pacific.
- Medicare Environmental Management won the Best Waste Management Company of the Year 2018 by ASSOCHAM.
- India Integrated Solid waste company of the year 2017 by Frost & Sullivan.


### Committed to Sustainable Development



# IMPROVING QUALITY OF LIFE AND ENVIRONMENT WITH DIVERSIFIED SOLUTIONS

**At Ramky Enviro, we offer a gamut of waste management and resource recovery solutions to municipal corporations and a large, diversified industrial customer base across pharmaceuticals, chemicals, fertilizers and hospitals. Our ability to provide end-to-end solutions at scale while meeting all regulatory requirements are helping us in addressing the challenges of the society and environment. We continue to strengthen our positioning by working on emerging technologies and progressing on our vision of recycling and circular economy to improve the quality of life and restore the planet for the next generation.**

## Our business solutions

### Municipal Solid Waste Management

Smart and holistic (street sweeping, doorstep pickup, transportation, processing and disposal) solutions to handle daily waste.

**13,500**
Tonnes per day of waste managed

**10**
States

### Hazardous Waste Management

End-to-end secure logistics and processing of all types of hazardous waste through legally compliant recycling and disposal options.

**9,72,803**
Metric tonnes of waste managed

**7,712**
Customers

**18**
State-of-the-art facilities

### Biomedical Waste Management

Safe transportation and disposal of hospital or pharmaceutical waste (including COVID-19 waste), rejected or expired products by meeting all regulatory and compliance guidelines.

**3,40,000+**
Beds served

**30,000+**
Healthcare establishments served

### Recycling and Resource Recovery

Facilitating circular economy through value recovery from waste (industrial, commercial and domestic) at state-of-the-art recycling facilities. We have ability to handle materials like paper, plastic, e-waste, used oil, ULAB's, solvents, metals and construction & demolition waste. We also provide collection, sorting and EPR requirements.

**5,34,842+**
Tonnes of recyclables recovered

### Positive impact of our solutions

**Improvement in quality of life**
- Cleaner air, water and cities
- Smart cities

**Climate control**
- Lower greenhouse gases
- Green energy from waste
- Sustainable recycled products

## Integrated Environmental Services

A one-stop solution to clients for solid waste management, contaminated site remediation and wastewater treatment & recycling. We undertake execution and ongoing management of CETPs, ETPs, SLFs and contaminated sites.

**15+**
Clients

## Waste to Energy

Execution and ongoing management of waste into energy plants.

**24 MW**
Capacity of India's largest waste to energy plant

**4,38,000 tonnes**
Of combustion capacity

## Environment Consultancy Services

Providing experienced advisory as per scientific methodology to diverse industries and government bodies.

**Accreditations:** ISO 9001:2015, NABET, NABL, NTPC, MoEF & CC, EPCO Bhopal, OSPCB and TSPCB.

**215+**
Customers including Central Pollution Control Board, State Pollution Control Board, Hyderabad Municipal Corporation, ISRO and the World Bank.

**195+**
Consultancies provided

## Facilities Management

Integrated and customized facilities management services in Singapore through a professionally-trained staff to improve their efficiency and effectiveness.

**250**
Facilities managed

**200**
Customers including Changi airport and National Environmental Agency (NEA)

## Car Park Management

Integrated end-to-end automated car park management services in Singapore.

**20**
Customers including Changi airport, HDB and NUS

all numbers pertain to FY 2019-20

**Better planet**

- Higher recycling and enabling a circular economy
- Safe disposal of hazardous and biomedical waste
- Biodiversity protection
- Optimised use of resources

# MESSAGE FROM THE CHAIRMAN

Ramky Enviro is Asia's largest waste management and comprehensive environmental services provider and the fastest growing company in the category of its presence in the Middle East and Africa. With our scale of operations, innovation and operational excellence across a gamut of environmental services and infrastructure solutions, we are helping create cleaner, greener and sustainable societies."

FY 2019-20 has been a great year for Ramky Enviro. The Company displayed its exceptional environmental engineering capabilities by executing marquee projects with cutting-edge technologies like the AI-enabled material recovery facility in Dubai, the Marpol waste treatment facility in Oman and the waste to energy plants in Delhi and Hyderabad. We have also forayed into new geographical markets. But it was during the COVID-19 pandemic when the Company truly exhibited its exceptional deployment capabilities. Despite the dangers of the highly contagious virus, our 20,000+ on-ground workforce went all-out, fearlessly, to serve communities and keep the surroundings clean and safe. Such spirit can only come from selfless dedication and I am proud of our people. I also express my gratitude to other frontline workers such as doctors and police personnel who have been at the forefront to help the nation tackle the crisis.

Having said that, the profound impact that the pandemic and the global environmental crisis are having, call for an urgent need to act before the problems become grave. The world is at a juncture where the need for environmental sustainability is no longer an option but an emergency. Globally, we are increasingly witnessing the devastating impacts of climate change and extreme weather. Be it massive bushfires, tropical cyclones, rising pollution-related diseases, or extreme weather conditions, we are seeing it all.

As per an analysis by CDP, the biggest 215 global companies estimate the financial implications of climate risks at USD 1 trillion. They also estimate that exceeding the threshold temperature rise of 1.5 degrees Celsius could have catastrophic social and economic implications. The economic damage ascribed to a 0.5 degrees difference in the rise of global average temperatures (1.5-2°C) is pegged at USD 15 trillion.

The situation could be more devastating in emerging nations, especially in India. The enormity of the population coupled with rapid urbanization have thrown open a massive challenge in the form of waste management. As per an estimate, over 377 million people inhabit 7,935 towns and cities and generate 62 million tonnes (MT) of municipal solid waste annually. Of this, only 43 MT is collected and 11.9 MT is treated, the remainder is unscientifically dumped in landfill sites. Experts believe that India is following a dangerously flawed system of waste management. And this is a major cause of the prevalence of deadly vector borne diseases like (malaria, dengue, chikungunya and zika virus)

As per the World Health Organization (WHO), India had an estimated 67 lakh cases of malaria resulting in 9,620 deaths in 2018 alone. While the number of cases has declined by 28% over the previous year, it is still one of the major health concerns. The sheer volume of vector borne diseases has prompted the WHO to implore the country to lay emphasis on mosquito control. The WHO has pegged the socio-economic burden of malaria and dengue at nearly INR 17,640 Crores annually. In other instances, the practice of manual scavenging is causing the spread of deadly diseases and even fatalities. As evident from the latest COVID-19 scenario, Bio-waste management is another major challenge which exposes mankind to the risks of communicable diseases.

It is not a surprise that industries and municipal bodies are now equipping their arsenal with ambitious plans for damage control to make urban spaces safe and liveable. Two flagship Government programs – Smart Cities and Swachh Bharat Mission (SBM) – are paving way towards this outcome. Both these projects are driving a paradigm shift in the solid waste management (SWM) landscape. The smart cities program is necessitating civic bodies to revisit their long-term vision and strategies in SWM with focus on processing and recycling, instead of open dumping and landfilling. SBM on the other hand demands cities to ensure 100% waste segregation at source.

I am confident that Ramky Enviro, by means of its solutions across the waste management gamut, will play a significant role in improving the waste management scenario in India as well as other emerging nations. We have a strong track record of delivering novel technology-led projects in developed markets like Singapore and have the capability of bringing them at cost-effective prices and practical dimensions in these regions. Our ability to deliver solutions at scale gives us the edge to establish ourselves in the emerging nations, as it is the only way that a challenge of such magnitude can be resolved.

The coming on board of KKR, a leading global investment firm, adds momentum to our future growth. Our debt has reduced by 13% to INR 530 Crores and net worth strengthened by 17% to INR 1,898 Crores as on 31 March, 2020, resulting in an upgrade in our credit rating from BBB as on March 2019 to AA at present. More important, these changes will facilitate access to key global markets as we look to scale globally.

I thank all our stakeholders for their continued support and trust in us. I take this opportunity to once again thank the employees who have helped the Company grow to its current position and stayed with us even in these difficult times. We resolve to move ahead on this journey of market leadership and sustainable growth - with agility and a sense of responsibility.

Warm regards,

**B S Shantharaju**
Chairman

# MESSAGE FROM THE MD & CEO


We are Asia's largest environment and sustainability focused company and our very purpose of existence is to protect and improve environment."

Today as humanity face a major crisis in COVID-19 pandemic, the world has united like never before. Pharmaceutical companies all over the world are striving to develop a vaccine at a breakneck speed. The world is witnessing greater cooperation from governments across the globe, and people are living in isolation to prevent the spread of the virus. There is no doubt that the world will fight it and come out stronger.

While we are all overwhelmed with the pandemic, the world is still facing a bigger crisis – waste management and the subsequent environment degradation because of it. We all know that water, air, land and natural resources are the most basic needs for humans. Yet, their incessant use and improper management have led to a massive worldwide challenge. Waste-related diseases, climate change and global warming are all real and devastating per se.

Ramky Enviro's business has never been more imperative. We are among Asia's largest environment and sustainability focused company and our very purpose of existence is to protect and improve environment. Across our 25 years of journey, we have been committed to doing things in a sustainable manner to protect the rights of next generation. And we have been fairly successful in building a large company with a sturdy business model that has always been ahead in terms of legislation, technology and delivering solutions. I am happy to state that our operations touch all the 17 United Nations Sustainable Development Goals (SDGs) and manifests our efforts to touch people's lives.

## Performance review of FY 2019-20

Our performance this year has been good across both India and overseas market. Though tendering from the Government in India was slower, we did well with available opportunities. We delivered a topline growth of 12% to INR 2,468 Crores and bottom line grew by 62% to INR 251 Crores. Revenue from India operation was INR 1,911 Crores and INR 557 Crores came from overseas business.

Across the year, we also undertook multiple efforts to prepare ourselves for the next big leap. We have strengthened our governance with strong policies and processes. Internal functions like operations, SHE, supply chain, human resources and IT have been greatly improved with the onboarding of experienced senior executives. We have invested in SAP and other compliance tools to streamline our business and proliferate integrity and transparency across the organisation.

## The next frontier

We are making a steady progress in new frontiers of recycling and resource recovery, waste to energy (WTE) and circular economy landscape focused on becoming an environment solution provider for emerging nations. These business areas and regions are expected to be the next driving force in the coming years, and we have committed a capex of INR 3,500 Crores to capitalise on the opportunities. WTE is just an emerging technology in India and we are chartering to bring it as a solution for long-pending solid waste management (SWM) in the country.

Emerging economies as we all know are some of the worst performers in terms of SWM due to large population, high population density, poverty and lack of technology advancement. But the good thing is the rising awareness among citizens who are increasingly demanding their right to clean air, water and soil. This places us attractively positioned to grow in the future. With KKR coming on board to support our vision, we have greater access to capital and global markets. It also helped in strengthening our Company's goodwill and trust.

Having said that, we will face some challenge in the coming years due to the pandemic. We are undertaking measures to optimise cash flows, rationalise costs, improve efficiencies and communicating proactively with all stakeholders. This will help strengthen our foundation for the next normal post the pandemic. On operational front, we see opportunities for handling COVID-19 waste and sanitisation services. However, the challenge will be to ensure ground force availability and keeping them motivated. We are undertaking all the necessary safety measures to ensure the well-being of our employees and are providing them with additional benefits to keep them motivated. I would like to appreciate the management and employees of the Company who have been working hard for so long with the Company and more importantly during this pandemic. I salute our workers who have taken the onus on them and ensured that we keep running all our facilities and provide environmental services to the society.

On a closing note, I express my gratitude to our shareholders and the members of the Board who have strongly guided the Company's vision to be a leading global company in environment solutions space. I also thank our people who have displayed immense courage in these times. We will continue to grow together and achieve greater goals.

Warm regards,

**M. Goutham Reddy**

Managing Director & Chief Executive Officer

# RAMKY ENVIRO #OUTTHEREFORYOU DURING THE GLOBAL HEALTH CRISIS

**At Ramky Enviro, we stand committed to the wellbeing of the community with our skills and capabilities. Our diligent team of over 20,000 waste management and sanitation workers has faced the social and economic challenges posed by the pandemic head on and continues to play a crucial role in keeping our communities safe and sanitized. Every aspect of the development and implementation of the pandemic combat plan was overseen by the Joint Managing Director and supported by reputed international consultants DNVGL and ISS.**

## Critical services delivered to address COVID-19 challenge

Biomedical waste management services to hospitals and healthcare centers

Waste collection, treatment and disposal

Operation of landfills

Hazardous waste disposal

**15,000**
Ground staff worked across 25 cities in India.

**30,000**
Healthcare establishments supported with day-to-day biomedical waste management service, including management of COVID-19 bio-waste.

**20,000**
Ground staff worked across 65+ locations globally.

**INR 10 Crores**
Additional benefits including insurance coverage and increased allowances for frontline employees and workers.

**13,000 Tonnes**
Daily waste collection, treatment and disposal.

**INR 8 Crores**
Contribution to the COVID-19 relief fund.

### Supporting the local government

Our 20,000 ground staff across the world worked in collaboration with the local governments to combat the spread of the virus. They ensured the collection, treatment and disposal of 13,000 Tonnes/day of municipal waste.

### Biomedical waste management solutions

COVID-19 waste, being potentially contagious and infectious, necessitates observance of legislation and adoption of additional precautions for its safe disposal. Our team responded with agility to manage COVID-19-related waste from across locations through services ranging from collection, containment and disposal through incineration. We have ramped up our incineration facilities to effectively handle the rising volumes of biomedical waste as the cases surge.

### Ensuring the safety and welfare of our people

We ensured that all appropriate safety protocols set out by the Ministry of Health Government of India were followed. This included maintenance of strict social-distancing and following appropriate hygiene and sanitation measures on site. We equipped our staff with the necessary personal protective equipment (PPE). As a gratitude to their selfless service, we provided frontline employees and workers with benefit of additional daily allowance, medical and life insurance coverage and basic essential groceries.

### Key measures adopted to ensure the safety of our people:

#### Screening and Awareness

- Self-declaration of employees returning to work.
- Body temperature screening at entry.
- Awareness/briefing sessions.
- Regular updates on the regulatory directives.
- Posters/signage displays, tool box talks.

#### Corporate Directives and Training

- Issuing guidelines for handling & management of COVID-19 wastes and wastes from quarantined households.
- Guidelines on protecting employees.
- Onsite emergency plans for outbreak scenarios.
- Continuous video/ online training.

#### PPE Use

- PPE matrix updated and enforced.
- General and specialized PPE available at all sites.
- Daily monitoring the usage.
- Refresher training on use and disposal.

#### Other Initiatives

- Social distancing.
- Appointed Safety Stewards for perpetual support, advise and training.
- Area and vehicle sanitization.
- Additional hand wash stations at workplace.

#### Monitoring, Evaluation & Certification

- Daily OH&S dashboard/infection reporting review and follow-up through tracker.
- Daily/weekly meetings with site EHS/Safety Stewards.

### Supporting the vulnerable sections

We contributed a sum of INR 8 Crores to COVID-19 relief funds. Apart from that, we have also provided relief material and basic items of necessities to migrant workers and poor families across our sites. PPE and sanitizers were distributed to police personnel and frontline staff to ensure their protection.

### Social media engagements

We leveraged the power of social media to disseminate information on safety (via webinars) and to connect with our various stakeholders. Our #OutThereForYou campaign on social media has garnered good engagement.

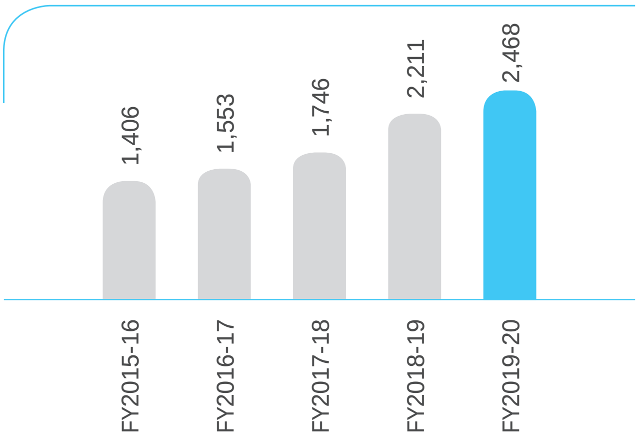
# DELIVERING SUSTAINABLE PERFORMANCE OVER THE YEARS

## Financial highlights

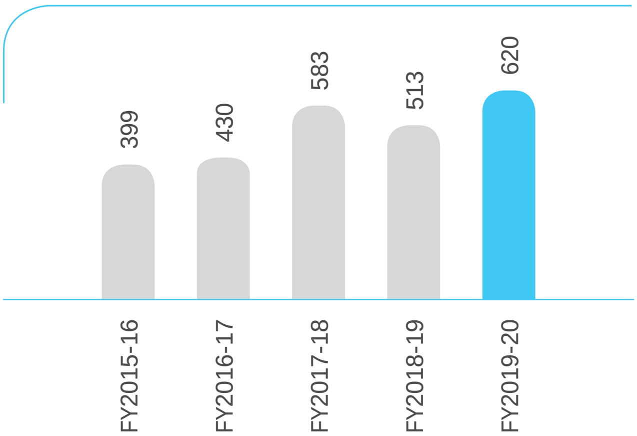
**FY 2019-20 vs 2018-19 performance snapshot**

| | | | |
|---|---|---|---|
| 12% Revenue | 21% EBITDA | 62% Profit after Tax | 17% Net Worth |

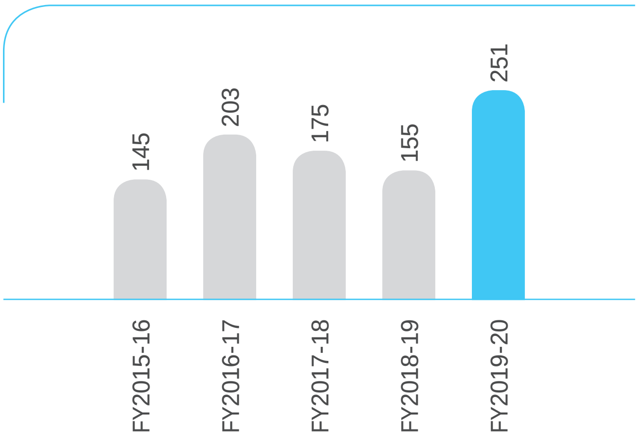
**Turnover** (INR in Crores)



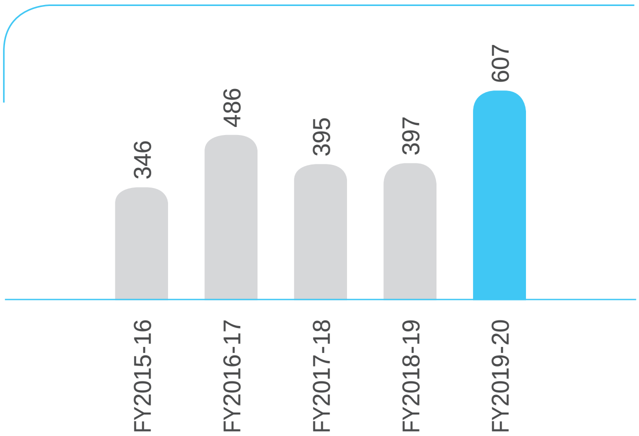

**EBITDA** (INR in Crores)



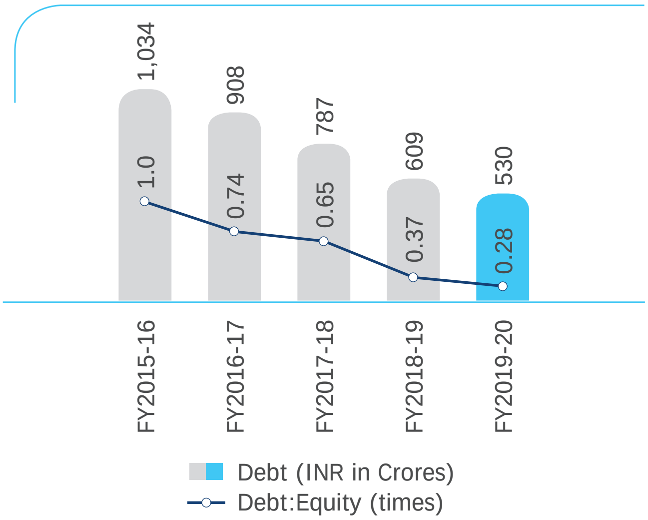

**PAT** (INR in Crores)



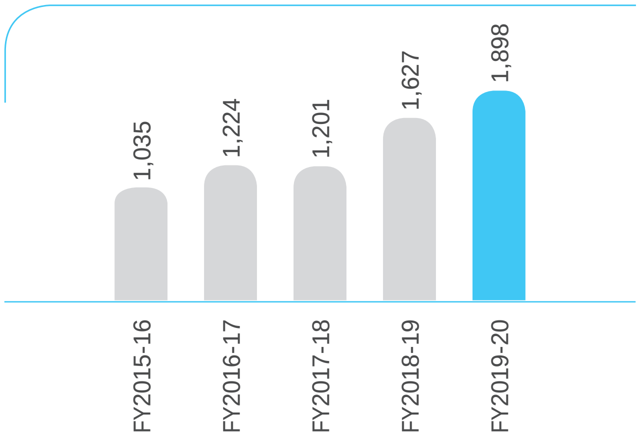

**Earnings per Share** (INR)



## Debt and Debt:Equity

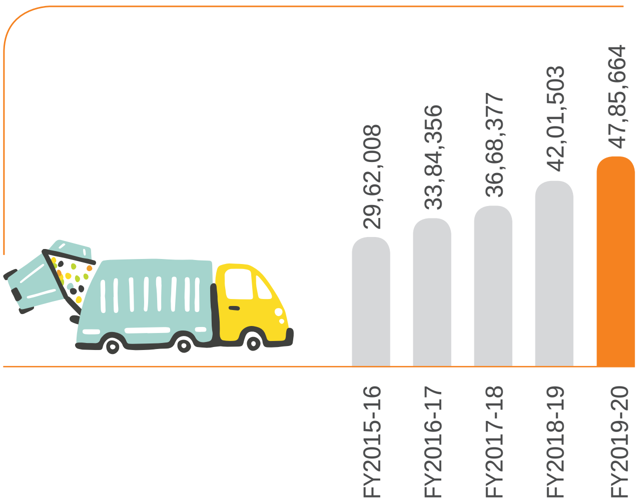



## Net Worth (INR in Crores)

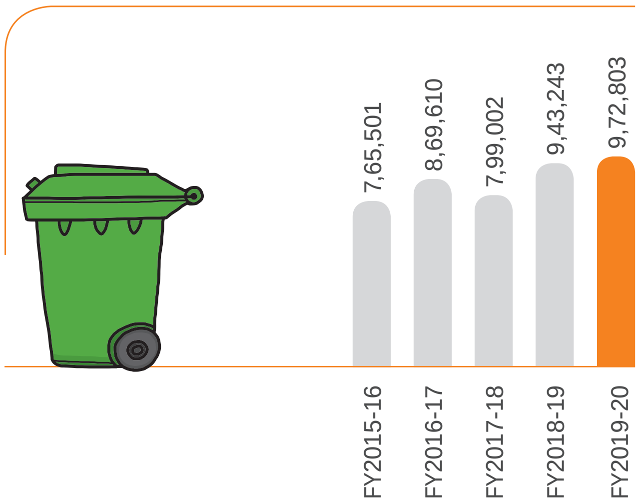



## Operational highlights

### Municipal waste managed (In Metric tonnes)




### Hazardous waste managed (In Metric tonnes)

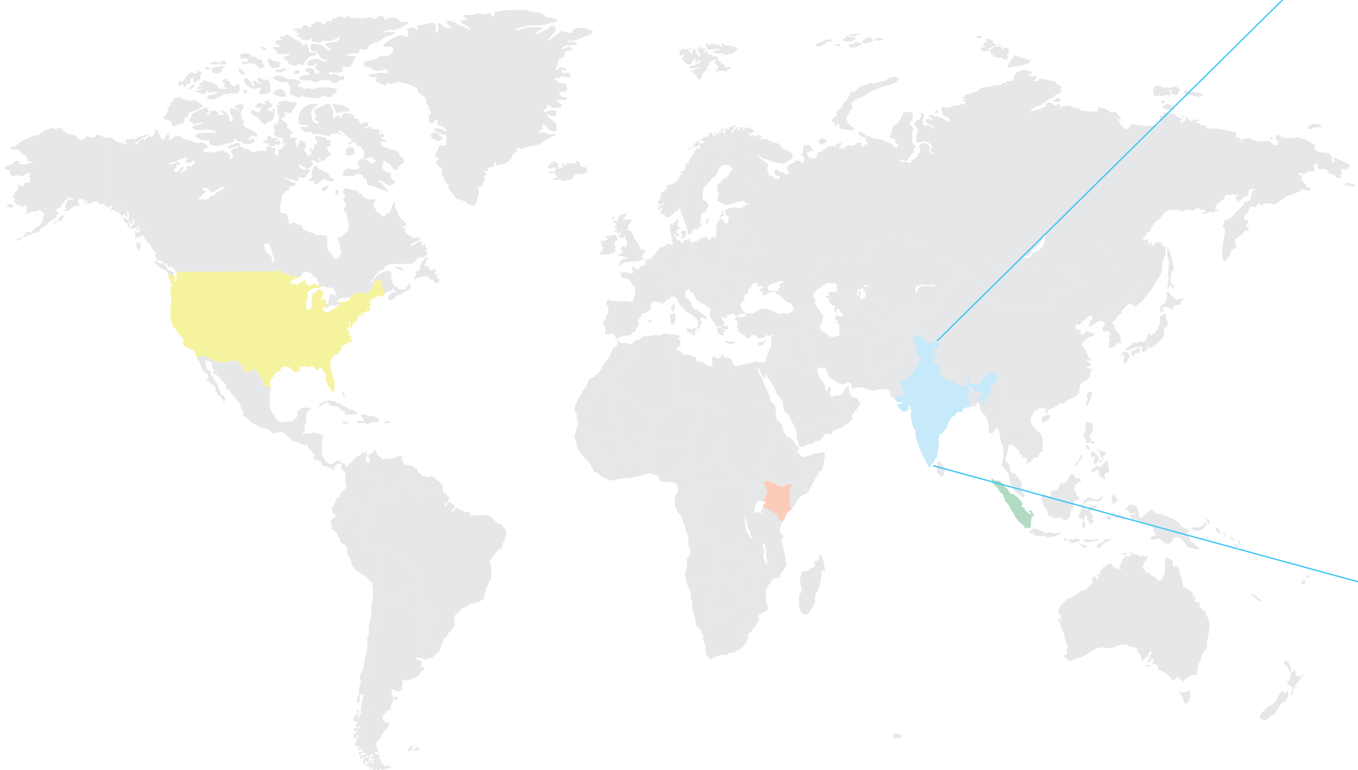


ACCELERATING A SUSTAINABLE REVOLUTION

# By Serving Regions that Need us the Most

**Environment degradation is a challenge worldwide, and it is more serious in emerging nations where we operate. These regions have large populations and poverty, poor health and sanitation facilities, coupled with widespread lack of scientific waste and wastewater management infrastructure. The rapid economic growth in these regions are further increasing threat to ecosystem, loss of biodiversity, rise in greenhouse gas emissions and associated environmental, economic and public health impacts.**

At Ramky Enviro, we are focused on delivering solutions at scale, tapping emerging technologies and working closely with local authorities and industries to ensure sustainable urban development. Alongside the positive impact on the regions' ecosystem, we are also generating direct and indirect jobs in these locations.



## GLOBAL FOOTPRINT

**SINGAPORE**
Facility Management
Car Park Management

**USA**
Marpol Waste Facility
(Houston, Texas)

**TANZANIA**
Medical Waste Project
(DAR)

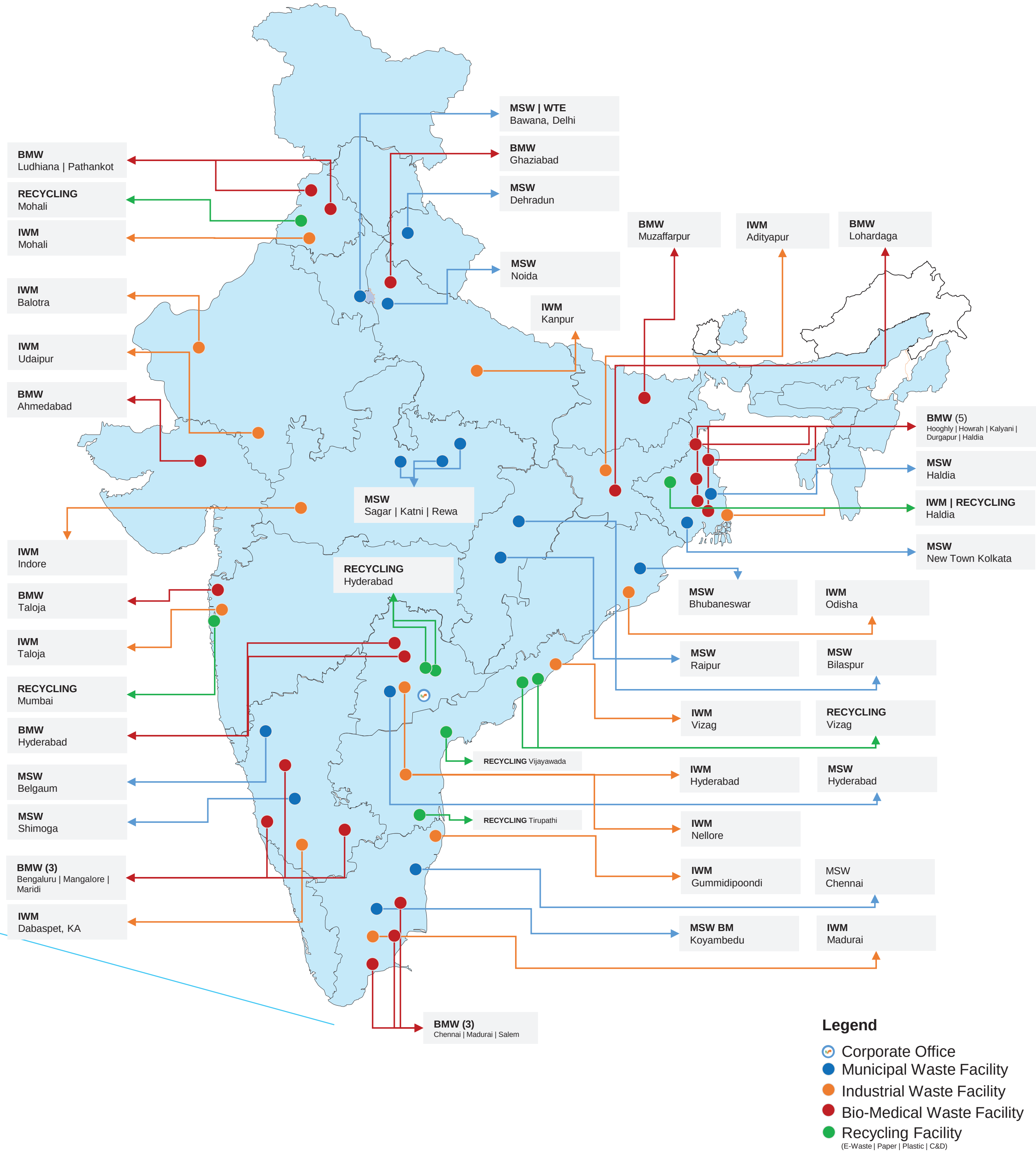
**Region-wise projects**
India: **52**
Singapore: **60+ Profit centers**
Middle East: **11**

### MIDDLE-EAST PROJECTS

**EPC Projects**
Al Dakhlia, Oman
Sohar, Oman
Al Shanayin, Abu Dhabi, UAE

**Operation & Maintenance Projects**
North Al Batinah, Oman
Barka, Oman
Sohar, Oman

**Build-Own-Operate Projects**
Sohar, Oman
Dubai, UAE
Yanbu, Saudi Arabia
Dar es Salaam, Tanzania
Abu Dhabi, UAE




## Key trends supporting environment solution growth in Ramky Enviro's region of operations

| Large population | Rapid urbanization | Health crisis | Increasing awareness | Substantial expected growth in waste volumes (2016 vs 2050) |
|---|---|---|---|---|
| almost one-third of the global population resides in the area of our presence. | 50% of megacities are expected to be in the emerging countries by 2030. | prevalence of vector borne, waste and pollution-related diseases. | among citizens, corporates, governments, and local authorities on the ecological, economic and human costs of waste. | **50%** in East Asia, **100%** in South Asia, **75%** in sub-Saharan Africa. |

ACCELERATING A SUSTAINABLE REVOLUTION

# By Incubating Emerging Technologies

**Through its journey of 25 years, Ramky Enviro has expanded its offerings across the gamut of waste management solutions. However, to address the challenge of sheer amount of scale, we are stepping-up and increasing focus on bringing emerging technologies to tackle waste management, and to transform ourselves into a fully integrated global circular economy company.**

## Delivering Abu Dhabi's first integrated hazardous and biomedical waste plant


Project : Medical & Hazardous waste management facility

We have formed a joint venture – Al Ahlia Waste Treatment LLC (AAWT) – with A H Investments (AHI) owned by Abdulla Alhaj Alawadhi - Sole Proprietorship LLC to pioneer the area of Hazardous/Medical waste management in Abu Dhabi. The JV will work to capitalize on the massive opportunity in the segment.

The JV was awarded an Integrated waste management project in Al Dhafra Region of Abu Dhabi awarded by Tadweer – Centre for Waste Management under Build-Own-Operate (BOO) model. The project, spread across 40,500 m2 area, involves building a waste stabilization plant, hazardous and medical waste rotary kiln incinerator, USEPA norm secured landfill, waste storage & refrigerate storage area, site laboratory, weighbridge and other supporting infrastructure.

Construction of the project started in 2019 and is 80% complete while remaining work is expected to be completed in the next four months. Currently 'AAWT' has also already partnered Tadweer as a part of national disaster management team and is assisting the government in the treatment of COVID-19 waste. The project has exclusive rights to cater to Abu Dhabi and the Western region with permission to receive wastes from the other Emirates as well.

## AI-enabled material recovery facility in Dubai

We have successfully built one of the most contemporary, Fully Automatic Material Recovery Facility (FARZ) that leverages artificial intelligence technology in partnership with Imdaad Group. The project marks our foray into the Dubai market. Spanning across 45,322 sq m and having a recycling capacity of 1,200 tonnes of municipal, commercial and industrial waste – equivalent to 13% of daily waste generated in Dubai – it is one of the largest of its kind in the region. It uses advanced technologies like magnetic, optical and ballistic separators and smart recovery technologies to segregate (as per type and colour) and reclaim valuables with a recovery rate of 25-30%. The plant will also help reduce landfill area and emissions caused by trucks to collect and carry waste to landfill.

## Creating Gulf region's 1st MARPOL plant

We have formed a joint venture, Oman Maritime Waste Treatment with Khimji Ramdas of Oman and Nature Group of the Netherlands to develop a MARPOL (marine pollution) waste discharge facility at SOHAR Port and Freezone. Equipped with multi-stage processing technology, the facility will comply with the most stringent waste disposal standards, both at the anchorage area and within the port through a purpose-built vessel.

A project of extreme significance to the international marine environment, it will pave way to reduce ocean contamination and enhance the quality of marine life.

## India's largest Waste to Energy plant

We have commissioned and are successfully managing the country's largest waste-to-energy plant in Delhi which has an electricity generation capacity of 24 MW and daily combustion capacity of 1,200-1,600 tonnes of waste. Deploying multiple processes such as composting, refuse-derived fuel and waste-to-energy (thermal processing), the plant is instrumental in minimizing landfill footprint and produces about 150 tonnes/day of city compost which is a soil enricher. Equipped with reciprocating grate technology, coupled with semi dry type flue gas treatment system, the plant ensures controlled particulate emissions. The plant marks the beginning of a new era in urban waste management in India.

ACCELERATING A SUSTAINABLE REVOLUTION

# By Scaling Operational Excellence

**We are operating in a competitive and challenging environment. We strive to strengthen our competitive advantage by making our operations more efficient and streamlined through investments in best practices, technology and automation. We are also optimizing costs to become the most preferred environment solution provider.**

At Ramky Enviro, we strive to heighten the customer experience by delivering solutions which are best-in-class in terms of cost, quality, delivery and safety. We are achieving this by driving the four pillars of innovation, competitivity, productivity and EESH energy-efficient, environment-friendly, safe and healthy working environment) while undertaking measures to train, empower and make our people more accountable.

## Promoting innovation

We have deployed the R-way initiative, a participative innovative scheme, aimed at driving operational excellence and promoting an 'innovation mindset' within the organization. It encourages and rewards employees to come up with innovative ideas for improvement. The program has seen successful results in the integrated waste and municipal solid waste management divisions, where employees have come up with 350+ innovative ideas in just three months.

**350+**
Innovative ideas shared by employees in just three months for improving performance.

## Measuring and improving performance

We have deployed the People Productivity Tracker and Monthly Progress Review System across all 15 IWM sites. These initiatives focus on measuring the key performance indicators (KPIs) at the respective sites and sharing them along with updates on 5S and PI (participative innovation) workshops on a monthly basis. This is followed by site visits, trainings, monthly sharing of best idea report for best practice benchmarking and implementing initiatives to improve performance of sites having low performance.

We also undertook the standardization of review parameters and processes for our MSW division, and capex project management to bring uniformity in performance measurement. Besides this, we have initiated seven strategic projects focused on achieving objectives of OPEX optimization and technology development for revenue expansion and sustainable growth.


## Improving supply chain processes and strengthening relations

Our major suppliers include vehicles, earthmoving equipment and compactors, fabricated equipment, and fuel companies. During FY 2019-20, we have undertaken multiple initiatives to streamline and improve the supply chain function. Some of the initiatives undertaken were:

- Optimizing vendor data base with reference to category standardization, spend and volume
- Performing KYC checks on existing vendors
- Blocking default suppliers
- Process strengthening by putting more checks in place to avoid errors
- Regular connect between senior management of both sides to improve relations

Apart from these, we are in the process of streamlining business review frequency and drafting a policy on sustainable supply chain.

## Accelerating our environmental, health and safety

We strive to maintain the highest levels of EHS (environment, health and safety) standards. During the year, we undertook integration and harmonization of EHS practices across all sites to standardize protocols and improve measurement of EHS performance. We have started conducting weekly meetings on site and quarterly EHS review meets to identify and resolve the areas of concern. A monthly safety theme program has been initiated whereby all sites undertake measures to promote the theme and sensitize the employees.

We are focused on further improving our EHS performance by:

- Evaluating existing practice and systems
- Visualizing future expectations
- Planning the transition process and executing change
- Monitoring performance and striving for continual improvement

### 10 safety focus areas for FY 2020-21

- **Risk containment plan**
- **Enhancing the guidelines**
- **Coaching / training**
- **Reinforcing fire infrastructure**
- **Avoiding incidents involving equipment**
- **Electrical safety**
- **Bringing down unsafe situations**
- **Robust engineering control and infrastructure safety**
- **Industrial hygiene**
- **Skill enhancement**

## Strengthening information technology platform

We are implementing an organisation-wide SAP to standardize business processes and improve operational efficiency. It will be supplemented by a Fund Management module for creating and executing budgets to facilitate budgeting all revenues and expenditures and controlling future funds & transactions as per the budget. We are undertaking programs to digitize processes (operations, DMS, payment gateways), create cloud infrastructure to enable remote access of data and strengthen security tools. A COE (Centre of Excellence) for applications support is also being set up.

ACCELERATING A SUSTAINABLE REVOLUTION

# By Scaling People Capabilities

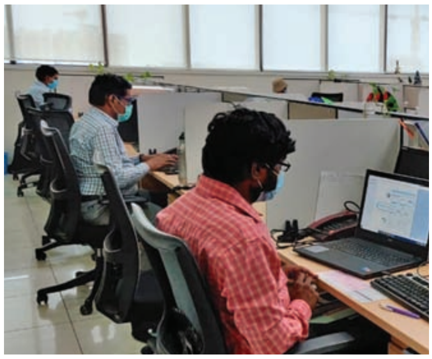
**As we look to undertake large and challenging projects involving emerging technologies, we are strongly focused on building employee capacities and capabilities. We are actively looking forward to attract the best talent, and providing the right training and constantly engaging with our 18,599 employees to deliver on their needs.**

## Onboarding and nurturing best talent

Being a manpower-driven Company, we are focused on recruiting the best talent and providing them with the right tools to grow in the organization. We have a robust onboarding process which facilitates productivity measurement of individuals based on certain parameters, thus enabling us to attract the right talent. Its success is evident from the average satisfaction score of 4.3 (on a scale of 5) for new joinees.

## Conducting Employee Pulse Survey

As a people-centric company, we are focused on providing the right work environment to ensure employee motivation, growth and productivity. An Employee Pulse Survey was undertaken to understand their needs and deliver on them. Based on this, the key themes identified were – training, automating HR function, engagement and policy review – and necessary actions were undertaken.

## Actions undertaken based on employee pulse survey results

### Training

- 10,000+ people covered under various soft skills and technical training
- Collaborated with Indian Institute of Technology (IIT), Hyderabad to initiate a 100-day Leadership and Change Intervention programme to sharpen leadership skills for high potential employees across the VUCA environment, managing stakeholders, understanding self and self-leadership and nurturing their teams

### Automating HR functions

Rolled-out Darwin box HR MIS application to automate many HR functions and establish better control

### Engagement activities

- Silver jubilee celebration
- Sports
- Family engagement
- Environmental competition
- Quiz
- My Proud moment with Ramky Enviro
- Compliance week
- Gala dinner/lunch
- Festival celebration

### Policy review

Reviewed all policies and launched a small pocket handbook containing summary of policies


### Empowering women employees

At Ramky Enviro, we are focused on empowering our women employees. The Ramky Enviro’s women network is one such initiative that focused on strengthening collaboration among women employees through a week-long celebration of women’s day. We take allegations on sexual harassment very seriously and have strong policies in place to take action. During FY 2019-20, we conducted several training workshops to sensitize employees on the issue. We have a dedicated committee to ensure any such acts are dealt with appropriately and in a timely manner.

### Leadership retreat

We initiated a program in collaboration with School of Inspired Leadership to relook into and review the Company’s vision, mission, purpose and values. The initiative involved large scale integration, whereby many employees across the organization were involved.

**600+**
Employees added in FY 2019-20.

**10,000+**
People covered under various soft skills and technical training.

**4.3**
The Average satisfaction score of new joinees on a scale of 5.

ACCELERATING A SUSTAINABLE REVOLUTION

# By Strengthening Corporate Governance

**As we aim to become large player in the emerging nations, and grow bigger and better, governance and integrity are important pillars. We are investing in better tools and technologies, policies and procedures and driving a culture of compliance and ethical practices across the organisation to safeguard the interest of all stakeholders.**

## Strengthening and building a culture of compliance

We have a robust and diverse Board who are strongly focused on the governance and compliance frameworks, policies. The Board has adopted several new policies on anti-bribery and anti-corruption, whistle blower, third-party gifts and entertainment and others to encourage a culture of compliance. We have initiated training, awareness and engagement initiatives to enhance and strengthen compliance across business operations with zero tolerance for non-compliance.

## Employee sensitizing

We conducted an 'Ethics & Compliance Week' in which various activities and engagement initiatives were held. 'A Wall of Compliance' was also created where employees signed. Employees were encouraged to share content, photos and videos with compliance as the theme. These initiatives have strongly brought out the importance of compliance and integrity while sensitising employees of their responsibility.

## Use of technology

We are investing in technology to enhance Board governance and effectiveness and strengthen monitoring of compliance across all sites for which third-party has been engaged. We have also invested in a whistleblower tool for our global operations which will be supported by an independent 24x7 call center.

## Plans for strengthening compliance and reaching Compliance 2.0

**Enhanced Policies and Procedures**

**Developing Code of Conduct and Business Ethics Document**

**Suppliers Code of Conduct**

# OUR BOARD OF DIRECTORS

## Mr. B S Shantharaju

Independent Chairman

He has spearheaded some of India's largest public services companies – Delhi International Airports as CEO and Gujarat Gas Company Limited as Managing Director – to growth. Most recently as the CEO of Indus Towers, he was instrumental in building one of the world's largest operating telecom tower companies. Earlier in his career, he held positions at BG Group, SmithKline Beecham Pharmaceuticals (now part of Glaxo Smithkline), Hindustan Aeronautics and Eicher Tractor.

## Mr. Narayan Seshadri

Independent Director

He is the Chairman & CEO of Tranzmute Capital, which he co-founded in 2008, and Halcyon Resources and Management. He currently serves as an Independent Director on the boards of AstraZeneca Pharma India, Kalpataru Power Transmission, Magma Fincorp, PI Industries, and WABCO India. In 2006, he established a Special Situations Fund to invest in distressed and undervalued businesses. Prior to that, he led KPMG Consulting, India after he merged Andersen's Business Consulting practice into it.

## Mr. Sanjay Nayar

Nominee Director

He has been with KKR since 2009. Presently, he is a Member and CEO of KKR India and a member of the Asia Portfolio Management and the Asian Investment Committees. He is on the board of KKR's portfolio companies Radiant Healthcare, Bharti Infratel, Magma Financial Services, and Coffee Day Holdings. Instrumental in KKR's investment in Apollo Hospitals, he now supports expanding its range of credit and capital markets offerings across the region. Before joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and as a member of Citigroup's Management and Asia Executive Operating Committees. Currently, he is a member of the board of USISPF and SEBI's NISM Board of Governors. Additionally, he was the deputy Chairman of the Indian Banks Association (IBA) and served on the Committee of the Reserve Bank of India tasked with building the bank's Centre for Advanced Financial Learning (CAFRAL).

## Ms. Lim Hwee Hua

Nominee Director

She is a senior advisor to KKR and Executive Director of Tembusu Partners. Previously, she served as an elected member of Singapore's Parliament (December 1996 - May 2011), Minister in the Prime Minister's Office, Second Minister for Finance and Transport, Deputy Speaker of Parliament and Chairman of the Public Accounts Committee. Before joining the Singapore Cabinet, she was Managing Director at Temasek Holdings where she oversaw divestments, restructurings and sat on several corporate boards.

## Mr. Rupen Jhaveri

Nominee Director

He joined KKR in 2009 and has been a member of the India investing team since its founding. At KKR, he has led investments in Ramky Enviro, Alliance Tires, Magma Fincorp, Dalmia Cement, Max Financial Services, Emerald Media, SBI Life Insurance, Bharti Infratel, and HDFC. Before KKR, he was with Goldman Sachs & Co. in its principal investment area and Warburg Pincus in Mumbai where he was involved in several investments including Mahindra & Mahindra, NDTV, Amtek Auto, Sigma Electric, Sintex and Dainik Bhaskar.

## Mr. M Goutham Reddy

Managing Director & CEO

He leverages his expertise in infrastructure, waste management, and real estate to drive the Company's direction and growth. He brings nearly 21 years of environmental engineer experience. A Master's degree in Environmental Engineering from the US, he received training in waste management in Australia and environmental monitoring in Sweden.

## Mr. Masood A. Mallick

Joint Managing Director

He has advised leading international corporations, investors, financial institutions and law firms on environmental issue management in India and internationally for close to 25 years. He is a recognized subject matter expert in hazardous materials and waste management and rehabilitation of contaminated sites. Before Ramky Enviro, he served as a Managing Director and a member of the Global Senior Leadership Team at Environmental Resources Management (ERM), a global provider of environmental, health, safety, risk, and social consulting services. There he led South Asia operations and co-led its Global Innovation initiative. He has advised the Government of India on environmental policy and legislation, including regulatory standards and Sustainable Development Goals.

## Mr. Anil Khandelwal

Joint Managing Director & CFO

He is a qualified Chartered Accountant. He joined Ramky Enviro as Joint Managing Director and CFO and is responsible for managing its finance and accounts, supply chain, legal, IT, risk and contracts management. With over 30 years of professional experience working with international corporations, he brings extensive financial and commercial expertise for managing capital and cash flow needs to foster growth in India and international markets. Before joining Ramky Enviro, he was associated with Tata Projects Limited as the Chief Financial Officer.

# KEY PERSONNEL TEAM

## Mr. Sujiv Nair

Chief Human Resource Officer

He has over 26 years of global experience across manufacturing, paints, pharmaceuticals, IT & ITeS, R&D and Skill Development sectors with multinational, entrepreneurial and government organisations. He served as the Chief Executive Officer for Telangana Academy for Skills and Knowledge in his last role.

## Mr. Shujath Bin Ali

General Counsel & Chief Compliance Officer

He heads the Legal and Compliance of the Company and brings in over 20 years of experience across corporate law, governance, compliance, and risk management. He served as Senior Director – General Counsel, Compliance Officer, and Company Secretary at PAREXEL International – India providing strategic legal counsel and operational legal support for India Operations. Prior to this, he has worked as a Senior Legal Counsel and Corporate Secretary for International Paper-India and Associate Vice President - Legal and Corporate Secretary for Deloitte US-India offices.

## Mr. Govind Singh

Company Secretary

He has an experience of about 7 years in compliance of various corporate laws viz. Companies Act, FEMA, SEBI laws, Depository laws, etc. and other applicable secretarial compliances.

# CORPORATE SOCIAL RESPONSIBILITY

**We believe in being a responsible corporate to bring meaningful and positive difference to communities around which we operate. We have carefully designed our initiatives to ensure they can be replicated on a larger scale to cover large sections of the society.**

## CSR Focus areas

**Education**
INR **159.81** Lakhs

**Healthcare**
INR **98.82** Lakhs

**Natural Resource Management**
INR **131.45** Lakhs

**Skill Development**
INR **75.20** Lakhs

**Women Empowerment**
INR **24.60** Lakhs

**Site based**
INR **75.20** Lakhs

**Collaborations**

UNDP NABARD भारतीय प्रौद्योगिकी संस्थान हैदराबाद Indian Institute of Technology Hyderabad

## Education

We are helping government schools progress through an integrated school holistic approach (ISHA) which involves working closely with them in providing education, giving scholarship and assessing the impact of our contribution. We undertake distribution books and sports materials, health and hygiene requirements, drinking water facility and improvement of premises like wall painting, sports facility, constructing toilets and growing plants. Besides, for the tribes near our sites which are located far-off, we have Vidya Volunteers for schools in those locations. We provide teachers to take care of their education.

**6,455**
School children were provided with safe drinking water

## Health camps

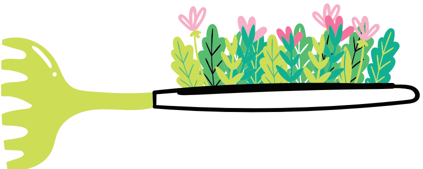
We organise health camps whereby rag-pickers, their families and community members are screened for viral fevers and skin-related diseases. They are provided with free medicines and ointments. The initiative has helped improved health conditions of the rag pickers who work at waste sites and are exposed to hazards.

## Natural Resource Management

We have collaborated with NABARD to help farmers in Andhra Pradesh, Karnataka, West Bengal to undertake sustainable natural farming to manage natural resources. Farmers were trained on innovative farming and irrigation techniques for water conservation and sapling protections, preparing natural fertilisers and pesticides, and provided with cashew, mango, teak saplings. We also helped form Village Farmers Committee and Self-Help Groups to bring ownership, concept of savings and book keeping. We further plan to set-up Farmers Production Organisations to ensure direct benefits to the farmers.

**360 farmers**

were trained on sustainable natural farming



**447 youths**

Created employability opportunities for 447 youths through skilling and capacity building

## Skill development

We have established Skill Development Training Centres with necessary labs and manpower where we identify skills needed by the youth near our sites through rapid assessment. These youths are then enrolled and provided the necessary training on masonry or beautician along with certification. Further, they are assisted with placements or setting up entrepreneurial ventures.

### Site-based initiatives

We have engaged with communities living around our sites and provide necessary support as per their need such as setting up water RO plants, health camps for livestock, distribution of basic items to villages and anganwadis.

### Women empowerment

We have helped formation of Self-Help Groups (SHGs) where women are provided need-based Skill Enhancement Programmes to increase their income levels. We are also conducting workshops on ‘Women Rights’ and finance management, facilitating access to Government Schemes for women, organising health camps and educating women about health and hygiene.

CASE STUDY 1

## Creating a sustainable economic empowerment model for ragpickers

In a unique project, done in collaboration with UNDP, we have created a sustainable economic empowerment model for ragpickers at our Kaithalapur Trash Station where 1,000 tonnes of waste is handled every day. Under the initiative, we do profiling of ragpickers and train them on waste (plastics, PET, HDP, etc.) segregation and safety through a ‘Swacchta Kendra’. We have also established a group of recyclers to buy recyclable wastes from them at fair prices. Self-Help Groups have also been set-up to prevent their exploitation. The ragpickers are also provided with safety kits, books and scholarships, and cover them and their families under our health camps. The plant also has a RO plant, thereby creating a total ecosystem. The initiative has significantly enhanced their daily incomes, standard of living and health.

**250**

ragpickers trained and empowered by our sustainable economic empowerment model

**10**

Self-Help Groups created to help rag pickers

CASE STUDY 2

# A Ragpicker's Success Story

Rajamma hails from a village called Adoni in Kurnool district, Andhra Pradesh. In Adoni, she used to work as a daily wage laborer and earned around INR 100-150 per day, and was the sole breadwinner of the family. Her husband was an alcoholic and used to spend all that he earned on alcohol. She had a hard time earning a livelihood for her family.

Rajamma then moved to Hyderabad and started off as a waste picker. However, the waste collected by her used to be unfairly weighed by the traders, thus forcing Rajamma to frequently borrow money. This led her into inevitable debts.

Luckily, Rajamma got to know about the "Swachhta Kendra", set up under the Plastic Waste Management Programme by HCCB and UNDP with Ramky Foundation as the local implementation partner.

Working in the Prithvi project has helped to mitigate her adversities and she has only benefited from this project. The project has brought in awareness of the benefits of forming Self-Help Groups (SHGs), of which Rajamma and other Safai Saathis were a part. They went on to finally open a savings account and are provided with health insurances as well. The Medical Camps - organized frequently in the Swachhta Kendra provided her with proper medication and was beneficial to her.

Besides medical benefits, Rajamma was also aided with social benefits like scholarships for her kids, provided by the Ramky Foundation. Being a part of the Prithvi project, she now earns INR 12,000/- a month, as opposed to INR 7,500/- that she made before, being a daily wage worker.

Rajamma now leads a debt-free life and can fund her children's education all by herself. This has naturally boosted her self-confidence, for now she lives an independent life in the society.

**"BACK IN OUR VILLAGE, WE DON'T OWN ANY ASSETS/PARCELS OF LAND. WHEREVER WE LIVED, WE HAD TO WORK ON A DAILY BASIS FOR WAGES, BUT NOW I FEEL HAPPY TO BE A PART OF THE PRITHVI PROJECT"**
**- RAJAMMA**

# STATUTORY REPORTS & FINANCIAL STATEMENTS

# Board's Report

**Dear Shareholders,**

Your Directors have pleasure in presenting the 26th Board's Report together with the Financial Statements from 1st April, 2019 to 31st March 2020 along with annexures thereto and Report of Auditor's thereon.

## 1. FINANCIAL RESULTS:

In compliance with the provisions of the Companies Act, 2013, the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards ('Ind AS') for the FY 2019-20. The standalone and consolidated financial highlights of the Company's operations are as follows:

### a) Consolidated financial results

(In INR Lakhs)

| Particulars | 1st April, 2019 to 31st March, 2020 | 1st April, 2018 to 31st March, 2019 |
|---|---|---|
| Revenue from contract with customers (I) | 2,46,839 | 2,21,129 |
| Other income (II) | 6,351 | 7,327 |
| **Total Income( III = I + II)** | 2,53,190 | 2,28,456 |
| Total Expenditure (IV) | 2,15,255 | 2,02,291 |
| Share of profit/(loss) of associate and Joint Venture (V) | (410) | 18 |
| Exceptional items (VI) | 6,300 | 5,583 |
| **Net Profit Before Tax (VII = III – IV+ V-VI)** | 31,225 | 20,600 |
| Total Tax Expense | 6,175 | 5,092 |
| **Net Profit After Tax** | 25,050 | 15,508 |

### b) Standalone financial results

(In INR Lakhs)

| Particulars | 1st April, 2019 to 31st March, 2020 | 1st April, 2018 to 31st March, 2019 |
|---|---|---|
| Revenue from contract with customers (I) | 42,901 | 37,989 |
| Other income (II) | 7,585 | 5,219 |
| **Total Income( III = I + II)** | **50,486** | **43,209** |
| Total Expenditure (IV) | 37,600 | 37,426 |
| Exceptional items (V) | (4,403) | 13,042 |
| **Net Profit Before Tax (VI = III – IV+ V)** | **8,484** | **18,825** |
| Total Tax Expense | 3,021 | 4,201 |
| **Net Profit After Tax** | **5,463** | **14,624** |

## 2. PERFORMANCE & STATE OF THE COMPANY AFFAIRS:

On Consolidated basis, during the financial year ended as on 31st March 2020, the Company recorded total revenue of INR 2,53,190 lakhs (previous financial year INR 2,28,456 lakhs). The Company made a Net Profit after Tax for the current year amounting to INR 25,050 lakhs as compared to previous financial year INR 15,508 lakhs.

On Standalone basis, during the financial year ended as on 31st March 2020, the Company recorded total revenue of INR 42,901 lakhs (previous financial year INR 37,989 lakhs). The Company made a Net Profit after Tax for the current year amounting to INR 5,463 lakhs as compared to previous financial year INR 14,624 lakhs.

*(Amounts mentioned in the point no.1& 2 are rounded off to the nearest amount in lakhs)*

## 3. CHANGE IN THE NATURE OF BUSINESS IF ANY:

Your Company or any of its subsidiaries or joint ventures have not changed the nature of Business during the financial year under review.

## 4. SHARE CAPITAL AS ON 31 MARCH 2020:

There was no change in the Company's Authorised, Issued, Subscribed and Paid-up share capital of the Company during the financial year.

### Summary of Authorised, Issued, Subscribed, & Paid up Share Capital as on 31st March, 2020 is as follows:

**Authorised Share Capital:**

(Amount in INR)

| | |
|---|---|
| **Equity Shares:** | |
| Class A - 20,25,22,450 shares of INR10/- each. | 2,02,52,24,500 |
| Class B - 100 shares of INR10/- each. | 1,000 |
| **Preference shares:** | |
| Cumulative Compulsory Convertible Preference Shares – 1,00,000 shares of INR100/- each. | 1,00,00,000 |
| Optionally Convertible Redeemable Preference Shares – 13,44,000 shares of INR15/- each. | 2,01,60,000 |
| Redeemable Preference Shares – 71,145 shares of INR100/- each. | 71,14,500 |
| **Total** | **2,06,25,00,000** |

**Issued, Subscribed, & Paid up Share Capital:**

(Amount in INR)

| | |
|---|---|
| **Equity Shares:** | |
| Class A – 41,77,358 shares of INR10/- each. | 4,17,73,580 |
| Class B - 100 shares of INR10/- each. | 1,000 |
| **Preference shares:** | |
| Optionally Convertible Redeemable Preference Shares – 13,43,431 shares of INR15/- each. | 2,01,51,465 |
| **Total** | **6,19,26,045** |

### EMPLOYEE STOCK OPTION SCHEME:

With the view to promote the long term financial interest and growth of the Company and its subsidiaries by attracting and retaining management and other employees with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's and its subsidiaries business and to motivate participants by means of growth- related incentive to achieve long-range goals and to further the alignment of interests of Participants with those of the Shareholders through opportunities for increased shares, or share-based ownership in the Company, the Board, on the recommendation of Nomination and Remuneration Committee of the Company approved the Share option Plan of 84,594 equity shares (ESOP-Plan-I) for Employees of the Company and its subsidiary companies and share option plan of 4,893 equity shares (ESOP- Plan-II) for key Employees of the Company at its Board meeting held on 2nd May, 2019 and same was approved by the members of the Company at the Extra Ordinary General Meeting held on 02nd May, 2019.

## 5. RESERVES:

On the standalone basis, during the financial year, the company has transferred INR 1,575 lakhs into the Shares based payment reserve and retained remaining profit for the year in the retained earnings.

## 6. DIVIDEND:

With a view to conserve resources for expansion of business, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The members of the Company's Board are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and they devote adequate time to the meetings and preparation. The Board meets at regular intervals are convened to discuss and decide on Company / business policy and strategy apart from other Board business.

As on 31 March 2020, the Board of your Company comprises as follows:

| S. No | Name | Designation |
|---|---|---|
| 1 | Mr. BS Shantharaju | Chairman & Independent Director |
| 2 | Mr. Narayan Keelveedhi Seshadri | Independent Director (w.e.f. 7 May 2019) |
| 3 | Mr. Sanjay Omprakash Nayar | Nominee Director |
| 4 | Mr. Rupen Mukesh Jhaveri | Nominee Director |
| 5 | Mrs. Hwee Hua Lim | Nominee Director |
| 6 | Mr. M. Goutham Reddy | Managing Director |
| 7 | Mr. Masood Alam Mallick | Whole time Director (Designated as Joint Managing Director) |
| 8 | Mr. Anil Khandelwal | Whole time Director (Designated as Joint Managing Director) |

As on 31 March 2020, the KMPs of your Company comprises as follows:

| S. No | Name | Designation |
|---|---|---|
| 1 | Mr. M. Goutham Reddy | Managing Director |
| 2 | Mr. Masood Alam Mallick | Whole time Director (Designated as Joint Managing Director) |
| 3 | Mr. Anil Khandelwal | Whole time Director (Designed as Joint Managing Director & Chief Financial Officer) |
| 4 | Mr. Govind Singh | Company Secretary |

The details relating to Directors and Key Managerial Personnel (KMP's) and the changes during the financial year and subsequent to financial year are herein below:

- Mr. Narayan Keelveedhi Seshadri, who was appointed as an Additional Director (Independent) at the Board meeting held on 2nd May, 2019 for a term of 3 (three) years with effect from 7th May, 2019 to 6th May, 2022 was regularized as Director (Independent) at 25th Annual General Meeting held on 30th Sep, 2019.

- Mr. Anil Khandelwal, Whole Time Director (designated as Joint-Managing Director) of the Company who retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment. Board of Directors has proposed for re-appointment of the said retiring Director in the forthcoming Annual General Meeting of the Company.

## 8. STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, the Independent Directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The Independent Directors have complied with the code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

## 9. AUDITORS:

### A. Statutory Auditor:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s S. R. Batliboi & Associates LLP, Chartered Accountants, Hyderabad (Firm Registration No. 101049W/E300004) were appointed as the Statutory Auditors of the Company by the Shareholders at the Annual General Meeting held on 30th December, 2018 for a period of Four years commencing from the conclusion of the 24th Annual General Meeting held until the conclusion of 28th Annual General Meeting of the Company.

### B. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The Board, on the recommendation of Audit Committee, had appointed M/s R & A Associates, Company Secretaries, Hyderabad as the Secretarial Auditor of the Company at the Board meeting held on 13th November, 2019 for the financial year 2019-20.

The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report of the Secretarial Auditor is disclosed under Annexure-I and forms part to this report.

### C. Internal Auditor:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 the Board, on the recommendation of the Audit Committee had appointed M/s KPMG, Chartered Accountants, Hyderabad (Firm Registration No. BA-62445) as Internal Auditors for the Financial Year 2019-20 at the Board Meeting held on 20th August, 2019.

### D. Cost Auditor:

Pursuant to the Section 148 of the Companies Act, 2013 the Company has not appointed any Cost Auditors as the Central Government has not prescribed Cost Audit for the activities of the Company for the Financial Year 2019-20.

## 10. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR UNDER SECTION 143(12):

During the year under review, there were no frauds reported by the Auditor as provided under Section 143(12) of the Companies Act, 2013.

## 11. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY STATUTORY AUDITOR AND SECRETARIAL AUDITOR

### A. Statutory Auditor:

During the year under review, no observations raised by the Statutory Auditors of the Company for which Board explanation is required.

### B. Secretarial Auditor:

The following are the observations raised by the Secretarial Auditor along with the explanation/ comments given by Board.

| Sr. No. | Observation made by the Auditor | Explanation/ Comments by Board |
|---|---|---|
| 1 | There was a delay in filing E-forms (list mentioned in Report) beyond the statutory limits specified under the Act | These were procedural delays and the forms were taken on record on payment of additional fees. The board has advised the management to ensure that such delays should not happen. |
| 2 | There was a delay / pendency of filing the following returns by the Company under the Foreign Exchange Management Act, 1999 and the Regulations framed thereunder:<br>1. There was a delay in filing Form ODI Part II – Annual Performance Report for its joint venture company - Al Ahlia Environmental Services Co. LLC with RBI.<br>2. The Company is yet to file Form ODI Part II – Annual Performance Report for its wholly owned subsidiaries Ramky International (Singapore) Pte. Ltd, Ramky Enviro Engineers Middle East FZ LLC and its joint venture Ramky-Al-Turki Environmental Services Company Limited (previously known as Ramky RISAL Environmental Service) with RBI. | The company has filed all pending Annual Performance reports for all the foreign Subsidiaries with AD Bank and is in process of filing compounding application for delay reporting. |

## 12. COMPLIANCE TO SECRETARIAL STANDARDS:

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

## 13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company is covered under the definition of Infrastructure project and facilities as prescribed in Schedule VI of the Companies Act, 2013, except sub section 1 other provisions of section 186 are not applicable.

## 14. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company except as mentioned below;

### i. Impact of COVID on the Business of the Company.

Your Company is engaged in providing essential services and the organizational response to the lockdown was reasonably structured and planned. Further, the Company was able to mobilize a significant percentage of its workforce, under very difficult circumstances.

a) Operations related to Municipal Solid Waste and Bio Medical Waste are now continuing without any material issues, although some reduction in waste quantities has been evident, correlated with the degree of lockdown.

b) IWM business experienced significant impact on volumes due to widespread industry shutdown in the initial weeks of the lockdown, and is now recovering well on the back of some proactive measures being taken by the management.

c) Singapore operations continue, and whilst there is an impact on scale of operations, there is also a material positive impact associated with Government subsidies and grants.

d) IES, Middle East and Recycling businesses have been significantly affected and are likely to remain impacted over the lock down period.

e) Company has evaluated the impact of Force Majeure in relation to their current contracts and is in the process of implementing a strategy to aggressively protect and safeguard its interests.

f) Project development works were suspended at several locations during the lockdown period and experienced a slowdown in some other locations.

g) The Company is also proactively evaluating certain new business opportunities in the context of COVID-19 and associated impacts/ business imperatives.

h) The organizational response to the lockdown has been structured and planned; and Company has rolled out the interventions required across all business verticals.

i) A regular tracking mechanism to support operations has been implemented with real time communication systems.

j) Virtual Control Room architecture has been implemented and IT tools like Google Meet, Hangout and Zoom are being effectively used for structured daily meetings and reviews with businesses and support services.

k) Work from home implemented at Corporate Office and Regional Offices, with partial roll-back in line with Government policies.

l) Special allowance announced for frontline workers and other personnel working in the field, together with targeted insurance cover; food, transport and accommodation, are being provided wherever necessary

m) Health & Safety is a primary focus area for the Company and a number of interventions have been rolled out for frontline workers; there is a continued focus on health and safety management with support from reputed international experts.

ii. Further in order to support the fight against COVID 19, on 7th April, 2020 the Board of Directors approved a contribution of INR 4,98,00,000 (Rupees Four Crore Ninety Eight Lakhs only) from the Company into various COVID 19 related relief measures of Central/ State Governments.

## 15. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 and 134 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in Annexure-II which forms part of this report and the same is available on the website of the Company (http://ramkyenviroengineers.com).

## 16. DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES:

During the year under review, no subsidiary/Joint venture/Associate Companies have become or ceased to be its Subsidiary/ Joint Venture/ Associates Companies as per the provisions of Companies Act, 2013 except following

1. Dhanbad Integrated Waste 2 Energy Private Limited was incorporated as Subsidiary Company on 22nd January, 2020.

A detailed report on the performance of the aforesaid Subsidiary, Joint Ventures or Associate Companies and their contribution to the overall performance of the Company during the period under review is provided under form AOC-1, attached herewith as Annexure-III.

## 17. NUMBER OF BOARD MEETINGS:

The Meeting of the Board of directors was held Six (6) times during the year on the following dates:

| S. No | Date of Meeting | Board Strength | No of Directors Attended |
|---|---|---|---|
| 1 | 02nd May, 2019 | 7 | 5 |
| 2 | 02nd July, 2019 | 8 | 7 |
| 3 | 20th August, 2019 | 8 | 7 |
| 4 | 26th September, 2019 | 8 | 6 |
| 5 | 13th November, 2019 | 8 | 7 |
| 6 | 05th February, 2020 | 8 | 7 |

## 18. COMMITTEES:

### 1. AUDIT COMMITTEE

The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Audit Committee was reconstituted on 02nd May, 2019. The detail of the same is herein below:

| Date of Reconstitution | Members of the Audit Committee as on the date of reconstitution | Category | Designation |
|---|---|---|---|
| 02nd May, 2019 | Mr. Narayan Seshadri | Independent Director | Chairman |
| | Mr. B S Shantharaju | Independent Director | Member |
| | Mr. Rupen Jhaveri | Nominee Director | Member |

The Meeting of the Audit Committee was held seven times (7) during the year on the following date

| S. No | Date of Meeting | Committee Strength | No of Directors Attended |
|---|---|---|---|
| 1 | 02nd May, 2019 | 3 | 2 |
| 2 | 11th June, 2019 | 3 | 2 |
| 3 | 02nd July, 2019 | 3 | 3 |
| 4 | 20th August, 2019 | 3 | 3 |
| 5 | 26th September, 2019 | 3 | 2 |
| 6 | 13th November, 2019 | 3 | 2 |
| 7 | 05th February, 2020 | 3 | 3 |

## 2. NOMINATION AND REMUNERATION COMMITTEE ("NRC"):

The objectives of the NRC is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The role and function of NRC includes criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The NRC Committee was reconstituted on 02nd May, 2019. The detail of the same is herein below:

| Date of Reconstitution | Members of the NRC as on the date of reconstitution | Category | Designation |
|---|---|---|---|
| 02nd May, 2019 | Mr. Narayan Seshadri | Independent Director | Chairman |
| | Mr. B S Shantharaju | Independent Director | Member |
| | Mrs. Hwee Hua Lim | Nominee Director | Member |

The Meeting of the Nomination and Remuneration Committee ("NRC") was held six times (6) during the year on the following dates.

| S. No | Date of Meeting | Committee Strength | No of Directors Attended |
|---|---|---|---|
| 1 | 02nd May, 2019 | 3 | 2 |
| 2 | 02nd May, 2019 | 3 | 2 |
| 3 | 02nd July, 2019 | 3 | 3 |
| 4 | 20th August, 2019 | 3 | 2 |
| 5 | 13th November, 2019 | 3 | 3 |
| 6 | 05th February, 2020 | 3 | 2 |

Board of Directors at their meeting held on 2nd May, 2019 adopted the NRC Charter. The NRC Policy along with the Charter is provided as Annexure-VIII to this report.

## 3. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted Corporate Social Responsibility (CSR) Committee.

The composition of the CSR Committee as under

| S. No. | Name | Category | Designation |
|---|---|---|---|
| 1 | Mr. B S Shantharaju | Independent Director | Chairman |
| 2 | Mr. Rupen Jhaveri | Nominee Director | Member |
| 3 | Mrs. Hwee Hua Lim | Nominee Director | Member |
| 4 | Mr. M Goutham Reddy | Managing Director | Member |

The Meeting of the Corporate Social Responsibility ("CSR") Committee was held three times (3) during the year on the following dates.

| S . No | Date of Meeting | Committee Strength | No of Directors Attended |
|---|---|---|---|
| 1 | 02nd July, 2019 | 4 | 4 |
| 2 | 20th August, 2019 | 4 | 4 |
| 3 | 13th November, 2019 | 4 | 3 |

Board of Directors at their meeting held on 2nd May, 2019 adopted the CSR Charter. The CSR Policy along with the Charter is provided as Annexure-IV to this report.

The report on CSR disclosures as required under Section 135 of the Act read with Rules framed thereunder is provided in Annexure-V to this report.

## 4. EXECUTIVE BOARD COMMITTEE

In accordance with the applicable provisions of the Companies Act, 2013, the Board formed an Executive Board Committee to reduce the work load of the Board and to meet the day to day business requirements of the Company.

The composition of Executive Board Committee as under

| S. No. | Name | Category | Designation |
|---|---|---|---|
| 1 | Mr. M Goutham Reddy | Managing Director | Member |
| 2 | Mr. Anil Khandelwal | Whole Time Director<br>(designated as Jt. Managing Director & CFO) | Member |
| 3 | Mr. Masood Alam Mallick | Whole Time Director<br>(designated as Jt. Managing Director) | Member |

The Meetings of the Executive Board Committee Meeting were held 18 (Eighteen) times during the year on the following dates

| S. No | Date of Meeting | Committee Strength | No of Directors Attended |
|---|---|---|---|
| 1 | 25th April, 2019 | 3 | 3 |
| 2 | 4th May, 2019 | 3 | 3 |
| 3 | 15th May, 2019 | 3 | 3 |
| 4 | 15th June, 2019 | 3 | 3 |
| 5 | 27th June, 2019 | 3 | 3 |
| 6 | 8th July, 2019 | 3 | 3 |
| 7 | 31st July, 2019 | 3 | 3 |
| 8 | 22nd August, 2019 | 3 | 3 |
| 9 | 23rd September, 2019 | 3 | 2 |
| 10 | 7th October, 2019 | 3 | 3 |
| 11 | 24th October, 2019 | 3 | 3 |
| 12 | 5th November, 2019 | 3 | 3 |
| 13 | 19th November, 2019 | 3 | 3 |
| 14 | 04th December, 2019 | 3 | 3 |
| 15 | 18th December, 2019 | 3 | 3 |
| 16 | 22nd January, 2020 | 3 | 3 |
| 17 | 5th February, 2020 | 3 | 3 |
| 18 | 26th February, 2020 | 3 | 3 |

## 19. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of POSH Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has received one complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and same was disposed off with 90 days. There were no complaints pending as on March 31, 2020.

| S. No | Particulars | Remarks |
|---|---|---|
| 1 | No of Sexual harassment complaints received in FY 2019-20 | One |
| 2 | No of complaints disposed off during FY 2019-20. | One |
| 3 | No of cases pending for more than 90 days | NIL |
| 4 | No. of awareness programs or workshops against sexual harassment conducted during the year. | Four |
| 5 | Nature of actions taken by the employer | Warning letter issued with a warning period of 6 months under the supervision of the reporting manager.<br>Any re-occurrence of disciplinary violation will impose strict action. |

The company has adopted the Anti-Sexual Harassment policy in the Board meeting held on 15th November, 2018, and the same is enclosed as Annexure –VI.

## 20. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has adopted Vigil Mechanism Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Company's Code of Conduct and Ethics.

The Whistle Blower Policy is enclosed as Annexure-VII.

Whistle Blower can make a disclosure to the Chief Compliance Officer (CCO) orally in person, through email at ethics@ramky.com or leave a voice massage at +91 8096875557. Chief Compliance Officer shall submit a report to the Audit Committee on a regular basis about all the communication made to him with the results of investigation.

## 21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

Further, the Internal Auditors are empowered to oversee & report to the Audit Committee about the status of Internal Financial Controls quarterly.

## 22. DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) In the preparation of the accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and that there are no material departures;

b) The Directors had selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the period;

c) The Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis; and

e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 23. RELATED PARTY TRANSACTIONS:

All related party transactions entered into by the Company during the financial year under review were in the ordinary course of business and on arm's length basis and the same were in compliance with the applicable provisions of the Companies Act, 2013. The transactions entered into during the financial year were in conformity with the Company's Policy on Related Party Transactions.

During the year 2019-20, your Company did not enter into any material Related Party Transactions. Accordingly, disclosure with respect to the Related Party Transactions in the Form AOC – 2 in terms of Section 134 of the Companies Act, 2013 is not applicable. Details of all the Related Party Transactions undertaken during the financial year are provided in the Note no. 32 of the Standalone Financial Statements of FY 19-20 of the Company.

## 24. DEPOSITS FROM PUBLIC:

Your Company has not accepted any deposits during the financial year as per Section 73 of the Companies Act, 2013 and the Rules made thereunder and no amount of principal or interest is outstanding at the end of the financial year 2019-20.

## 25. RISK MANAGEMENT POLICY:

During the year under review, the Risk Management Committee was reconstituted on 2nd July, 2019. The Committee comprises the following:

| Sr. No. | Members | Designation |
|---|---|---|
| 1 | Mr. Narayan Seshadri | Independent Director |
| 2 | Mr. M. Goutham Reddy | Managing Director |
| 3 | Mr. Masood Mallick | Whole Time Director (designated as Jt. Managing Director) |
| 4 | Mr. Anil Khandelwal | Whole Time Director & CFO (designated as Jt. Managing Director) |
| 5 | Mr. Shujath Bin Ali | General Counsel and Chief Compliance Officer |

The objective of the Risk Management Committee is to assist the Board of Directors and the Company in continuously fulfilling its responsibilities towards:

i. Identification, evaluation and mitigation of strategic, operational, and external environment risks.

ii. Monitoring and approving the risk management framework and associated practices of the Company.

The Company in the Board meeting held on 20th August, 2019 adopted the Risk Management Charter for better Governance of the Committee.

However, Company has not come across any element of risk which may threaten the existence of the Company.

## 26. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

During the year under review, there were no significant material orders passed by the regulators, courts and Tribunals.

## 27. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 every Public Company having paid up capital of INR 25 crores is required to evaluate the performance of the Board, Committees and Individual Directors (annually).

As your Company is not covered in the foregoing criteria, hence it is not applicable.

For the better Corporate Governance, Board has approved the Nomination and Remuneration Committee Charter cum Policy and ensured that the evaluation process is in place for all the Directors, KMPs and Senior Management Personnel.

Nomination & Remuneration Committee is empowered to evaluate the performance of all the Directors by seeking their inputs on various aspects on the following:

1) The contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning.

2) The fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

3) The Chairman of the Nomination and Remuneration Committee shall have one-on-one meetings with the Executive and Non-Executive Directors These meetings are intended to obtain Directors' inputs on effectiveness of Board/Committee processes.

4) The Independent Directors at their meeting shall review the performance of Board, Chairman of the Board and of Non-Executive Directors.

The Board of Directors at their meeting held on 2nd May 2019 adopted the NRC Charter cum Policy.

The Nomination and remuneration Charter cum Policy is attached herewith as Annexure-VIII. The same has also been placed on the website of the Company http://ramkyenviroengineers.com/.

## 28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013

The disclosures required under Section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 are as follows:

## A. CONSERVATION OF ENERGY:

Company's operations require electric energy for its computer systems, air conditioners and other lightening equipment, which are not energy intensive. However, adequate measures have been taken to reduce energy consumption, wherever possible.

(Amount in INR)

| | |
|---|---|
| Steps taken on conservation of energy and impact thereof: | **a) Recovery of energy from high volume-low density waste:** Volume reduction of high volume-low density waste like 'Thermocol' using suitable solvent and recover energy and divert from being incinerated currently<br>**Impact:**<br>(i) Financial: Reduction of OPEX<br>(ii) Non-Financial: Diversion of waste from incineration and Recovery of Energy<br>b) **Recovery of energy from high calorific wastes being incinerated currently:** Recovery of energy using various waste mix and blending methods from waste being incinerated currently.<br>**Impact:**<br>(i) Financial: Reduction of OPEX<br>(ii) Diversion of waste from incineration and Recovery of Energy thereby minimizing the carbon footprint<br>c) **Adoption of various controls and systems to conserve energy through energy audits and change of appropriate equipment and fixtures.**<br>**Impact:**<br>(i) Financial: Reduction of OPEX<br>(ii) Conservation of natural resources |
| Steps taken by the company for utilizing alternate sources of energy: | 1. Recovery of energy from high volume-low density waste, and<br>2. Recovery of energy from high calorific wastes being incinerated currently |
| Capital investment on energy conservation equipment: | INR 1,50,000 |

## B. TECHNOLOGY ABSORPTION:

(Amount in INR)

| | | |
|---|---|---|
| 1 | Efforts made towards technology absorption | a) Volume reduction of high volume-low density waste like 'Thermocol' using suitable solvent and recover energy and divert from being incinerated currently.<br>b) Recovery of energy using various waste mix and blending methods from waste being incinerated currently<br>c) Optimization of usage of reagents and utilization of inert waste as a potential reagent in the process of stabilization of industrial waste |
| 2 | the benefits derived like product improvement, cost reduction, product development or import substitution. | a) Recovery of energy and reduction of emissions into atmostphere.<br>b) Recovery of energy instead of just being burnt currently.<br>c) Conservation of resources and landfill air space, (footprint)<br>d) Conservation of energy |
| 3 | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | NA |
| 4 | the details of technology imported; | NA |
| 5 | whether the technology been fully absorbed; | NA |
| 6 | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | Presently existing technologies have been absorbed and in future & in coming year planning to absorb some imported technologies towards energy conservation |
| 7 | the expenditure incurred on Research and Development | INR 3,50,000 |

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

During the year the Company has the following Foreign Exchange Earnings & Outgo:

Amount in lakhs

| S No. | Particulars | As on 31st Mar, 2020 | As on 31st Mar, 2019 |
|---|---|---|---|
| 1 | Foreign Exchange Earnings | 54.58 | 0 |
| 2 | Foreign Exchange Outgo | 100.53 | 42.62 |

## 29. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board is of the opinion that the Independent Directors possess the requisite expertise, experience and proficiency in their field and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management of the Company.

Also, pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of your Company have registered themselves with the Data bank maintained by the Indian Institute of Corporate Affairs (IICA). A declaration to this effect has been obtained from all the Independent Directors.

Further, the Independent Directors of your Company have also furnished declarations w.r.t. Online Proficiency Self-Assessment Test for Independent Director's conducted by the IICA. Based on the declaration received, it was noted that Mr. Narayan Keelveedhi Seshadri is exempted from undertaking the Online Proficiency Self-Assessment Test as per the first proviso of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.Furthermore, Mr. B S Shantharaju shall appear for the same in terms of the said Rule.

## 30. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The Board also desires to place on record its sincere appreciation for the support and co-operation that the Company received from the customers, strategic partners, bankers, auditors, consultants and all others associated with the Company.

For and on behalf of the Board of
**Ramky Enviro Engineers Limited**

| | | |
|---|---|---|
| | **M. Goutham Reddy** | **Masood Alam Mallick** |
| Date: 29th May, 2020 | Managing Director | Whole Time Director |
| Place: Hyderabad | DIN: 00251461 | DIN: 01059902 |

## ANNEXURE-I

### Form No. MR-3
### SECRETARIAL AUDIT REPORT
### FOR THE FINANCIAL YEAR ENDED 31STMARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
**Ramky Enviro Engineers Limited.**
13th Floor, RamkyGrandiose,
Ramky Towers Complex,
Gachibowli, Hyderabad-500032,
Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ramky Enviro Engineers Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, ***(and due to country wide lockdown on account of Covid – 19 pandemic and restrictions on Physical Distance imposed by the Central Government and /or State Governments, such verification is carried out through electronic means viz emails, pen drives and Photostat copies of books, papers, minute books, forms and returns filed and other records maintained by the Company provided by the Company)***, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("**the audit period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the Audit Period)**;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

(vi) Based on the explanations given by the Company and its officers and on examination of the relevant documents and records maintained by the Company, the following laws applicable specifically to the company:

1. The Water (Prevention and Control of Pollution) Act, 1974
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Environment (Protection) Act, 1986
4. The Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016; and
5. The Solid Waste Management Rules, 2016

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges **(Not applicable to the Company during the Audit Period);**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, except to the extent as mentioned below:

1. There was a delay in fling the following forms beyond the statutory limits specified under the Act:

| **S. No.** | **Form** | Particulars | **SRN** | **Additional Fee (INR)** |
|---|---|---|---|---|
| a) | DPT-3 | Return of Deposits (Annual) for the Financial Year 2018-19 | H85052314 | 2400 |
| b) | DPT-3 | Return of Deposits (One Time) | H85052579 | 2400 |
| c) | MGT-14 | To make the investment in equity share of M/s. Pithampur Auto Cluster by subscribing the shares offered under right issue. | H85996270 | 6000 |
| d) | DIR-12 | Appointment of Mr. Narayan Keelveedhi Seshadri as an Independent Director | H81653503 | 3600 |

2. There was a delay / pendency of filing the following returns by the Company under the Foreign Exchange Management Act, 1999 and the Regulations framed thereunder:

   *a) There was a delay in filing **Form ODI Part II – Annual Performance Report** for its joint venture company - Al Ahlia Environmental Services Co. LLC with RBI.*

   *b) The Company is yet to file **Form ODI Part II – Annual Performance Report** for its wholly owned subsidiaries Ramky International (Singapore) Pte. Ltd, Ramky Enviro Engineers Middle East FZ LLC and its joint venture Ramky-Al-Turki Environmental Services Company Limited (previously known as Ramky RISAL Environmental Service) with RBI.*

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least seven days is given to all directors to schedule the Board Meetings, however agenda (in two instances) and detailed notes on agenda were not sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.,

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific laws, under both Central and State legislations, reliance has been placed on the Compliance Certificate issued by the Key Managerial Personnel of the Company including Company Secretary and other senior management of the Company on quarterly basis to the Board of Directors.

**We further report that** during the audit period, the Company has;

(a) Transferred Beneficial Ownership of shares held in M/s. Chhattisgarh Energy Consortium (India) Private Limited to M/s. Madhya Pradesh Waste Management Private Limited pursuant to Section 89 of the Companies Act, 2013 in the Board Meeting held on 02nd May 2019;

(b) Provided corporate guarantee on behalf of M/s. Al-Ahlia Environmental Services Co. LLC (Joint Venture of the Company) by passing a Board Resolution on 13th November 2019under Section 186 (2) (b) of the Companies Act, 2013;

(c) Approved to convert the Inter Corporate Deposits provided to its Subsidiary M/s. Delhi MSW Solutions Limited to a perpetual Debt instrument with an option to consider it as a deemed equity; and

(d) Reclassified Inter Corporate Deposits upto INR 600 crores into unsecured perpetual debt instrument issued to various related entities of the Company.

**Note:** This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report

For and on behalf of
**R&A Associates**

**R. Ramakrishna Gupta**
Senior Partner
FCS No.: 5523
C P No.: 6696
UDIN: F005523B000308232
Office No. T 202, Technopolis,
1-10-74/B, Above Ratnadeep Super Market,
Chikoti Gardens, Begumpet, Hyderabad - 500 016.

Date: 1st June, 2020
Place: Hyderabad

## Annexure – A"

To,
The Members,
**Ramky Enviro Engineers Limited**
13th Floor, Ramky Grandiose,
Ramky Towers Complex,
Gachibowli, Hyderabad-500032,
Telangana, India

Our report of even date is to be read along with this letter:

1) Maintenance of secretarial records is the responsibility of the management of **Ramky Enviro Engineers Limited** ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7) We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

For and on behalf of
**R&A Associates**

**R. Ramakrishna Gupta**
Senior Partner
FCS No.: 5523
C P No.: 6696
UDIN: F005523B000308232
Office No. T 202, Technopolis,
1-10-74/B, Above Ratnadeep Super Market,
Chikoti Gardens, Begumpet, Hyderabad - 500 016.

Date: 1st June, 2020
Place: Hyderabad

# ANNEXURE- II

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION & OTHER DETAILS:

| S. No. | CIN | U74140TG1994PLC018833 |
|---|---|---|
| 1 | Registration Date | 28.11.1994 |
| 2 | Name of the Company | Ramky Enviro Engineers Limited |
| 3 | Category/Sub-category of the Company | Category: Public Company<br>Company Limited by Shares and having Share Capital<br>Sub-category : Non-Govt. Company |
| 4 | Address of the Registered office & contact details | 13th Floor, Ramky Grandiose, Ramky Towers Complex<br>Gachibowli Hyderabad<br>Telangana 500032 India<br>Phone No. 040-2301 5000 (60 - Lines)<br>E-mail: govind.singh@ramky.com<br>Web site: www.ramkyenviroengineers.com |
| 5 | Whether listed company | Unlisted |
| 6 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Kfin Technologies Private Limited<br>Karvy Selenium Tower B, Plot number 31 & 32,<br>Financial District, Nanakramguda, Serilingampally<br>Mandal, Hyderabad – 500032, India<br>Ph. +91 40 67161603 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**(All the business activities contributing 10% or more of the total turnover of the company shall be stated)**

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Industrial Waste Management (Hazardous waste disposal services) | 38221 | 73 |
| 2 | Municipal Solid Waste Management (Non Hazardous waste disposal services) | 38210 | 27 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name & Address of the Company | CIN/GLN | Holding / Subsidiary /Associate | % of Total shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | Ramky IWM Private Limited | U93030TG1994PTC017003 | Subsidiary | 100 | 2(87)(ii) |
| 2. | Mumbai Waste Management Limited | U90001TG2001PLC037829 | Subsidiary | 74 | 2(87)(ii) |
| 3. | Tamilnadu Waste Management Limited | U74140TG2002PLC039702 | Subsidiary | 100 | 2(87)(ii) |
| 4. | West Bengal Waste Management Limited | U90002WB2004PLC098219 | Subsidiary | 97 | 2(87)(ii) |
| 5. | Ramky Reclamation and Recycling Limited | U74920TG2007PLC054147 | Subsidiary | 100 | 2(87)(ii) |
| 6. | Ramky MSW Private Limited | U74999TG2007PTC097705 | Subsidiary | 100 | 2(87)(ii) |
| 7. | Ramky E-Waste Management Limited | U74999TG2008PLC058138 | Subsidiary | 100 | 2(87)(ii) |
| 8. | Visakha Solvents Limited | U74900TG2008PLC061618 | Subsidiary | 51 | 2(87)(ii) |
| 9. | Hyderabad Integrated MSW Limited | U90001TG2009PLC063407 | Subsidiary | 100 | 2(87)(ii) |
| 10. | Delhi MSW Solutions Limited | U90001TG2009PLC063708 | Subsidiary | 51 | 2(87)(ii) |
| 11. | Hyderabad MSW Energy Solutions Private Limited | U93000TG2010PTC071850 | Subsidiary | 100 | 2(87)(ii) |
| 12. | Pithampur Industrial Waste Management Private Limited | U90000TG2010PTC071919 | Subsidiary | 100 | 2(87)(ii) |

| S. No. | Name & Address of the Company | CIN/GLN | Holding / Subsidiary /Associate | % of Total shares held | Applicable Section |
|---|---|---|---|---|---|
| 13. | Delhi Cleantech Services Private Limited | U74900TG2011PTC073159 | Subsidiary | 100 | 2(87)(ii) |
| 14. | Ramky Enviro Services Private Limited | U90001TG2010PTC071974 | Subsidiary | 100 | 2(87)(ii) |
| 15. | Chennai MSW Private Limited | U90001TG2012PTC078589 | Subsidiary | 100 | 2(87)(ii) |
| 16. | Jodhpur MSW Private Limited | U90001TG2012PTC082400 | Subsidiary | 100 | 2(87)(ii) |
| 17. | Dehradun Waste Management Private Limited | U90001TG2012PTC083445 | Subsidiary | 100 | 2(87)(ii) |
| 18. | B & G Solar Private Limited | U93000TN2010PTC075502 | Subsidiary | 51 | 2(87)(ii) |
| 19. | Adityapur Waste Management Private Limited | U37200TG2013PTC088316 | Subsidiary | 100 | 2(87)(ii) |
| 20. | Maridi Bio Industries Private Limited | U90001TG2011PTC072453 | Subsidiary | 100 | 2(87)(ii) |
| 21. | Vilholi Waste Management System Private Limited | U37200KA2016PTC080524 | Associate | 26 | 2(6) |
| 22. | Pithampur Auto Cluster | U74999MP2004NPL020090 | Associate | 24.15 | 2(6) |
| 23. | Ramky International (Singapore) Pte. Ltd, Singapore | 200707310N | Subsidiary | 100 | 2(87)(ii) |
| 24. | Al Ahlia Environmental Services Co. (L.L.C), Sultanate of Oman | 1050579 | Associate | 50 | 2(6) |
| 25. | Ramky Enviro Engineers Middle East FZ-LLC, Dubai | 17860 | Subsidiary | 100 | 2(87)(ii) |
| 26. | Ramky-Al-Turki Environmental Services Company Limited (formerly named as Ramky RISAL Environmental Service Ltd.)Kingdom of Saudi Arabia | - | Associates | 49 | 2(6) |
| **Step Down Subsidiaries ( as per Section 2(87) explanation clause (a))** | | | | | |
| 27. | REWA MSW Holdings Limited | U90009TG2018PLC115315 | Subsidiary | | As per the Explanation Clause (a) of Section 2(87) of the Companies Act, 2013 |
| 28. | Katni MSW Management Private Limited | U74900TG2015PTC099438 | Subsidiary | | |
| 29. | Saagar MSW Solutions Private Limited | U74900TG2015PTC099451 | Subsidiary | | |
| 30. | REWA MSW Management Solutions Limited | U90009TG2018PLC115443 | Subsidiary | | |
| 31. | REWA Waste to Energy Projects Limited | U90009TG2018PLC115447 | Subsidiary | | |
| 32. | Medicare Environmental Management Private Limited | U24117AP1997PTC026555 | Subsidiary | | |
| 33. | Ramky Energy and Environment Limited | U40105AP2006PLC049237 | Subsidiary | | |
| 34. | Pro Enviro Recycling Private Limited | U37100TG2012PTC083163 | Subsidiary | | |
| 35. | Deccan Recyclers Private Limited | U74900TG2016PTC102696 | Subsidiary | | |
| 36. | Ramky ARM Recycling Private Limited | U74999TG2019PTC122002 | Subsidiary | | |
| 37. | Dhanbad Integrated MSW Limited | U90000TG2019PLC130033 | Subsidiary | | |
| 38. | Dhanbad Integrated Waste 2 Energy Private Limited | U90000TG2020PTC138597 | Subsidiary | | |
| 39. | RVAC Private Limited- Singapore | 200702747E | Subsidiary | | |
| 40. | PT Ramky Indonesia, Indonesia | - | Subsidiary | | |
| 41. | Ramky Cleantech Services Pte. Ltd.- Singapore | 200912246G | Subsidiary | | |
| 42. | Ramky Environmental Technology (Shenzhen) Co. Limited, China | 440301503403574 | Subsidiary | | |
| 43. | Ramky International (India) Pte. Limited, Singapore | 199004212M | Subsidiary | | |
| 44. | Ramky Cleantech Services (Philippines) Pte. Ltd, Singapore | 201404781W | Subsidiary | | |
| 45. | Ramky Cleantech Services (China) Pte. Ltd., Singapore | 201300560D | Subsidiary | | |
| 46. | Bio Medical Waste Treatment Plant Private Limited | U90000PB2006PTC029638 | Subsidiary | | |
| 47. | Hyderabad C&D Waste Private Limited | U74999TG2015PTC100867 | Subsidiary | | |
| 48. | Ramky Solutions Pte. Ltd., Singapore | 201825623M | Subsidiary | | |
| 49. | Ramky-Royal Building Maintenance and Services Inc., Philippines | - | Subsidiary | | |
| 50. | Oman Maritime Waste Treatment SAOC, Oman | - | Subsidiary | | |

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### Equity Share Class-A

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1st -April-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 16,91,870 | 0 | 16,91,870 | 40.50 | 16,91,870 | 0 | 16,91,870 | 40.50 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total shareholding of Promoter (A)** | **16,91,870** | **0** | **16,91,870** | **40.5** | **16,91,870** | **0** | **16,91,870** | **40.5** | **0** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 2,485,488 | 0 | 2,485,488 | 59.50 | 2,485,488 | 0 | 2,485,488 | 59.50 | 0 |
| i) Others (specify), Private equity investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(1):-** | **2,485,488** | **0** | **2,485,488** | **59.50** | **2,485,488** | **0** | **2,485,488** | **59.50** | **0** |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| i) Individual shareholders holding nominal share capital uptoINR 1 lakh | | | | | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | | | | | |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Bodies – D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(2):-** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **2,485,488** | **0** | **2,485,488** | **59.50** | **2,485,488** | **0** | **2,485,488** | **59.50** | **0** |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Grand Total (A+B+C)** | **4,177,358** | **0** | **4,177,358** | **100** | **4,177,358** | **0** | **4,177,358** | **100** | **0** |

## Equity Share Class B

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1st -April-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total shareholding of Promoter (A)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **B. Public Shareholding** | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 100 | 0 | 100 | 100 | 100 | 0 | 100 | 100 | 0 |
| i) Others (specify), Private equity investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(1):-** | **100** | **0** | **100** | **100** | **100** | **0** | **100** | **100** | **0** |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| i) Individual shareholders holding nominal share capital upto INR 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **c) Others (specify)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Resident Indians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | | | | | |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Bodies – D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(2):-** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **100** | **0** | **100** | **100** | **100** | **0** | **100** | **100** | **100** |
| **C. Shares held by Custodian for GDRs & ADRs** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Grand Total (A+B+C)** | **100** | **0** | **100** | **100** | **100** | **0** | **100** | **100** | **100** |

## B) Shareholding of Promoters

| SN | Shareholder's Name | Shareholding at the beginning of the year [As on 1st -April-2019] | | | Shareholding at the end of the year [As on 31st -March-2020] | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Equity Share Class A | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Equity Share Class A | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Mr. A. Ayodhya Rami Reddy | 16,08,399 | 38.50 | 27 | 16,08,399 | 38.50 | 12 | 00 |
| 2. | Mr. Y. R. Nagaraja | 63,984 | 1.53 | 0.00 | 63,984 | 1.53 | 0.00 | 0 |
| 3. | Mrs. Y. N. Madhu Rani | 19,144 | 0.46 | 0.00 | 19,144 | 0.46 | 0.00 | 0 |
| 4. | Mr. A. Dasaratha Rami Reddy | 137 | 0.0033 | 0 | 137 | 0.0033 | 0 | 0 |
| 5. | Mrs. A. Veeraraghavamma | 137 | 0.0033 | 0 | 137 | 0.0033 | 0 | 0 |
| 6. | Mr. A. Sharan | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| 7. | Mr. A. Ishaan | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| 8. | Mr. M. Goutham Reddy | 40 | 0.00 | 0.00 | 40 | 0.00 | 0.00 | 0 |
| 9. | Mrs. M. Udaya Kumari | 27 | 0.00 | 0.00 | 27 | 0.00 | 0.00 | 0 |

## C) Change in Promoters' Shareholding: NIL

## D) Shareholding Pattern of top ten Shareholders:

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

**Equity Shares- Class A**

| Name of Top 10 Class A Equity Shareholders | Shareholding at the beginning of the year (April 01, 2019) | | Shareholding at the end of the year (March 31, 2020) | |
|---|---|---|---|---|
| | No of Class A Equity Shares | % of total Shares | No of Class A Equity Shares | % of Shares |
| Metropolis Investment Holding Pte. Ltd | 24,85,488 | 59.50 | 24,85,488 | 59.50 |

**Equity Share – Class B**

| Name of Top 10 Class B Equity Shareholders | Shareholding at the beginning of the year (April 01, 2019) | | Shareholding at the end of the year (March 31, 2020) | |
|---|---|---|---|---|
| | No of Class B Equity Shares | % of Shares | No of Class B Equity Shares | % of Shares |
| Metropolis Investment Holding Pte. Ltd. | **100** | **100** | **100** | **100** |

## b) Change in public shareholding of top 10 shareholder: NIL

## E) Shareholding of Directors and Key Managerial Personnel:

| S. No. | Name of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year (April 01, 2019) | | Shareholding at the end of the year (March 31, 2020) | |
|---|---|---|---|---|---|
| | | No of Class A Equity Shares | % of Shares | No of Class A Equity Shares | % of Shares |
| 1 | Mr. M. Goutham Reddy | 40 | 0 | 40 | 0 |
| 2 | Mr. Masood Alam Mallick | 0 | 0 | 0 | 0 |
| 3 | Mr. Anil Khandelwal | 0 | 0 | 0 | 0 |
| 4 | Mr. Sanjay Omprakash Nayar | 0 | 0 | 0 | 0 |
| 5 | Mr. Narayan Keelveedhi Seshadri | 0 | 0 | 0 | 0 |
| 6 | Mr. B S Shantharaju | 0 | 0 | 0 | 0 |
| 7 | Mr. Rupen Mukesh Jhaveri | 0 | 0 | 0 | 0 |
| 8 | Ms. Hwee Hua Lim | 0 | 0 | 0 | 0 |
| 9 | Mr. Govind Singh | 0 | 0 | 0 | 0 |

## V. INDEBTEDNESS - INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ ACCRUED BUT NOT DUE FOR PAYMENT.

(Amount in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 5002.96 | 533.66 | 0.00 | 5536.62 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total (i+ii+iii)** | **5002.96** | **533.66** | **0.00** | **5536.62** |
| **Change in Indebtedness during the financial year** | | | | |
| i) Addition | 2370.74 | 0.00 | 0.00 | 2370.74 |
| ii) Reduction | 4545.97 | 533.66 | 0.00 | 5079.63 |
| **Net Change** | **(2,175.23)** | **(533.66)** | **0.00** | **(2,708.89)** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 2826.66 | 0.00 | 0.00 | 2826.66 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 1.07 | 0.00 | 0.00 | 1.07 |
| **Total (i+ii+iii)** | **2827.73** | **0.00** | **0.00** | **2827.73** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amount in Lakhs)

| Sl. No. | Particulars of Remuneration per Annum | Name of the MD/WTD or Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | M Goutham Reddy (MD) | Mr. Masood Alam Mallick (WTD) | Anil Khandelwal (WTD & CFO) | |
| 1. | Gross salary | 143.89 | 185 | 171.36 | 500.25 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - | - | | |
| | (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 | - | - | | |
| | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | - | - | | |
| 2. | Stock Option | 137.18 | 688.31 | 72.03 | 897.52 |
| 3. | Sweat Equity | - | - | | |
| 4. | Commission<br>- as % of profit<br>- others, specify | - | - | | |
| 5. | Others, please specify | - | - | | |
| **Total (A)** | | **281.07** | **873.31** | **243.39** | **1397.77** |
| **Ceiling as per the Act** | | Within the compliance of provisions of Act. | | | |

## B. Remuneration to other directors:

(Amount in Lakhs)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|---|
| 1. | **Independent Directors** | **Mr. B S Shantharaju** | | **Mr. Narayan Keelveedhi Seshadri** | |
| | • Fee for attending Board and Board Committee meetings | 19 | | 13 | 32 |
| | • Commission | 31 | | 37 | 68 |
| | • Others, please specify | | | | |
| | Total (1) | 50 | | 50 | 100 |
| 2 | **Other Non-Executive Directors** | **Mr. Sanjay Omprakash Nayar** | **Mr. Rupen Mukesh Jhaveri** | **Mrs. Hwee Hua Lim** | |
| | • Fee for attending Board and Board Committee meetings | NIL | NIL | 10 | 10 |
| | • Commission | | | 40 | 40 |
| | • Others, please specify | | | | |
| | **Total (2)** | **NIL** | **NIL** | **50** | **50** |
| | **Total (1) + (2)** | **50** | **NIL** | **100** | **150** |
| | **Total Managerial Remuneration** | **50** | **NIL** | **100** | **150** |
| | **Overall Ceiling as per the Act** | Within the compliance of provisions of Act. | | | |

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

(Amount in Lakhs)

| Sl. No. | Particulars of Remuneration per Annum | Company Secretary Govind Singh | Chief Financial Officer Anil Khandelwal |
|---|---|---|---|
| 1. | Gross salary | 11.96 | NIL |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - | - |
| | (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | - | - |
| 2. | Stock Option | 0.91 | |
| 3. | Sweat Equity | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify | - | - |
| 5. | Others, please specify | - | - |
| **Total** | | **12.87** | **NIL** |

## VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|---|
| **A.** | **COMPANY – NIL** | | | | | |
| | Penalty | - | - | - | - | - |
| | Punishment | - | - | - | - | - |
| | Compounding | - | - | - | - | - |
| **B.** | **DIRECTORS – NIL** | | | | | |
| | Penalty | - | - | - | - | - |
| | Punishment | - | - | - | - | - |
| | Compounding | - | - | - | - | - |
| **C.** | **OTHER OFFICERS IN DEFAULT – NIL** | | | | | |
| | Penalty | - | - | - | - | - |
| | Punishment | - | - | - | - | - |
| | Compounding | - | - | - | - | - |

For and on behalf of the Board of
**Ramky Enviro Engineers Limited**

**M. Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Whole Time Director
DIN: 01059902

Date: 29th May, 2020
Place: Hyderabad

## ANNEXURE-III

### FORM AOC-1

**Statement containing salient features of the financial statements of subsidiaries/associate companies/Joint ventures**

Statement pursuant to first proviso to sub section (3) of section 129 of the companies act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014.

**Part –A : Subsidiaries** (Rs in Lakhs)

| S . No | Name of the entity | Reporting Currency | Exchange Rate | Share Capital | Reserves& surplus | Total Assets | Total Liabilities* | Investment other than investment in Subsidiary# | Turnover** | Profit / (Loss) before Tax | Provision for Taxation | Profit / (Loss) after taxation | Proposed Dividend | % of shareholding*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Mumbai Waste Management Limited | INR | - | 499.00 | 47,928.38 | 55,222.05 | 55,222.05 | - | 23,031.81 | 14,001.72 | 3,406.89 | 10,594.83 | - | 100% |
| 2 | Ramky IWM Private Limited | INR | - | 585.90 | 465.25 | 1,294.65 | 1,294.65 | - | 380.14 | (394.37) | (142.55) | (251.82) | - | 100% |
| 3 | Tamilnadu Waste Management Limited | INR | - | 2,595.41 | 2,683.25 | 10,762.94 | 10,762.94 | - | 7,016.17 | 2,688.42 | 499.87 | 2,188.55 | - | 100% |
| 4 | Chhattisgarh Energy Consortium (India) Private Limited | INR | - | 1,204 | (1,204) | - | - | - | - | - | - | - | - | 51% |
| 5 | West Bengal Waste Management Limited | INR | - | 2,644.50 | 5,524.89 | 11,060.94 | 11,060.94 | - | 4,568.89 | 2,042.10 | (64.91) | 2,107.01 | - | 97% |
| 6 | B & G Solar Private Limited | INR | - | 472.90 | 562.39 | 1,254.78 | 1,254.78 | - | 192.08 | 95.82 | 0.00 | 95.82 | - | 51% |
| 7 | Ramky E-Waste Management Limited | INR | - | 180.00 | (16.03) | 164.55 | 164.55 | - | - | (0.81) | - | (0.81) | - | 100% |
| 8 | Visakha Solvents Limited | INR | - | 150.00 | 752.64 | 1,121.69 | 1,121.69 | - | 2,707.59 | 193.55 | 49.82 | 143.73 | - | 51% |
| 9 | Hyderabad MSW Energy Solutions Private Limited | INR | - | 50.00 | 31,257.33 | 43,902.58 | 43,902.58 | - | 19,039.14 | 1,815.81 | 618.54 | 1,197.27 | - | 100% |
| 10 | Ramky Reclamation and Recycling Limited | INR | - | 602.18 | 1,067.55 | 2,318.89 | 2,318.89 | - | 2,289.19 | (143.51) | 55.53 | (199.04) | - | 100% |
| 11 | Ramky MSW Private Limited | INR | - | 1,664.24 | (2,724.81) | 2,237.57 | 2,237.57 | - | 15.87 | (61.98) | 9.29 | (71.27) | - | 100% |
| 12 | Pithampur Industrial Waste Management Private Limited | INR | - | 1.00 | (2.87) | 0.58 | 0.58 | - | - | (0.89) | - | (0.89) | - | 100% |
| 13 | Ramky Enviro Services Private Limited | INR | - | 1.00 | 725.35 | 4,028.44 | 4,028.44 | - | 1,509.04 | 483.01 | 120.27 | 363.34 | - | 100% |
| 14 | Chennai MSW Private Limited | INR | - | 100.00 | 912.96 | 8,505.77 | 8,505.77 | - | 16,877.79 | 1,485.20 | 551.76 | 933.44 | - | 100% |
| 15 | Jodhpur MSW Private Limited | INR | - | 10.00 | (1,058.00) | 16.77 | 16.77 | - | - | (93.20) | (29.57) | (63.63) | - | 100% |
| 16 | Adityapur Waste Management Private Limited | INR | - | 1.00 | (497.29) | 3,799.92 | 3,799.92 | - | 854.11 | (66.65) | (11.94) | (54.71) | - | 100% |
| 17 | Dehradun Waste Management Private Limited | INR | - | 1.00 | 646.48 | 2,564.72 | 2,564.72 | - | 778.43 | (175.41) | (45.77) | (129.64) | - | 100% |
| 18 | Delhi Cleantech Services Private Limited | INR | - | 45.65 | (1,526.09) | 169.45 | 169.45 | - | 0.43 | (168.65) | 114.22 | (282.87) | - | 100% |
| 19 | Maridi Bio Industries Private Limited | INR | - | 200.00 | 134.40 | 1,862.87 | 1,862.87 | - | 678.84 | 211.18 | 78.39 | 132.79 | - | 100% |
| 20 | Delhi MSW Solutions Limited | INR | - | 13,785.67 | (15,286.90) | 85,296.54 | 85,296.54 | - | 30,874.05 | (2,706.82) | (1,585.48) | (1,121.34) | - | 100% |
| 21 | Hyderabad Integrated MSW Limited | INR | - | 14,221.30 | 11,141.28 | 62,945.43 | 62,945.43 | - | 24,573.69 | 4,472.89 | (35.76) | 4,508.65 | - | 100% |
| 23 | Katni MSW Management Private Limited | INR | - | 1.00 | 678.51 | 4,193.52 | 4,193.52 | - | 846.50 | (566.05) | (146.80) | (419.25) | - | 100% |
| 24 | Saagar MSW Solutions Private Limited | INR | - | 1.00 | 1,952.12 | 4,672.98 | 4,672.98 | - | 3,245.47 | 133.45 | 35.08 | 98.37 | - | 100% |
| 25 | Hyderabad C&D Waste Private Limited | INR | - | 1.00 | 2,748.23 | 3,212.14 | 3,212.14 | - | 1,838.80 | 106.33 | 21.83 | 84.50 | - | 100% |
| 26 | Bio Medical Waste Treatment Plant Private Limited | INR | - | 2.78 | 135.19 | 179.33 | 179.33 | - | 380.90 | 15.31 | - | 15.31 | - | 55% |
| 27 | Deccan Recyclers Private Limited | INR | - | 1.00 | 32.75 | 113.30 | 113.30 | - | 444.64 | 47.01 | 11.97 | 35.04 | - | 100% |
| 28 | Rewa MSW Holding Limited | INR | - | 1.00 | (1.64) | 3.47 | 3.47 | - | - | (0.84) | (0.13) | (0.71) | - | 100% |

**Part –A : Subsidiaries** (Rs in Lakhs)

| S. No | Name of the entity | Reporting Currency | Exchange Rate | Share Capital | Reserves& surplus | Total Assets | Total Liabilities* | Investment other than investment in Subsidiary# | Turnover** | Profit / (Loss) before Tax | Provision for Taxation | Profit / (Loss) after taxation | Proposed Dividend | % of shareholding*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 29 | Rewa MSW Management Solutions Limited | INR | - | 1.00 | 328.82 | 4,023.24 | 4,023.24 | - | 866.61 | (825.37) | (259.67) | (565.70) | - | 100% |
| 30 | Rewa Waste 2 Energy Project Limited | INR | - | 1.00 | 43.30 | 490.95 | 490.95 | - | 329.51 | 53.37 | 12.34 | 41.03 | - | 100% |
| 31 | Ramky ARM Recycling Limited | INR | - | 1,084.23 | (186.33) | 1,070.41 | 1,070.41 | - | 1.24 | (128.00) | 15.99 | (143.99) | - | 51% |
| 32 | Dhanbad Integrated MSW Limited | INR | - | 1.00 | 1541.28 | 6,001.46 | 6,001.46 | - | 3,978.96 | (241.34) | (61.41) | (179.93) | - | 100% |
| 33 | Pro Enviro Recycling Private Limited | INR | - | 1.00 | (269.72) | 260.44 | 260.44 | - | - | (46.49) | (10.70) | (35.79) | - | 51% |
| 34 | Ramky International (Singapore) Pte. Ltd. | SGD1 | 53.01 | 109.38 | 146.30 | 347.55 | 347.55 | - | 5.69 | 0.98 | - | 0.98 | - | 100% |
| 35 | RVAC Private Limited | SGD1 | 53.01 | 14.55 | (6.14) | 12.37 | 12.37 | - | 34.86 | 4.53 | 0.48 | 4.05 | - | 98.56% |
| 36 | Ramky Cleantech Services Pte. Ltd | SGD1 | 53.01 | 156.91 | 70.47 | 452.69 | 452.69 | - | 721.37 | (21.06) | (0.44) | (20.62) | - | 74% |
| 37 | Ramky Cleantech Services (China) Pte. Ltd | SGD1 | 53.01 | 0.00## | (11.53) | 1.41 | 1.41 | - | 2.45 | (1.33) | - | (1.33) | - | 100% |
| 38 | PT Ramky Indonesia | SGD1 | 53.01 | 1.38 | (1.35) | 0.04 | 0.04 | - | - | - | - | - | - | 100% |
| 39 | Ramky Environmental Technology (Shenzhen) Co. Ltd | SGD1 | 53.01 | 2.76 | (3.16) | 1.13 | 1.13 | - | - | - | - | - | - | 100% |
| 40 | Ramky Cleantech Services (Philippines) Pte. Ltd | SGD1 | 53.01 | 0.00## | (0.34) | 1.50 | 1.50 | - | - | (0.05) | - | (0.05) | - | 100% |
| 41 | Ramky-Royal Building Maintenance and Services Inc | SGD1 | 53.01 | 2.51 | 0.98 | 4.60 | 4.60 | - | - | - | - | - | - | 50% |
| 42 | Ramky International (India) Pte. Ltd. | SGD1 | 53.01 | 70.44 | (0.29) | 70.49 | 70.49 | - | - | (0.10) | - | (0.10) | - | 100% |
| 43 | Ramky Solutions Pte. Ltd. | SGD1 | 53.01 | 70.00 | (27.50) | 204.65 | 204.65 | - | 167.82 | (19.46) | (3.23) | (16.23) | - | 100% |
| 44 | Ramky Enviro Engineers Middle East FZ-LLC | AED1 | 20.52 | 13.00 | 258.17 | 658.01 | 658.01 | - | 583.70 | 28.10 | - | 28.10 | - | 100% |
| 46 | Medicare Environmental Mangament Pvt limited | INR | - | 51.10 | 8,669.73 | 12,972.02 | 12,972.02 | - | 7,949.88 | 1,405.44 | 277.63 | 1,127.81 | - | 100% |
| 47 | Ramky Energy and Environment Limited | INR | - | 4,137.16 | 1,267.75 | 5,989.95 | 5,989.95 | - | 1,582.92 | 646.50 | (135.79) | 782.29 | - | 100% |
| 48 | Pro Enviro C&D Waste Management Private Limited | INR | - | 1.00 | (242.24) | 1,240.14 | 1240.14 | - | 436.51 | (191.79) | (29.19) | (162.60) | - | 49% |
| 49 | Dhanbad Waste to Energy Project Private Limited | INR | - | 1.00 | - | 1.00 | 1.00 | - | - | - | - | - | - | 100% |

** Total Liabilities includes Share Capital and Reserves/Surplus*
*** Income from other sources included in Turnover*
**** % of Share Holding includes Convertible Preference Shares.*
*Amounts are in the currencies of SGD, AED and SAR respectively.*
*# Investment in subsidiaries including investment in group companies (co-subsidiaries, associates) have been excluded.*
*## The share capital is 1 SGD. The same has been rounded to zero.*

**Name of the subsidiaries which are yet to commence operations:**

Dhanbad Waste to Energy Project Private Limited

Hyderabad MSW Energy Solutions Private Limited

Rewa Waste 2 Energy Project Limited

## Part B: Associates and Joint ventures

| S. No | Name of the associates/Joint venture (JV) | FARZ LLC | Vilholi Waste Management System Private Limited | Al Ahlia Environmental Services Co. (L.L.C) | Al Ahlia Waste Treatment LLC | Ramky Al-Turki Environmental Services |
|---|---|---|---|---|---|---|
| 1 | Latest audited balance sheet | 31.03.2020 | 31.03.2020 | 31.03.2020 | 31.03.2020 | 31.03.2020 |
| 2 | Share of Associate /JV held by the company at the year end<br>a. Number<br>➢ Equity<br>➢ Preference<br>b. Amount of Investment in associate/Jv<br>➢ Equity<br>➢ Preference<br>c. Extent of Holding % | No of Equity shares: 2,50,000<br>Amount of Investment in JV: AED 2,50,000<br>Extend of Holding %: 25 | No of Equity shares: 2,600<br>Amount of Investment in JV: INR 26,000<br>Extend of Holding %: 26 | No of Equity shares: 1,25,000<br>Amount of Investment in JV: OMR 1,25,000<br>Extend of Holding %: 50 | No of Equity shares:<br>1,47,000<br>Amount of Investment in JV: AED 1,47,000<br>Extend of Holding %: 49 | No of Equity shares: 4,90,000<br>Amount of Investment in JV:<br>SAR 4,90,000<br>Extend of Holding %: 49 |
| 3 | Description of how there is significant influence | The Voting Power is more than 20% | The Voting Power is more than 20% | The Voting Power is more than 20% | The Voting Power is more than 20% | The Voting Power is more than 20% |
| 4 | Reason why the associate /Joint Venture is not consolidated | NA | NA | NA | NA | NA |
| 5 | Networth attributable to shareholding as per latest audited balance sheet | 18,17,74,198.68 | 0.00 | 13,37,55,808.62 | 13,07,10,145.00 | 3,36,14,244.66 |
| 6 | Profit /Loss for the year<br>i. Considered for consolidation<br>ii. Not considered for consolidation | (20,54,104.63) | (20,58,160.00) | 1,80,99,403.00 | (1,00,41,097.20) | (2,76,55,492.50) |

** Convertible Preference Shares are included in Preference Shares*

Name of the associate(s) or Joint Venture(s) which are yet to commence operations: NIL

Name of the associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of
**Ramky Enviro Engineers Limited**

**M. Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Whole Time Director
DIN: 01059902

Date: 29th May, 2020
Place: Hyderabad

## ANNEXURE- IV

## Corporate Social Responsibility (CSR) Policy & Guidelines

### 1 CONCEPT

**1. Objective & Scope**

Corporate Social Responsibility ("**CSR**") is an integral, self- regulating mechanism through which the business monitors and safeguards its active compliance with global norms and ethical standards. The goal of Ramky Enviro Engineers Limited is to embrace responsibility for its actions and take actions that has a positive impact on the stakeholders.

The main object of the CSR Policy is to lay down guidelines for Ramky Enviro Engineers Limited (hereinafter referred to as "**Company**") in relation to its CSR activities.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company, in alignment with Schedule VII of the Companies Act, 2013 ("**Act**"), as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

**2. Vision Statement**

To focus on equitable, sustainable and accessible development opportunities for the communities we serve, employees, consumers, stakeholders and the public at large.

**3. Modalities of Execution of CSR activities**

CSR activities shall be implemented by the Company partnering with companies incorporated under Section 8 of the Act, Trust and Societies with proven track record and excellence, set up by the Company either singly or jointly with any other company or by the Central Government or State Government or any entity established under an Act of Parliament or a State Legislature, as set out in the Companies Act, 2013.

CSR initiatives shall be implemented in project mode with clear defined objectives, allocation of resources and timeline. While executing CSR Projects / programs / activities utmost care should be taken by the CSR Committee to ensure active involvement of community/beneficiaries in planning, implementation and monitoring.

### 2 GOVERNANCE

- Pursuant to the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**") and amendments thereto, the Board of Directors has constituted the Corporate Social Responsibility Committee.

- The Members of CSR Committee shall be appointed by the Board of Directors of the Company.

- The Committee will consist of at least 3 (three) Directors (one of whom shall be Independent Director), subject to the provisions of the Act, and the Articles of Association of the Company.

  In addition to the members, the Committee can invite such persons (in non-voting capacity) to attend their meeting and deliberations, subject to such persons executing a confidentiality / non-disclosure agreement, or being bound by confidentiality obligations, and also confirm absence of conflict of interest in writing.

2.1 Organization structure for governance

2.1.1 Board of Directors shall form CSR Committee in accordance with the AOA of the Company and

- Appoint Chairman of CSR Committee
- Approve the CSR Policy
- Disclose reasons for un-utilisation of funds, if any.

2.1.2 CSR Committee

*Powers of Committee*

- Ensure effective implementation of the CSR Policy.
- Recommend CSR activities as stated under Schedule VII of the Act.
- Approve the authorization to agencies including Ramky Foundation/ other Companies/ firms/NGOs etc. to undertake CSR activities independently and/or in collaboration and to separately report the same in accordance with the CSR Rules. Recommend the CSR Budget and ensure spending of the allocated funds as per the CSR policy on approved areas.
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- Open a Bank Account and transfer any unspent amounts to the 'Unspent Corporate Social Responsibility Account' of the Company,

and spend such amounts, within the time periods prescribed under the Act (upon it being Mandated under the Act).

- Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- Monitor CSR Policy from time to time.
- Monitor activities/charter of authorized officers, who are authorized to ensure that the CSR activities of the Company are implemented effectively.
- Authorize executives of the Company to attend the CSR Committee meetings.
- In addition to the members, the Committee can invite such persons (in non-voting capacity) to attend their meeting and deliberations, subject to such persons executing a confidentiality / non-disclosure agreement, or being bound by confidentiality obligations, and also confirm absence of conflict of interest in writing.

*Frequency of Meetings*

- The CSR Committee shall meet at least once in every quarter Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings.
- Quorum for the meeting shall be 2 (two).
- The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Act and rules made there under from time to time.
- Minutes of the CSR Committee shall be placed before the Board for noting.

## 3 BUDGET & RESOURCES FOR CSR

A specific project driven budget shall be allocated for CSR activities. Provision for allocation of annual CSR Budget will be made towards the thrust areas identified on year on year basis.

## 4 POWERS OF APPROVAL

The expenditure to be incurred for CSR activities/ programs/projects will be recommended by CSR Committee for approval of the Board. The following shall be the process of authority:

- Board of Directors shall approve the CSR Budget.
- CSR Committee shall authorize the Managing Director to execute the projects as per the approved budget.
- Such authorized member of the CSR Committee shall sub-delegate and authorize any other officer of the Company as he may deem fit, in consultation with the Committee, for administrative convenience and smooth operations.

## 5 IDENTIFICATION OF PRIORITY AREAS

**1. Priority Areas:**

- Women Empowerment
- Education
- Health Care
- Skill Development
- Rural Development and
- Environment

**2.** The Policy shall be open to accommodate any activities as defined in Schedule VII of the Act as and when required. The Company shall give preference to local areas and the surrounding areas where the Company operates for spending the earmarked CSR funds.

**3. Disqualifying Activities of CSR**

- Projects and programs (that are implemented by the Company for employees and their families.)
- Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR spend.
- Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.
- Any other activities which are not considered as CSR activities under the Act and relevant Rules.

## 6 MONITORING MECHANISM FOR CSR PROJECTS/PROGRAMS

It shall be monitored at following levels:

Board of Directors

CSR Committee

CHRO

CSR Officer (Head CSR) as & when appointed

6.1 Board Level

Board members will review CSR projects based on their output and impact.

6.2 CSR Committee Level

- Committee will hold a meeting on half yearly basis to review and monitor the progress of various CSR projects
- Committee members shall ensure that the expenditure incurred towards projects/ activities as per the approved CSRK Policy.
- Committee shall ensure activities planned and executed in line with list of activities.
- Committee may seek independent evaluation report, if deemed fit, of the CSR activities undertaken.
- Committee shall encourage the spending of CSR amount in the local area not more than 3-4 km away from the Projects/sites of the Company to have maximum impact
- Evaluate various 3rd Party Projects, recommend to award & review impact analysis post execution.

6.3 CHRO (Chief Human Resource Officer) & CSR Officer (Head CSR) Level

- Explore potential CSR Partners for empanelment
- Formulate CSR programs/plans under CSR policy with approved partners
- Obtain requisite approvals from the Board CSR committee ongoing projects, new proposals and other matters related to CSR
- Drive execution of CSR Programs along with periodic Impact assessment by 3rd party on various parameters as defined and impact analysis
- Monitoring and review of programs through governance with partners, regular field visit,
- interaction with beneficiary communities, etc. including reporting to stakeholders
- Visits to project sites & interaction with the beneficiaries and volunteers
- CSR reporting at regular intervals including any reporting required by law

## 7 PUBLICATION OF CSR POLICY

As per CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

## 8 POLICY REVIEW & AMENDMENTS

The CSR Committee shall review its CSR Policy annually and make suitable changes and submit the same for the approval of the Board.

## ANNEXURE- V

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

## I. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Enclosed herewith as Annexure IV

## II. Composition of CSR Committee: The Committee members include

a) Mr. B S Shantharaju (Chairman)

b) Mr. Rupen Jhaveri

c) Mrs. Hwee Hua Lim

d) Mr. M. Goutham Reddy

## III. Financial Details

| Particulars | Amount (in INR) |
|---|---|
| Average Net Profit of the Company for last three financial years | 85,62,37,075.67 |
| Prescribed CSR expenditure (2% of the average net profit as computed above) | 1,71,24,741.51 |
| Total amount to be spent for the financial year | 1,71,24,741.51 |
| Amount Spent | 2,06,40,854.00 |
| Amount Unspent | 0 |

## IV. Manner in which the amount spent during the financial year 2019-20 is detailed below:

**(in INR)**

| S. No. | CSR Project or activity identified | Sector in which the project is covered | Project or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs. 2. Overheads | Cumulative expenditure unto the reporting period | Amount Spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1. | Education Support for the Needy<br>• Note Books / study material/ school Bags distributions<br>• Scholarship for poor and meritorious students<br>• Development of School Infrastructure like construction of class rooms, digital class rooms, Toilets construction for girls, distribution of desks and benches etc...<br>• Providing Vidya Volunteer salaries | Education | Visakhapatnam, Nellore – Andhra Pradesh,<br>Gummidipundi, Madurai - Tamil Nadu,<br>Dundigal, Jawaharnagar – Hyderabad,<br>Dobbaspet, Shimoga - Karnataka<br>Haldia- West Bengal,<br>Nimbua- Punjab,<br>Udaipur and balotra - Rajasthan,<br>Delhi,<br>Bhubaneswar - Odisha,<br>Pithampur – Madhya Pradesh,<br>Taloja – Maharashtra<br>Kanpur – Uttar Pradesh.<br>Akbarpur – Jharkhand | 78,00,000 | Direct Expenditure: 78,00,000 | 78,00,000 | Spent through Ramky Foundation |
| 2. | Heath camps, Blood Donation camps, Installation of RO Plants, Medical Aid for needy people | Health | Visakhapatnam – Andhra Pradesh;<br>Dundigal, Jawaharnagar – Hyderabad<br>Gorghatta - Karnataka | 59,00,000 | Direct Expenditure: 59,00,000 | 59,00,000 | Spent through Ramky Foundation |

| S. No. | CSR Project or activity identified | Sector in which the project is covered | Project or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs. 2. Overheads | Cumulative expenditure unto the reporting period | Amount Spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 3. | Sensitization and Income Generation activities for women | Women Empowerment | Visakhapatnam - Andhra Pradesh; | 7,00,000 | Direct Expenditure: 7,00,000 | 7,00,000 | Spent through Ramky Foundation |
| 4. | Plantation, Pond Renovation work, Environment Awareness campaigns<br>• Plantation<br>• World Environment day celebrations<br>• Celebration of Aranya Sapthaha / Haritha Haaram / Vanam Manam Programs etc.<br>• Promotion of Organic Farming<br>• Awareness programs on plastic waste/ Hazardous waste/ Municipal Waste etc. | Natural Resource Management | Visakhapatnam, Nellore – Andhra Pradesh,<br>Gummidipundi,<br>Madurai - Tamil Nadu,<br>Dundigal, Jawaharnagar – Hyderabad,<br>Dobaspet, Shimoga - Karnataka<br>Haldia- West Bengal,<br>Nimbua- Punjab,<br>Udaipur - Rajasthan,<br>Delhi,<br>Bhubaneswar - Odisha,<br>Pithampur – Madhya pradesh,<br>Taloja – Maharashtra<br>Kanpur – Uttar Pradesh.<br>Akbarpur – Jharkhand | 32,00,000 | Direct Expenditure: 32,00,000 | 32,00,000 | Spent through Ramky Foundation |
| 5. | Skill development training to unemployed youth and women | Skill Development | Visakhapatnam - Andhra Pradesh, Delhi | 24,00,000 | Direct Expenditure: 24,00,000 | 24,00,000 | Spent through Ramky Foundation |
| 6. | Salary to primary school (promoting education) | Education | Dundigal- Hyderabad | 48000 | Direct Expenditure: 48000 | 48000 | Direct |
| 7 | Bore water supply | Health | Hyderabad | 5,84,022 | Direct Expenditure: 5,84,022 | 5,84,022 | Direct |
| 8 | Rural development and material for fire victims | Rural development projects | Hyderabad | 8,832 | Direct Expenditure: 8,832 | 8,832 | Direct |
| **Total** | | | | **2,06,40,854** | **2,06,40,854** | **2,06,40,854** | |

## V. Reasons for not spending 2% of Average Net Profits

Not applicable

## VI. Responsibility Statement of CSR

We hereby affirm that the CSR Policy, as approved by the Board, shall be implemented and CSR Committee monitors the implementation of CSR projects and activities in compliance with our CSR Objectives.

For and on behalf of the Board of
**Ramky Enviro Engineers Limited**

**M. Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Whole Time Director
DIN: 01059902

Date: 29th May, 2020
Place: Hyderabad

## ANNEXURE- VI

# ANTI-SEXUAL HARASSMENT POLICY

## 1. INTRODUCTION TO THE POLICY

1.1 ***Ramky Enviro Engineers Limited*** believes in equal employment opportunity. We do not tolerate verbal or physical conduct creating an intimidating, offensive, or hostile environment for employees. Harassment of any kind including sexual harassment is forbidden in the Company and every employee has the right to be protected against it.

We are committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees of the Company have the right to be treated with dignity.

The Anti-Sexual Harassment Policy has been formed under the provisions of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and corresponding rules ("**POSH Act**"), to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

## 2. SCOPE

2.1 This policy is applicable to employees, workers, volunteers, probationer and trainees including those on deputation, part time, contract, working as consultants or otherwise (whether in the office premises or outside while on assignment). This policy shall be considered to be a part of the employment contract or terms of engagement of the persons in the above categories.

2.2 Where the alleged incident occurs to our employee by a third party while on a duty outside our premises, the Company shall perform all reasonable and necessary steps to support our employee.

## 3. WHAT CONSTITUTES SEXUAL HARASSMENT?

3.1 Sexual Harassment means such unwelcome sexually determined behaviour (directly or through implication), like physical contact and advances by the employee(s) including:

A. A demand or request for sexual favours, sexually colored remarks, showing pornography, any other unwelcome physical conduct of sexual nature, lurid stares, physical contact or molestation, stalking, sounds, display of pictures, signs,;

B. Eve teasing, innuendos and taunts, physical confinement against one's will;

C. A demand or request for sexual favours, whether verbally or non-verbally, where the submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or promotion/ evaluation of work thereby denying an individual equal opportunity at employment;

D. An act or conduct by a person in authority which makes the environment at workplace hostile or intimidating to a person or unreasonably interferes with the individual's privacy and productivity at work;

E. Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references, and offensive personal references; demeaning, insulting, intimidating, or sexually suggestive comments (oral or written) about an individual's personal appearance or electronically transmitted messages (Jokes, remarks, letters, phone calls);

F. Any other behaviour which an individual perceives as having sexual overtones.

## 4. REDRESSAL SYSTEM

4.1 If you have been sexually harassed by anyone at the workplace or during the course of your working with the Company, through means which are mentioned in Section 3, we urge you to come forward with a written complaint as early as you can. Your complaint will be taken seriously and confidentiality would be maintained by us in the matter. We will have zero tolerance towards such practices once they are proven.

A complaint with respect to sexual harassment may be made by a written or electronic application addressed to ***the Internal Complaints Committee, through any member of the Internal Complaints Committee.*** The Company may prescribe a format for filing complaints, which may be used by employees to make the process more efficient.

The Internal Complaints Committee may administer a declaration form to verify that the contents of the complaint are true and genuine, before it proceeds further with the complaint. Where necessary (for example, when the complaint is incomplete), the complainant may be contacted to provide further details in relation to the complaint to enable the Internal Complaints Committee to appreciate the situation more comprehensively.

The complaint must be given to the persons specified above within 3 months of the occurrence (the complaint can be made within 6 months if the person is able to prove that there were some exceptional circumstances due to which complaint could not be made earlier) and we advise you to be vigilant and keep any document with you which can be used to substantiate an allegation. The redressal system will work based on other evidence if you cannot produce any documentary evidence.

If the complainant cannot make a written complaint because of physical or mental incapacity or death, the legal heirs or any persons as mentioned under the POSH Act (such as a relative, friend etc.), can make the complaint on her behalf.

4.2 An **Internal Complaints Committee** as per the provisions of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 shall be constituted by the Board of Directors of the company to look into the matters concerning sexual harassment. A complainant can approach any member of the committee with her written complaint. The Presiding Officer and other members of the committee shall hold office for such period, not exceeding three years, from the date of their nomination as may be specified by the employer.

4.3 **Redressal Mechanism:**

Once the complaint is received by the Committee:

i. The person who is accused by the complainant will be informed that a complaint has been filed against him (he will be made aware of the details of the allegation and also the name of the complainant as it would be necessary for proper inquiry) and no unfair acts of retaliation or unethical action will be tolerated.

ii. The complainant has the opportunity to ask for conciliation proceedings by having communication with the accused in the presence of the Committee. Please note that in such conciliation the complainant cannot demand monetary compensation as the basis for the conciliation.

iii. The Committee shall provide the copies of the settlement as recorded during conciliation to the employer, to take action as specified in the recommendations, as well as the aggrieved employee and the respondent.

If the matter has been settled by conciliation but the respondent is not complying with the terms and conditions, the aggrieved party can approach the Committee for Redressal.

iii. The Committee will question both the complainant and the alleged accused separately. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.

iv. The Committee shall call upon all witnesses mentioned by both the parties.

v. The Committee can ask for specific documents from a person if it feels that they are important for the purpose of investigation.

vi. The complainant has the option to seek transfer or leave, or other relief as provided under the POSH Act (such as preventing the respondent from reporting on the complainant's work performance), so that the inquiry process can continue smoothly and to prevent recurrence of similar situations or discomfort to the complainant. The leave can extend for a maximum period of 3 months. Leave granted under this provision will be paid leave and will not be counted in the number of leaves that the complainant is statutorily entitled to. The complainant may be required to work from home, if it is practicable, keeping in mind the nature of work of the complainant, health and mental condition. However, the complainant is under a good faith obligation and shall not abuse the process to request unjustifiably long periods of leave, keeping in mind the economic effects of the leave to the organization. The Committee shall have the discretion to grant leave of an appropriate duration, depending on the facts and circumstances of the case, or grant an alternate measure such as transferring the employee or the accused, as it deems fit.

Where leave is granted to the complainant, the Committee shall make best attempts to ensure speedy completion of the inquiry process and to minimize adverse economic consequences to the Company arising out of the absence of the complainant from the workplace.

vii. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the investigation reveals that the complainant has been sexually harassed as claimed, the accused will be subjected to disciplinary action accordingly.

A. The report of the investigation shall be supplied to the employer, the accused and the complainant within 10 days of completion of the investigation.

B. The employer will act on the recommendations of the Committee within 60 days of the receipt of the report.

viii. The contents of the complaint made, the identity and addresses of the aggrieved employee, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Internal Committee and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner

ix. Any party aggrieved by the report can prefer an appeal in the appropriate Court or Tribunal in accordance with the service rules within 90 days of the recommendation been given to the employer.

## 5. DISCIPLINARY ACTION:

5.1 Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

If it is found out through evidence by the Committee that the complainant has maliciously given false complaint against the accused, disciplinary action shall be taken against the complainant as well.

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Committee shall ensure that the complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behaviour by the accused against the complainant while the investigation is in progress should be reported by the complainant to the Complaints Committee as soon as possible. Disciplinary action will be taken by the Committee against any such complaints which are found genuine.

5.2 This policy shall be disseminated to each employee of the company as well as new recruits who will have to acknowledge that they have read and understood the policy and that they shall abide by the policy.

# ANNEXURE- VII

## WHISTLE BLOWER POLICY

### A. INTRODUCTION

Ramky Enviro Engineers Limited (the "Company") is committed to lawful and ethical behaviour in its everyday activities. This Policy is applicable to all directors, officers, employees, agents, representatives, and other associated persons of the Company (which may include consultants, advisors and temporary employees) (collectively "Company Personnel").

The Company expects all Company Personnel to act in accordance with all applicable laws, regulations, and Company policies, and to observe the highest standards of business and personal ethics in conducting their duties and responsibilities. The Company therefore expects and requires any Company Personnel who have knowledge of, or reason to suspect, any violation of law or the Company's Policies to report such concerns to the Chief Compliance Officer immediately.[1] Reports may be made anonymously. If any Company Personnel fail to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action, up to and including termination.

It is the Company's policy that, if the report of known or suspected violations is made honestly and in good faith, no adverse employment-related action will be taken against any Company Personnel in retaliation for reporting a violation or suspected violation of anti-corruption laws or this Policy.

All concerns raised by Company Personnel shall be treated with strict confidence and the Company shall take disciplinary action up to and including termination for anyone who threatens or engages in retaliation, retribution, or harassment of any other person who has reported or is considering reporting a violation under this Policy.

### B. CATEGORIES OF COMPLAINTS TO BE REPORTED

Company Personnel are free to report, without fear of retaliation, any concerns or issues, or any inappropriate act or conduct, whether actual, potential, or suspected. This list is not exhaustive. However, the list below is intended to provide a sample of the types of misconduct that should be reported under this Policy:

- Violations of the Company's Anti-Bribery and Anti-Corruption Policy;
- Acceptance of or giving kickbacks or bribes by Company Personnel or the Company's business partners;
- Violations of Company policy by the Company's agents, vendors, and business partners;
- Misappropriation of funds;
- Fraudulent accounting of transactions;
- Unauthorized use of money or funds;
- A criminal offence or an unlawful act;
- Abuse of position or conflicts of interest for any unauthorized use or for personal gain, e.g., favoring a related party for a contract;
- Sexual Harassment;
- Bullying.

### C. ROLES AND RESPONSIBILITIES

Though Company Personnel are expected to report potential violations of Company policy, whistleblowers should not act on their own in conducting any investigation. The Company takes all complaints seriously and will investigation all reports made pursuant to this Policy as appropriate. Whistleblowers may remain anonymous if they choose to do so. However, the Company may in certain circumstances ask that whistleblowers cooperate with any investigation conducted under this Policy, including by providing additional information relating to any report of potential violations. Depending on the circumstances, the Company may provide the whistleblower with information regarding the results of any investigation made pursuant to a report under this Policy, including any remedial actions taken.

### D. REPORTING AND INVESTIGATION

If any Company Personnel has reason to believe that he/she has become aware of any concern or misconduct of any nature as shared above, he/she should immediately do one of the following: (i) email concerns ethics.reel@ramky.com; leave a voice message at +91 8096875557 describing the concern, or (iii) contact the Chief Compliance Officer directly.

### E. DISCRIMINATION, RETALIATION OR HARASSMENT

The Company strictly prohibits any discrimination, retaliation or harassment against any person who raises a report under this policy. It is imperative that any victim of such discrimination, retaliation or harassment brings the matter to the Chief Compliance Officer's attention promptly so that the matter can be investigated and addressed promptly and appropriately.

## F. TREATMENT AGAINST FALSE COMPLAINTS

A whistleblower who knowingly makes a false complaint or allegations may be subject to disciplinary action.

## G. RETENTION

All documents relating to the reporting, investigation and enforcement of this Policy shall be maintained under the supervision of the Chief Compliance Officer.

## H. ADDITIONAL ENFORCEMENT INFORMATION

In addition to the Company's internal complaint procedure, employees should also be aware that certain law enforcement agencies are authorized to review questionable accounting or auditing matters, or potentially fraudulent reports of financial information. Nothing in this policy is intended to prevent an employee from reporting information to the appropriate agency when the employee has reasonable cause to believe that the violation of a statute or regulation has occurred.

## I. APPLICABILITY OF LOCAL LAWS

In instances where the local law contradicts this Policy, the local law prevails. This Policy should be read and applied in conjunction with the Company's Anti-Bribery and Anti-Corruption Policy and Gifts & Entertainment Policy. In instances where this Policy is more restrictive than the applicable rules and regulations, Company Personnel are required to abide by this Policy.

Company Personnel should contact the Chief Compliance Officer with any questions relating to this Policy.

# ANNEXURE- VIII

## Nomination and Remuneration Policy

### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 ("Act") read along with the applicable rules thereto.

The Key Objectives of the Committee would be:

1. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
2. To guide the Board in relation to identification, appointment and removal of Directors, Key Managerial Personnel and Senior Management.
3. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
5. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
6. To devise a policy on Board diversity.
7. To develop a succession plan for the Board, Top Management (CXO and their direct reportees) and to regularly review the plan.

### 2. DEFINITIONS

- "**Act**" means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- "**Articles**" means the Articles of Association of the Company.
- "**Board**" means Board of Directors of the Company.
- "**Directors**" mean Directors of the Company.
- "**Key Managerial Personnel**" shall have the meaning ascribed to it under Section 2 (51) of the Act, means:
    - Chief Executive Officer or the Managing Director or the Manager;
    - Whole-time director;
    - Chief Financial Officer;
    - Company Secretary;
    - Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
    - Such other officer as may be prescribed.

"**Senior Management**" means personnel of the company who are members of its core management team excluding the Board of Directors comprising and KMPs namely (i) Chief Human Resource Officer, (ii) Chief Compliance Officer, (iii) Chief Operating Officer

### 3. ROLE OF COMMITTEE

**3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management personnel.

**3.2 Policy for appointment and removal of Director, KMP and Senior Management**

- **Appointment criteria and qualifications:**

1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

1.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

1.3 The Company shall not appoint or continue the employment of any person as Whole- time Director who has attained the age of 70 (seventy) years Provided that the term of the person holding this position may be extended beyond the age of 70 (seventy) years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years

- Term / Tenure

(a) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time (Executive) Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

(b) Independent Director:

(i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

### 3.3 Evaluation

The Committee shall carry out review of the KRAs and evaluation of performance of every Director, KMP and Senior Management personnel at regular interval (yearly).

Removal due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.4 Retirement

The Director, KMP and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 3.5 Policy relating to the Remuneration for the Managing Director, Whole-time Director, KMP and Senior Management personnel

Please refer to Addendum -I

## 4. MEMBERSHIP

(i) In accordance with the Articles and subject to the Act, the Committee shall comprise of 2 Independent Directors, and 1 Investor Director (as defined in the Articles).

(ii) Minimum Two (2) members shall constitute a quorum for the Committee meeting.

(iii) Membership of the Committee shall be disclosed in the Annual Report.

(iv) Term of the Committee shall be continued unless terminated by the Board of Directors.

(v) In addition to the members, the Committee can invite such persons (in non-voting capacity) to attend their meeting and deliberations, subject to such persons executing a confidentiality / non-disclosure agreement, or being bound by confidentiality obligations, and also confirm absence of conflict of interest in writing.

## 5. CHAIRPERSON

(i) Chairperson of the Committee shall be an Independent Director.

(ii) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

(iii) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

(iv) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## 7. COMMITTEE MEMBERS' INTERESTS

(i) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(ii) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 8. VOTING

(i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

(ii) In the case of equality of votes, the Chairman of the meeting will not have a casting vote.

## 9. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

(i) Ensuring that there is an appropriate induction in place for new Directors and members of the Key Managerial Personnel and Senior Management and reviewing its effectiveness;

(ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

(iii) Identifying and recommending Directors who are to be put forward for retirement by rotation.

(iv) Determining the appropriate size, diversity and composition of the Board;

(v) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

(vi) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

(vii) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

(viii) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

(ix) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

(x) Recommend any necessary changes to the Board; and

(xi) Considering any other matters, as may be requested by the Board.

## 10. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

(i) to monitor the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

(ii) to approve the remuneration of the Key Managerial Personnel and the Senior Management maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

(iii) to delegate any of its powers to one or more of its members or the Secretary of the Committee.

(iv) to consider any other matters as may be requested by the Board.

(v) professional indemnity and liability insurance for Directors and senior management.

## 11. MINUTES OF COMMITTEE MEETINGS

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**Addendum –I**

(i) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management personnel will be determined by the Committee and recommended to the Board for approval.

(ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

(iii) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

(iv) Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(v) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management personnel:

(a) ***Fixed pay:*** The Managing Director / Whole-time Director/ KMP and Senior Management personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

(b) ***Minimum Remuneration:*** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Act (including Schedule V).

(c) ***Provisions for excess remuneration:*** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(vi) Remuneration to Non- Executive / Independent Director:

(a) Remuneration / Commission: The remuneration / commission shall be fixed as per the conditions in mentioned in the Articles of Association of the Company and the Act.

(b) Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board and Committee thereof. Provided that the amount of such fees shall not exceed INR One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(c) Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 5% of the profits of the Company computed as per the applicable provisions of the Act or such limits approved by the shareholders of the Company.

(d) Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

# Independent Auditor's Report

To the members of

**Ramky Enviro Engineers Limited**

## Report on the audit of the Standalone Ind AS Financial Statements

### OPINION

We have audited the accompanying standalone Ind AS financial statements of Ramky Enviro Engineers Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash flows and the Statement of Changes in Equity for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone Ind AS financial statements").

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

### BASIS FOR OPINION

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

### EMPHASIS OF MATTER

We draw attention to note 45 of the standalone Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 on the operations of the Company. Our opinion is not modified in respect of this matter.

### 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 information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements in terms of the act 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 (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 the Statement of Other Comprehensive Income, the statement of Cash flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 31(b) to the standalone Ind AS financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Darshan Varma**
Partner
Membership Number: 212319
UDIN: 20212319AAAADB5965

Place: Hyderabad
Date: 29 May 2020

## ANNEXURE 1, REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

Re: Ramky Enviro Engineers Limited (the 'Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification to cover all the items of Property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans that are repayable on demand, to parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are repayable on demand, to parties covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities and there have been slight delays in some cases.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount demanded (₹) | Amount paid under protest (₹) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| The Madhya Pradesh Value Added Tax Act, 2002 | VAT | 3,420,100 | 957,626 | 2014-15 | Hon'ble M.P. Commercial Tax Appellate Board |
| The Delhi Value Added Tax Act, 2004 | VAT | 46,918,339 | - | 2012-13 | Department of Trade and Taxes Government of NCT of Delhi |

| Name of the statute | Nature of the dues | Amount demanded (₹) | Amount paid under protest (₹) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| The Uttar Pradesh Value Added Tax Act, 2008 | VAT | 38,262 | - | 2012-13 | Commercial Tax Department, Agra |
| The Uttar Pradesh Value Added Tax Act, 2008 | VAT | 1,472,050 | 1,472,050 | 2014-15 | Additional Commissioner Commercial Taxes, Uttar Pradesh |
| The Uttar Pradesh Value Added Tax Act, 2008 | VAT | 4,000,000 | - | 2014-15 | Commercial Taxes Department, Kanpur |
| The Rajasthan Value Added Tax Act, 2003 | VAT | 822,652 | - | 2016-17 | Commercial Tax Department, Rajasthan |
| Jharkhand Value Added Tax, 2005 | VAT | 40,362 | - | 2013-14 to 2014-15 | Commercial Tax Department, Jharkhand |
| The Income Tax Act, 1961 | Income Tax | 666,381 | 666,381 | 2012-13 | The Commissioner of Income Tax (Appeals) – XII, Hyderabad |
| The Income Tax Act, 1961 | Income Tax | 19,966,236 | 19,966,236 | 2010-11 | The Income Tax Appellate Tribunal, Hyderabad |

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding loans or borrowing dues in respect of a government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer (including debt instruments) and term loans during the year and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause (xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Darshan Varma**
Partner
Membership Number: 212319
UDIN: 20212319AAAADB5965

Place: Hyderabad
Date: 29 May 2020

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RAMKY ENVIRO ENGINEERS LIMITED

**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 Ramky Enviro Engineers Limited ("the Company") as of 31 March 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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. 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 the 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls over financial reporting with reference to these standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

## OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2020, 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 **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Darshan Varma**
Partner
Membership Number: 212319
UDIN: 20212319AAAADB5965

Place: Hyderabad
Date: 29 May 2020

# Balance Sheet as at 31 March, 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3A | 10,015.72 | 10,211.80 |
| Capital work in progress | 3B | 2,648.28 | 2,265.53 |
| Intangible assets | 3C | 631.78 | 471.03 |
| Intangible assets under development | 3D | 207.26 | - |
| Right-of-use assets | 30B | 1,237.15 | - |
| Financial assets | | | |
| (i) Investments | 4A | 81,950.59 | 28,746.42 |
| (ii) Loans | 4B | 23,850.28 | 55,604.53 |
| (iii) Trade receivables | 4D | - | 8,527.86 |
| (iv) Bank balance other than cash and cash equivalent | 4F | 4,036.61 | 2,134.51 |
| (v) Other financial asset | 4C | 2,825.94 | 2,986.00 |
| Deferred tax assets (net) | 6 | 2,122.44 | 3,305.41 |
| Non-current tax assets | 7 | 868.34 | 31.72 |
| Other assets | 8 | 690.98 | 2,549.33 |
| | | **131,085.37** | **116,834.14** |
| **Current assets** | | | |
| Inventories | 5 | 1,402.33 | 1,150.81 |
| Contract assets | | | |
| Financial assets | | | |
| (i) Investments | 4A | 4,028.81 | 9,606.60 |
| (ii) Loans | 4B | 3,089.43 | 7,471.71 |
| (iii) Trade receivables | 4D | 17,175.80 | 14,603.19 |
| (iv) Cash and cash equivalent | 4E | 5,432.28 | 843.12 |
| (v) Bank balance other than (iv) above | 4F | 3,247.04 | 4,188.64 |
| (vi) Other financial asset | 4C | 400.60 | 202.99 |
| Other assets | 8 | 4,232.79 | 4,601.84 |
| | | **39,009.08** | **42,668.90** |
| Asset classified as held for sale | 41 | 614.00 | 614.00 |
| **Total assets** | | **170,708.45** | **160,117.04** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | 9 | 417.75 | 417.75 |
| Other equity | 10 | 127,895.95 | 120,943.11 |
| **Total equity** | | **128,313.70** | **121,360.86** |
| **Non-current liabilities** | | | |
| Contract liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11A | 202.59 | 457.47 |
| (ii) Lease liabilities | 30B | 1,252.77 | - |
| (iii) Other financial liabilities | 13 | 14,834.76 | 14,442.24 |
| Government grant | 15 | 116.02 | 122.97 |
| Long term provisions | 16 | 2,472.27 | 3,147.93 |
| Other liabilities | 17 | 677.89 | 792.89 |
| | | **19,556.30** | **18,963.50** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11B | 2,369.67 | 3,777.39 |
| (ii) Lease liabilities | 30B | 77.51 | - |
| (iii) Trade payables | 12 | | |
| -total outstanding dues of micro and small enterprises | | 311.76 | 170.21 |
| -total outstanding dues of creditors other than micro and small enterprises | | 9,617.50 | 6,909.54 |
| (iv) Other financial liabilities | 13 | 2,606.51 | 2,558.64 |
| Liabilities for current tax (net) | 14 | 2,399.14 | 2,399.14 |
| Provisions | 16 | 3,556.18 | 1,078.81 |
| Other liabilities | 17 | 1,900.18 | 2,898.95 |
| | | **22,838.45** | **19,792.68** |
| **Total equity and liabilities** | | **170,708.45** | **160,117.04** |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per **Darshan Varma**
Partner
Membership No: 212319

Place: Hyderabad
Date: 29th May 2020

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

# Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from contracts with customers | 18 | 42,900.92 | 37,989.45 |
| Other income | 19 | 7,585.50 | 5,219.23 |
| **Total income (I)** | | **50,486.42** | **43,208.68** |
| | | | |
| **EXPENSES** | | | |
| (Increase) / decrease in inventories of finished goods | | 13.12 | (59.83) |
| Cost of raw material and components consumed | 20 | 5,247.34 | 3,261.43 |
| Construction expenses | 21 | 402.12 | 26.47 |
| Employee benefits expense | 22 | 6,579.17 | 3,882.33 |
| Finance costs | 23 | 1,792.69 | 4,549.19 |
| Depreciation and amortization expense | 24 | 2,111.41 | 3,791.29 |
| Other expenses | 25 | 21,453.72 | 21,974.86 |
| **Total expense (II)** | | **37,599.57** | **37,425.74** |
| **Profit before exceptional items and taxes (III = I - II)** | | **12,886.85** | **5,782.94** |
| Exceptional items (IV) | 42 | (4,402.57) | 13,041.94 |
| **Profit before tax (V = III + IV)** | | **8,484.28** | **18,824.88** |
| **Tax expense** | 27 | | |
| Current tax | | 1,802.76 | 3,092.78 |
| Adjustment of tax relating to earlier periods | | - | 926.11 |
| Deferred tax | | 1,218.22 | 181.75 |
| **Total tax expense (VI)** | | **3,020.98** | **4,200.64** |
| **Profit for the year (VII=V-VI)** | | **5,463.30** | **14,624.24** |
| **Other comprehensive income** | 26 | | |
| **Net other comprehensive income to be reclassified to profit or loss in subsequent periods** | | - | - |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement (losses)/gains on defined benefit plans | | (121.08) | (14.10) |
| Income tax effect | | 35.26 | 4.93 |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **(85.82)** | **(9.17)** |
| **Other comprehensive income for the year (net of tax) (VIII)** | | **(85.82)** | **(9.17)** |
| **Total comprehensive income for the year (net of tax) (IX=VII+VIII)** | | **5,377.48** | **14,615.07** |
| **Earnings per equity share computed on the basis of profit before exceptional items attributable to equity holders of the parent** | | | |
| Basic earnings per share | 28 | 205.50 | 128.80 |
| Diluted earnings per share | | 137.71 | 120.49 |
| **Earnings per equity share computed on the basis of profit after exceptional items attributable to equity holders of the parent** | | | |
| Basic earnings per share | 28 | 130.79 | 350.11 |
| Diluted earnings per share | | 87.65 | 327.46 |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

per **Darshan Varma**
Partner
Membership No: 212319

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

Place: Hyderabad
Date: 29th May 2020

# Statement of Changes in Equity for the year ended 31 March 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## (A) SHARE CAPITAL

| | Class A - Equity Shares Face Value of ₹ 10 each | | Class B - Equity Shares Face Value of ₹ 10 each | | 0.001% Compulsory Convertible Preference Shares Face value of ₹ 100 each | |
|---|---|---|---|---|---|---|
| | Number of shares in Lakhs | INR Lakhs | Number of shares in Lakhs | INR Lakhs | Number of shares in Lakhs | INR Lakhs |
| **As at 01 April 2018** | **41.77** | **417.74** | **0.00** | **0.01** | **0.71** | **71.15** |
| Issued during the year | - | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | (0.71) | (71.15) |
| **As at 31 March 2019** | **41.77** | **417.74** | **0.00** | **0.01** | **-** | **-** |
| Issued during the year | - | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | - | - |
| **As at 31 March 2020** | **41.77** | **417.74** | **0.00** | **0.01** | **-** | **-** |

## (B) OTHER EQUITY

| | Reserves and surplus | | | | | |
|---|---|---|---|---|---|---|
| | Capital Reserve | Securities premium reserve | Share-based payment reserve (refer note 30A) | Deemed capital contribution (refer note 44) | Retained earnings | Total |
| **Balance as at 01 April 2018** | **-** | **17,946.05** | **-** | **-** | **45,036.33** | **62,982.38** |
| On account of amalgamation (refer note 43) | 17,923.58 | - | - | - | 24.12 | 17,947.70 |
| Capital contribution on issue of Optionally Convertible Redeemable Preference Shares | - | - | - | 115,544.98 | - | 115,544.98 |
| Premium on redemption of preference shares (refer note 44) | - | (17,946.05) | - | (44,382.80) | - | (62,328.85) |
| Profit for the year | - | - | - | - | 14,624.20 | 14,624.20 |
| Other comprehensive income (net of taxes) | - | - | - | - | (9.17) | (9.17) |
| Interim dividend for the year (refer note 44) | - | - | - | - | (23,226.11) | (23,226.11) |
| Dividend distribution tax (refer note 44) | - | - | - | - | (4,592.02) | (4,592.02) |
| **Balance as at 31 March 2019** | **17,923.58** | **-** | **-** | **71,162.18** | **31,857.35** | **120,943.11** |
| Profit for the year | - | - | - | - | 5,463.30 | 5,463.30 |
| Other comprehensive income (net of taxes) | - | - | - | - | (85.82) | (85.82) |
| Share-based payments (refer note 30A) | - | | 1,575.36 | - | - | 1,575.36 |
| **Balance at 31 March 2020** | **17,923.58** | **-** | **1,575.36** | **71,162.18** | **37,234.83** | **127,895.95** |

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

per **Darshan Varma**
Partner
Membership No: 212319

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

Place: Hyderabad
Date: 29th May 2020

# Statement of Cash Flows for the year ended 31 March 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **A.** | **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 8,484.28 | 18,824.88 |
| | Adjustments to reconcile profit before tax to net cash flows: | | |
| | Depreciation and amortisation expense | 2,111.41 | 3,791.29 |
| | Provision for doubtful receivables and Bad debts written off | 1,097.93 | 317.43 |
| | Provision for doubtful advances & GST input written off | 220.24 | 427.05 |
| | (Profit)/loss on sale of fixed assets | (5.87) | (147.31) |
| | Loss on sale of investments | - | 853.24 |
| | Revenue from construction activity | (402.12) | (26.47) |
| | Construction expenses | 402.12 | 26.47 |
| | Deferred income arising from government grant | (6.95) | (29.94) |
| | Liabilities no longer required written back | (937.49) | (2,203.00) |
| | Bad debts/ advances written-off | 38.32 | |
| | Net gain on sale of investment | (92.67) | - |
| | Employee stock option scheme | 1,421.47 | - |
| | Interest expense | 1,650.72 | 4,190.18 |
| | Dividend income | - | (12,301.99) |
| | Interest income | (6,218.10) | (4,453.75) |
| | **Operating profit before changes in assets and liabilities** | **7,763.29** | **9,268.08** |
| | **Working Capital Adjustments** | | |
| | Increase in inventories | (251.52) | (556.21) |
| | Increase in trade receivables | (3,708.86) | (11,697.68) |
| | Increase / (decrease) in other financial asset | (148.95) | 5,216.06 |
| | Increase in other asset | 1,204.46 | 4,593.28 |
| | Increase in trade payables | 3,274.46 | 2,203.03 |
| | Decrease in other financial liabilities | 807.68 | (1,253.26) |
| | Increase in provisions for employee benefits | 98.59 | 51.38 |
| | Decrease in other provisions | 943.34 | 645.42 |
| | Increase / (decrease) in other liabilities | (998.76) | (455.79) |
| | **Cash generated from operating activities** | **8,983.75** | **8,014.31** |
| | Income tax paid (net of refund) | (2,639.37) | (2,712.07) |
| | **Net cash flows from operating activities (A)** | **6,344.38** | **5,302.24** |
| | | | |
| **B.** | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Inter corporate deposit given | (30,719.00) | (101,592.04) |
| | Inter corporate deposits repaid | 41,183.17 | 54,254.03 |
| | Perpetual debt to subsidiaries | (19,821.17) | - |
| | (Purchase)/sale of property, plant and equipment (net) | (1,497.46) | (3,986.08) |
| | Sale/(Purchase) of mutual fund investments (net) | 5,670.46 | (9,423.84) |
| | Sale/(purchase) of investments | 6,025.45 | 16,228.69 |
| | Investment in fixed deposits | (960.50) | (4,622.26) |
| | Dividend received | - | 12,301.99 |
| | Interest received | 939.43 | 121.55 |
| | **Net cash (used) / from in investing activities (B)** | **820.38** | **(36,717.96)** |

# Statement of Cash Flows for the year ended 31 March 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from issue of preference shares | - | 127,214.73 |
| Redemption of existing preference shares | - | (62,400.00) |
| Proceeds from long term borrowings | - | 70.00 |
| Repayment of long term borrowings | (255.59) | (8,424.61) |
| (Repayment)/Proceeds from short term borrowings (net) | (1,941.38) | 3,763.93 |
| Payment of lease liabilities | (64.97) | - |
| Dividend and tax thereon paid | - | (27,818.13) |
| Interest paid | (313.67) | (2,210.81) |
| **Net cash flow generated/(used) in financing activities ( C)** | **(2,575.60)** | **30,195.11** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | 4,589.16 | (1,220.61) |
| Cash and cash equivalents at the beginning of the year | 843.12 | 2,063.73 |
| **Cash and cash equivalents at year end** | **5,432.28** | **843.12** |

**a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.**

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **b) Cash and Cash Equivalents comprises of** | | |
| Cash on hand | 7.25 | 17.47 |
| Balances with banks: (Refer Note 6E) | | |
| - Current Accounts | 3,024.63 | 825.65 |
| - Deposit with maturity of less than 3 months | 2,400.40 | - |
| **Cash and cash equivalent as per balance sheet** | **5,432.28** | **843.12** |
| Summary of significant accounting policies Note 2.2 | | |

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

per **Darshan Varma**
Partner
Membership No: 212319

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

Place: Hyderabad
Date: 29th May 2020

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 1. CORPORATE INFORMATION

The Company is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 13th floor, Ramky Grandiose, Ramky Towers, Gachibowli, Hyderabad - 500032.

The Company is engaged in the business of Integrated waste management solutions for industrial (Hazardous) waste, municipal waste, electronic waste and providing other incidental services.

The Standalone financial statements were authorized for issue in accordance with a resolution of the directors on 29th May 2020.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

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

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

### 2.2 Summary of significant accounting policies

#### a) Business combination

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise the accounting policies. Any excess or shortfall of the consideration paid over the share capital of the transferor entity or business is recognised as capital reserve under equity.

Other business combinations are accounted using acquisition method.

#### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### c) Foreign currencies

The standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency.

**Transactions and balances**

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

sheet of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**d) Investment in subsidiaries, associates and joint ventures.**

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27 "Separate Financial Statements". The details of such investments are given in note 4A.

**e) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re- measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Disclosures for valuation methods, significant estimates and assumptions (note 36 and 37)

### f) Revenue from contract with customer

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 29.

The specific recognition criteria described below must also be met before revenue is recognised.

**Revenue from waste disposal activities:**

Revenue from user charges towards waste disposal is recognised as and when the related services are performed i.e. when the waste is collected, transported and is received at the dumping yards.

**Revenue from consultancy and maintenance contracts**

Revenue from consultancy and maintenance contracts is recognised as and when the related services are performed.

**Revenue from turnkey contracts**

Revenue from turnkey contracts is recognised by reference to the stage of completion of the contract activity. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as and when assessed.

**Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also receives long-term security deposits from customers. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Dividend income**

Dividend income is recognised when the Company's right to receive the payment is established.

**Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## g) Taxes

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In cases, where the tax on dividend from a foreign subsidiary is allowed as a set off against the Company's own dividend distribution tax (DDT) liability, then the amount of tax paid on foreign dividend is recognised in the statement of changes in equity.

In cases, where the tax on dividend from a subsidiary is allowed as a set off against the Company's own dividend distribution tax (DDT) liability, the tax deducted by the domestic subsidiary is treated as withholding tax recognised in the statement of changes in equity.

The dividend income is recognised in the income statement at an amount including any withholding taxes (that is, gross of the withholding tax that has been deducted by the domestic subsidiary).

The Company recognises interest levied and penalties related to income tax assessments in interest expenses.

**Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled,

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

As the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## h) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 29 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building (refer below)
- Roads and other civil infrastructures - 10 years
- Land fill based on the actual usage
- Plant and machinery - 9 years
- Vehicles - 8 years
- Lab equipment - 10 years
- Computers - 3 years
- Furniture and fixtures - 10 years
- Office equipment - 5 years

Landfill costs include costs such as landfill liner material and installation, excavation costs, leachate collection systems, gas collection systems, environmental monitoring equipment for groundwater and landfill gas, directly related engineering costs and other direct costs. The landfill capacity associated with each landfill is quantified and the landfill costs for each landfill are amortized over the capacity associated with the landfill as the capacity is utilized using units of consumption method.

The Company, based on technical assessment made by technical expert and management estimate,

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

depreciates certain items of land development, building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

## i) Basis of accounting of service concession agreement

The Company has determined that Appendix D to IND AS 115 on "Service Concession Arrangements (SCA)" is applicable to the concession agreement and hence has applied it in accounting for the same.

Under Appendix D to Ind AS 115, concession arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The Company has determined that intangible asset model is applicable to the agreement as the Company is entitled to tipping fee towards waste disposed (intangible asset).

### Recognition and measurement

The Company has also received right to charge the users of a public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the project receives waste and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when each component of the project is complete in all respects. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses.

### Revenue recognition

Revenue for concession arrangements under intangible asset model is recognized as and when the related services are performed i.e. when the waste is collected, transported and processed at the processing facility.

### Revenue from construction contracts

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 115 'Revenue from contracts with customers'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Costs incurred for rendering the construction services, exchanged for the intangible asset and financial asset, include all costs that are directly related to the construction of the project and include all overheads other than those relating to general administration of the Company.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

**Amortisation of Intangible asset under SCA**

The intangible rights which are recognised in the form of right to collect tipping fee, except for landfill costs are amortized on a straight- line basis from the date of capitalization over the concession period. The landfill cost is amortized on the basis of capacity utilised by waste dumped in the landfills.

**Contractual obligation to restore the infrastructure to a specified level of serviceability**

The Company has contractual obligation to maintain the infrastructure to a specified level of serviceability during the concession period and at the time of handover to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and recognised on a discounted basis by creating a provision for replacement and capitalizing the costs to intangible assets and amortised on a straight-line basis over the concession period. The provision for replacement is unwound over its life using effective interest rate method.

### j) Other than Service concession arrangements

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). For leases previously classified as operating

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

leases under Ind AS 17, the Company has elected the option to recognise right-of-use asset at the date of initial application equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application as per paragraph C8(b)(ii) of Ind AS 116.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. For leases previously classified as an operating lease under Ind AS 17, the Group recognise a lease liability at the date of initial application. The Company measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to those items that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company s of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

## o) Provisions

**Provision for capping**

The cost for final capping for each landfill is estimated based on the area to be capped and the capping materials and activities required. The estimate also considers when these costs are anticipated to be paid and factor in inflation and discount rates. These costs are reviewed annually, or more often if significant facts change. The total cost of capping is charged to the statement of profit or loss over the capacity associated with the landfill as the capacity is utilized. The provision for capping is unwound over its life using effective interest rate method. Changes in estimates, such as timing or cost of construction, for final capping are charged off to the statement of profit and loss prospectively.

**Provision for post closure**

The estimates for post-closure costs are based on the regulatory and contractual requirements for post-closure monitoring and maintenance. The estimates for post-closure costs also considers when the costs are anticipated to be paid and factor in inflation and discount rates. The possibility of changing legal and regulatory requirements and the forward-looking nature of these types of costs make any estimation or assumption less certain. The total cost of post closure is charged to the statement of profit or loss over the quantity of waste estimated to be disposed in the specified site. The quantity of waste estimated to be disposed takes into consideration the remaining operating period of the site and the land available for waste disposal. These costs are reviewed annually, or more often if significant facts change. The provision for post closure is unwound over its life using effective interest rate method. Changes in estimates for closure and post-closure events are charged off to the statement of profit and loss prospectively.

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used,

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

the increase in the provision due to the passage of time is recognised as a finance cost.

## p) Employee benefits

**Post-employment benefits**

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

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

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**Compensated absences**

The employees are entitled to accumulate leave subject to certain limits, for future encashment, as per policy of the company. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year. The liability towards such unutilised leave at the end of each balance sheet date is determined based on independent actuarial valuation and recognised in the statement of profit and loss.

## q) Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 30A.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**Cash-settled transactions**

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in Note 30A. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

### r) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section - Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### Debt instruments at amortised cost

"A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

For more information on receivables, refer to Note 4D.

### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

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:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

c) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables and Other receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12- month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

### Investment in mutual funds

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

### Financial liabilities

#### i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## s) Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

## t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

## v) Segment policy

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i. Segment revenue includes sales and other operational revenue directly identifiable with/ allocable to the segment.

ii. Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment profit.

iii. Income and expenses which relates to the Company as a whole and not allocable to segments is included in "Others".

iv. Segment profit have been adjusted for the exceptional item attributable to the corresponding segment.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.

## 2.3 Changes in accounting policies and disclosures

### New and amended standards

**Ind AS 116 Leases**

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in the current year, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

**Ind AS 116 - Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Involving the Legal Form of a Lease). The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the Standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 12 % p.a.

# Notes to Financial Statements for the year ended 31 March, 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 3A. Property, plant and equipment

| Particulars | Freehold Land | Buildings | Plant and machinery | Roads and other civil infrastructure | Land Fill | Furniture and fixtures | Vehicles | Lab equipment | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross block | | | | | | | | | | | |
| **As at 1 April 2018** | **412.61** | **6,172.77** | **2,516.08** | **1,114.93** | **2,520.63** | **121.70** | **1,397.66** | **469.83** | **70.51** | **66.90** | **14,863.62** |
| Additions during the year | - | 316.38 | 857.08 | 259.10 | 2,032.62 | 47.55 | 1,011.47 | 82.60 | 45.35 | 34.91 | 4,687.06 |
| Deletions/adjustments | - | - | (6.53) | - | - | - | (129.19) | - | - | - | (135.72) |
| **As at 31 March 2019** | **412.61** | **6,489.15** | **3,366.63** | **1,374.03** | **4,553.25** | **169.25** | **2,279.94** | **552.43** | **115.86** | **101.81** | **19,414.96** |
| Additions during the year | 12.59 | 62.16 | 269.76 | 177.96 | 828.18 | 16.86 | 109.22 | 91.28 | 18.37 | 94.73 | 1,681.11 |
| Deletions/adjustments | - | - | - | - | - | - | (18.80) | - | - | - | (18.80) |
| **As at 31 March 2020** | **425.20** | **6,551.31** | **3,636.39** | **1,551.99** | **5,381.43** | **186.11** | **2,370.36** | **643.71** | **134.23** | **196.54** | **21,077.27** |
| | | | | | | | | | | | |
| **Depreciation** | | | | | | | | | | | |
| **As at 1 April 2018** | **-** | **574.94** | **1,091.62** | **1,071.06** | **1,942.12** | **23.38** | **850.94** | **197.52** | **27.06** | **35.62** | **5,814.26** |
| For the year | - | 273.07 | 427.18 | 4.29 | 2,418.78 | 16.74 | 251.95 | 77.83 | 18.55 | 21.84 | 3,510.23 |
| Deletions/adjustments | - | - | (0.33) | - | - | - | (121.00) | - | - | - | (121.33) |
| **As at 31 March 2019** | **-** | **848.01** | **1,518.47** | **1,075.35** | **4,360.90** | **40.12** | **981.89** | **275.35** | **45.61** | **57.46** | **9,203.16** |
| For the year | - | 282.20 | 460.74 | 28.96 | 717.52 | 18.61 | 241.85 | 65.52 | 23.03 | 38.76 | 1,877.19 |
| Deletions/adjustments | - | - | - | - | - | - | (18.80) | - | - | - | (18.80) |
| **As at 31 March 2020** | **-** | **1,130.21** | **1,979.21** | **1,104.31** | **5,078.42** | **58.73** | **1,204.95** | **340.87** | **68.64** | **96.22** | **11,061.55** |
| | | | | | | | | | | | |
| **Net block** | | | | | | | | | | | |
| **As at 31 March 2019** | **412.61** | **5,641.14** | **1,848.16** | **298.68** | **192.35** | **129.13** | **1,298.05** | **277.08** | **70.25** | **44.35** | **10,211.80** |
| **As at 31 March 2020** | **425.20** | **5,421.10** | **1,657.18** | **447.68** | **303.01** | **127.38** | **1,165.42** | **302.84** | **65.59** | **100.32** | **10,015.72** |

## 3B Capital work in progress

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Capital work in progress | 2,648.28 | 2,265.53 |
| | **2,648.28** | **2,265.53** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 3C. Intangible asset

| | Intangible assets under service concession arrangement | Computer software | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at 1 April 2018** | **812.29** | **4.18** | **816.47** |
| Additions during the year | 26.47 | - | 26.47 |
| Deletions/adjustments | - | - | - |
| **As at 31 March 2019** | **838.76** | **4.18** | **842.94** |
| Additions during the year | 194.86 | 42.00 | 236.86 |
| Deletions/adjustments | | - | - |
| **As at 31 March 2020** | **1,033.62** | **46.18** | **1,079.80** |
| | | | |
| **Amortisation** | | | |
| **As at 1 April 2018** | **89.86** | **0.99** | **90.85** |
| For the year | 279.62 | 1.44 | 281.06 |
| Deletions/adjustments | - | - | - |
| **As at 31 March 2019** | **369.48** | **2.43** | **371.91** |
| For the year | 74.22 | 1.89 | 76.11 |
| Deletions/adjustments | | | - |
| **As at 31 March 2020** | **443.70** | **4.32** | **448.02** |
| **Net block** | | | |
| **As at 31 March 2019** | **469.28** | **1.75** | **471.03** |
| **As at 31 March 2020** | **589.92** | **41.86** | **631.78** |

## 3D. Intangible assets under Development

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Intangible assets under development | 207.26 | - |
| | **207.26** | **-** |

## 4 FINANCIAL ASSET

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **4A Investments** | | |
| **Non-current** | | |
| **A. In associates and joint venture** | | |
| **Trade (Unquoted) (At cost unless otherwise stated)** | | |
| **(i) Investment in equity shares** | | |
| (a) 2,600 (31 March 2019 - 2,600) Equity shares of ₹10/- each of Vilholi Waste Management System Private Limited | 0.26 | 0.26 |
| (b) 1,25,000 (31 March 2019: 125,000) equity shares of OMR 1 each of Al Ahlia Environmental Services Co LLC, Oman | 145.65 | 145.65 |
| (c) 4,90,000 equity shares of SAR 1 each of Ramky- AL-Turki Environmental Services Company Limited , Saudi Arabia (refer note f) | 59.36 | - |
| **Total aggregate investments in associates and joint venture** | **205.27** | **145.91** |
| **B. In subsidiaries** | | |
| **Trade (Unquoted) (At cost unless otherwise stated)** | | |
| **(i) Investment in equity shares - Indian entities** | | |
| 3,692,600 (31 March 2019 - 3,692,600) equity shares of ₹10/- each of Mumbai Waste Management Limited | 571.74 | 558.78 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| 5,858,963 (31 March 2019 - 5,858,963) equity shares of ₹10/- each of Ramky IWM Private Limited | 629.07 | 617.53 |
| 16,604,096 (31 March 2019 - 16,604,096) equity shares of ₹10/- each of Tamilnadu Waste Management Limited | 1,664.60 | 1,662.52 |
| 23,106,417 (31 March 2019 - 23,106,417) equity shares of ₹10/- each of Delhi MSW Solutions Limited (refer note (d) given below) | 3,508.95 | 3,497.55 |
| 10,345,050 (31 March 2019 - 10,345,050) equity shares of ₹10/- each of West Bengal Waste Management Limited | 1,198.51 | 1,198.51 |
| 2,411,790 (31 March 2019 - 2,411,790) equity shares of ₹10/- each of B & G Solar Private Limited | 328.90 | 328.90 |
| 1,800,000 (31 March 2019 - 1,800,000) equity shares of ₹10/- each of Ramky E-Waste Management Limited | 177.18 | 177.18 |
| 765,000 (31 March 2019 - 765,000) equity shares of ₹10/- each of Visakha Solvents Limited | 76.50 | 76.50 |
| 500,000 (31 March 2019 -500,000) equity shares of ₹10/- each of Hyderabad MSW Energy solutions Private Limited (Formely known as East Coast Industries (India) Private Limited) (net of provision of ₹33.46(31 March 2019 -₹33.46) | 5.18 | - |
| 50,000 (31 March 2019 - 50,000) equity shares of ₹10/- each of Ramky Reclamation and Recycling Limited | 38.13 | 5.00 |
| 50,000 (31 March 2019 - 50,000) equity shares of ₹10/- each of Hyderabad Integrated MSW Limited (refer note (b) & (c) given below) | 651.29 | 639.51 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹10/- each of Ramky MSW Private Limited (net of provision of ₹ 1.00 (31 March 2019 - ₹ 1.00)) | 0.44 | 0.44 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹ 10/- each of Maridi Bio Industries Private Limited | 1.00 | 1.00 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹10/- each of Pithampur Industrial Waste Management Private Limited | 1.00 | 1.00 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹10/- each of Ramky Enviro Services Private Limited | 1.00 | 1.00 |
| 1,000,000 (31 March 2019 - 1,000,000) equity shares of ₹10/- each of Chennai MSW Private Limited | 119.02 | 103.48 |
| 100,000 (31 March 2019 - 100,000) equity shares of ₹ 10/- each of Jodhpur MSW Private Limited | 10.00 | 10.00 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹ 10/- each of Adityapur Waste Management Private Limited | 1.00 | 1.00 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹ 10/- each of Dehradun Waste Management Private Limited | 1.00 | 1.00 |
| 10,000 (31 March 2019 - 10,000) equity shares of ₹10/- each of Delhi Cleantech Services Private Limited | 1.55 | 1.55 |
| **(ii) Investment in equity shares - Foreign entities** | | |
| 10,938,000 (31 March 2019 - 10,938,000) equity shares of SGD 1 each of Ramky International (Singapore) Pte Ltd | 3,981.25 | 3,965.50 |
| 1300 (31 March 2019 - 300) equity shares of AED 1,000 each of Ramky Enviro Engineers Middle East FZ LLC | 276.60 | 48.67 |
| As at 31 March 2019 - 700,000 equity shares of SAR 1 each of Ramky- AL-Turki Environmental Services Company Limited , Saudi Arabia (refer note f) | - | 84.81 |
| **(iii) Investment in preference shares** | | |
| 4,550,000 (31 March 2019 - 4,550,000) 0.001%, cumulative convertible redeemable preference shares of ₹10/- each of Delhi MSW Solutions Limited | 455.00 | 455.00 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| 51,912,570 (31 March 2019 - 51,912,570) 0.001%, cumulative convertible redeemable preference shares of ₹10/- each of Hyderabad Integrated MSW Limited (refer note (d) given below) | 5,191.26 | 5,191.26 |
| 16,632,374 (31 March 2019 - 16,632,374) 0.001%, cumulative convertible redeemable preference shares of ₹10/- each of Ramky MSW Private Limited (net of provision of ₹ 166,323,740 (31 March 2019 - ₹ 1663.24)) | - | - |
| 15,780,000 (31 March 2019 - 15,780,000) 0.001%, cumulative convertible redeemable preference shares of ₹10/- each of West Bengal Waste Management Limited | 1,578.00 | 1,578.00 |
| 127,500 (31 March 2019 - 127,500) 10% Non-participating Redeemable Non Cumulative Preference Shares of ₹10/- each of B & G Solar Private Limited | 12.75 | 12.75 |
| 4,46,518 (March 31, 2019 - 4,46,518) 0.001%, cumulative convertible redeemable preference shares of ₹10/- each of Delhi Cleantech Services Private Limited | 44.65 | 44.65 |
| **(iv) Investment in debentures** | | |
| Nil (31 March 2019 - 60,000,000) 0.001%, Redeemable Optionally Convertible Debentures of ₹10/- each of Ramky IWM Private Limited | - | 6,000.00 |
| 30,000,000 (31 March 2019 - 30,000,000) 0.001%, Compulsorily Convertible Debentures of ₹10/- each of Ramky IWM Private Limited | 958.25 | 958.25 |
| 40,000,000 (31 March 2019 - 40,000,000) 0.001%, Compulsorily Convertible Debentures of ₹10/- each of Delhi MSW Solutions Limited (refer note a) | 1,277.67 | 1,277.67 |
| **(v) Investment in perpetual debt (refer note e)** | | |
| Hyderabad MSW Energy Solutions Private Limited | 29,805.07 | - |
| Delhi MSW Solutions Limited | 17,000.00 | - |
| Hyderabad C&D Waste Treatment Private Limited | 2,811.99 | - |
| Rewa Msw Management Solutions Limited | 2,000.00 | - |
| Saagar MSW Solutions Private Limited | 1,970.95 | - |
| Dhanbad Integrated Msw Limited | 1,721.21 | - |
| Katni MSWM Private Limited | 1,500.00 | - |
| Ramky Reclamation and Recycling Limited | 1,431.92 | - |
| Dehradun Waste Management Private Limited | 641.19 | - |
| **Total aggregate investments in subsidiaries** | **125,564.82** | **72,054.01** |
| **C. In others** | | |
| **Trade (Unquoted) (At cost)** | | |
| **(i) Investment in equity shares** | | |
| 10,15,000 (31 March 2019 - 10,15,000) equity shares of ₹10/- each of Pithampur Auto Cluster Limited | 101.50 | 101.50 |
| **Total aggregate investments in others** | **101.50** | **101.50** |
| **Total aggregate investments in subsidiaries and other entities [B +C]** | **125,666.32** | **72,155.51** |
| **Grand total Non current [A+B+C]** | **125,871.59** | **72,301.42** |
| Aggregate value of unquoted investments | 125,871.59 | 72,301.42 |
| Aggregate amount of impairment in value of investments | 1,697.70 | 1,697.70 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 4A Current investments

### Trade (quoted) (At Fair Value through Profit and Loss Account)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Investment in mutual funds** | | |
| Unquoted mutual funds | | |
| Aditya Birla Sun Life Liquid Fund - Growth | | |
| 1,647.56 units (31 March 2019 : 29,48,392.74 units) of face value of ₹ 319.55 each | 5.26 | 8,858.04 |
| Kotak Liquid Fund Direct Growth | | |
| Nil units (31 March 31 2019 : 19,780 units) | - | 748.56 |
| IDFC Cash fund - Growth - Direct Plan | | |
| 83,732 units (31 March 2019: Nil units) of face value of ₹ 2401.83 each | 2,011.10 | - |
| HDFC Liquid Fund Direct Plan | | |
| 51,513.68 units (31 March 2019: Nil units) of face value of ₹ 3,906.61 each | 2,012.45 | |
| **Grand total** | **4,028.81** | **9,606.60** |
| **Aggregate value of quoted current investments** | **4,028.81** | **9,606.60** |

***Notes:***

a) *24,000,000 (31 March 2019 - 24,000,000) 0.001%, Compulsorily Convertible Debentures of ₹10/- each of Delhi MSW Solutions Limited have been pledged in favour of Power Finance Corporation Limited for loans availed by Delhi MSW Solutions Limited.*

b) *15,000 (31 March 2019 - 15,000) equity shares and 51,912,570 (31 March 2019 - 51,912,570) preference shares of Hyderabad Integrated MSW Limited have been pledged in favour of Axis Bank Limited for loans availed by Hyderabad Integrated MSW Limited.*

c) *Non disposal undertaking (NDU) and power of attorney arrangement over 10,500 (31 March 2019 - 10,500) equity shares of Hyderabad Integrated MSW Limited in favour of Axis Bank Limited for loans availed by Hyderabad Integrated MSW Limited.*

d) *23,106,417 (31 March 2019 - 23,106,417) equity shares of Delhi MSW Solutions Limited have been pledged in favour of Power Finance Corporation Limited for loans availed by Delhi MSW Solutions Limited.*

e) *During the year, the terms of inter-corporate deposit (ICD) and trade receivable balance of ₹ 58,882.83 (Including ICD of ₹30,533.80 and Trade receivable of ₹8,529.00 as at 01 April 2019) given to various subsidiaries of the Company have been changed to convert the same into Unsecured Perpetual Debt ("UPD") with effect from 01 April 2019. UPD is perpetual in nature with no option towards voting rights, redemption, conversion into equity shares and are repayable at the option of the subsidiary company. The rate of interest payable shall be at the rate at which dividend has been declared by the subsidiary company to its equity shareholders for the financial year and the same shall be on non-cumulative basis. The interest accrued, if any, shall be payable at the option of the subsidiary company out of reserves available for dividend distribution. UPD shall be subordinated to the debt of lenders, if any, of the subsidiary company*

f) *The Company has sold 21% of the investment in Ramky- AL-Turki Environmental Services Company Limited which has resulted the said investment in subsidiaries in previous year to be classified as investment in associates in current year.*

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 4B. Loans (Unsecured and considered good unless otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Inter corporate deposit to related parties* | 23,605.52 | 55,604.53 |
| Inter corporate deposit to others | 465.00 | - |
| | **24,070.52** | **55,604.53** |
| Less: Allowance for doubtful assets | (220.24) | - |
| | **23,850.28** | **55,604.53** |
| **Current** | | |
| Inter corporate deposits to related parties * | 3,089.43 | 7,471.71 |
| | **3,089.43** | **7,471.71** |

** Inter corporate deposit to related parties are repayable on demand and carries interest @12.50% p.a. (refer note 32).*

## 4C. Other financial asset (Unsecured and considered good unless otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Security deposits | 478.58 | 445.27 |
| Share application pending allotment | 1,383.44 | 1,576.81 |
| Receivable on account of sale of asset | 963.92 | 963.92 |
| Earnest money deposits | 66.33 | 66.33 |
| Less: Provision for earnest money deposits | (66.33) | (66.33) |
| | **2,825.94** | **2,986.00** |
| **Current** | | |
| Earnest money deposit | 264.88 | 149.25 |
| Interest accrued | 135.72 | 53.74 |
| | **400.60** | **202.99** |

## 4D. Trade receivables (Unsecured and considered good unless otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Trade receivables from related parties | - | 8,527.86 |
| | - | 8,527.86 |
| **Current** | | |
| Trade receivables from related parties (refer note 32) | 3,083.52 | 1,384.75 |
| Trade receivables | 18,410.81 | 16,209.42 |
| | **21,494.33** | **17,594.17** |
| Less: Allowance for doubtful debts | (4,318.53) | (2,990.98) |
| | **17,175.80** | **14,603.19** |

*Note: 4D-1 There are no trade receivables due from private companies/partnership firm in which group's director is a director/partner.*
*Note: 4D-2 Trade receivables are unsecured, non-interest bearing and are generally on terms of less than 1 year as mutually agreed with the customers.*

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 4E. Cash and cash equivalents

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Cash on hand** | 7.25 | 17.47 |
| Balances with banks: | | |
| On current account | 3,024.63 | 825.65 |
| Deposit with original maturity of less than 3 months | 2,400.40 | - |
| | **5,432.28** | **843.12** |

### Change in liabilities arising from financing activities

| PARTICULARS | 31 March, 2019 | Cash Flow | Others | 31 March, 2020 |
|---|---|---|---|---|
| Non-current borrowings | 456.99 | (255.59) | (512.99) | 1,225.57 |
| Current borrowings | 2,369.67 | (1,941.38) | 533.66 | 3,777.39 |
| **Total liabilities from financing activities** | **2,826.66** | **(2,196.97)** | **20.67** | **5,002.96** |

### Change in liabilities arising from financing activities

| PARTICULARS | 31 March 2018 | Cash Flow | Others | 31 March 2019 |
|---|---|---|---|---|
| Non-current borrowings | 8,959.94 | (8,354.61) | 620.24 | 1,225.57 |
| Current borrowings | 13.47 | 3,763.92 | - | 3,777.39 |
| **Total liabilities from financing activities** | **8,973.41** | **(4,590.69)** | **620.24** | **5,002.96** |

## 4F. Bank balance other than cash and cash equivalent

| | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non-current** | | |
| Balance with banks: | | |
| On current accounts (escrow accounts)* | 332.55 | 971.60 |
| Deposit with remaining maturity more than 12 months** | 3,704.06 | 1,162.91 |
| | **4,036.61** | **2,134.51** |
| **Current** | | |
| Other Bank Balances | | |
| Deposit with remaining maturity less than 12 months | 3,247.04 | 4,188.64 |
| | **3,247.04** | **4,188.64** |

**Deposited in escrow account in terms of Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.*

*** Includes ₹ 1,172.88 lakhs deposited in escrow account terms of Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.*

### Break up of financial assets carried at amortised cost

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Loans (current) (refer note 4B) | 3,089.43 | 7,471.71 |
| Loans (non current) (refer note 4B) | 23,850.28 | 55,604.53 |
| Trade receivables (current) (refer note 4D) | 17,175.80 | 14,603.19 |
| Trade receivables (non current) (refer note 4D) | - | 8,527.86 |
| Cash and cash equivalent (refer note 4E) | 5,432.28 | 843.12 |
| Bank balances other than cash and cash equivalents (current) (refer note 4F) | 3,247.04 | 4,188.64 |
| Bank balances other than cash and cash equivalents (non current) (refer note 4F) | 4,036.61 | 2,134.51 |
| Other Financial asset (current) (refer note 4C) | 400.60 | 202.99 |
| Other Financial asset ( non- current) (refer note 4C) | 2,825.94 | 2,986.00 |
| **Total financial assets carried at amortised cost** | **60,057.98** | **96,562.55** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 5. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Raw materials, tools and spares | 1,397.00 | 1,016.97 |
| Finished goods | 5.33 | 133.84 |
| | **1,402.33** | **1,150.81** |

## 6. DEFERRED TAX ASSETS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Deferred tax asset (net) (refer note 27) | 1,243.62 | 2,407.72 |
| MAT credit entitlement | 878.82 | 897.69 |
| | **2,122.44** | **3,305.41** |

## 7. TAX ASSETS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non-current** | | |
| Advance income tax ( net of provision for income tax) | 868.34 | 31.72 |
| | **868.34** | **31.72** |

## 8. OTHER ASSETS (UNSECURED AND CONSIDERED GOOD UNLESS OTHERWISE STATED)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non-current** | | |
| Capital advances | 204.07 | 1,227.01 |
| Balances with government authority (amount paid under protest) | 440.54 | 1,322.32 |
| Prepayments | 46.37 | - |
| | **690.98** | **2,549.33** |
| **Current** | | |
| Contract assets | | |
| Retention Money receivable | | |
| Considered good – unsecured | 451.35 | 535.59 |
| Unsecured - considered doubtful | 30.58 | 417.57 |
| Impairment allowance Doubtful receivable | (30.58) | (417.57) |
| | 451.35 | 535.59 |
| Contract assets | | |
| Unbilled Revenue | | |
| Considered good – unsecured | 1,935.50 | 770.16 |
| Unsecured - considered doubtful | 47.44 | 220.00 |
| Impairment allowance Doubtful asset | (47.44) | (220.00) |
| | 1,935.50 | 770.16 |
| Advance to employees | | |
| Considered good | 47.99 | 81.38 |
| Considered doubtful | 34.00 | 34.00 |
| Less: provision for doubtful advances | (34.00) | (34.00) |
| | 47.99 | 81.38 |
| Advances to supplier and service providers | 833.15 | 1,458.62 |
| Other advances | 134.32 | 255.98 |
| Balances with government authority | 483.36 | 897.44 |
| Prepaid expenses | 347.12 | 602.67 |
| | **4,232.79** | **4,601.84** |

# Notes to Financial Statements for the year ended 31 March, 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 9. EQUITY SHARE CAPITAL

### (i) Authorised share capital

| PARTICULARS | Class A - Equity shares Face value of ₹ 10 each | | Class B - Equity shares Face value of ₹ 10 each | | 0.001% Compulsory convertible preference Shares Face value of ₹ 100 each | | 0.00001% Optionally convertible redeemable preference shares Face value of ₹ 15 each | | Redeemable preference shares Face value of ₹ 100 each | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of shares in lakhs | INR Lakhs | Number of shares in lakhs* | INR Lakhs | Number of shares in lakhs* | INR Lakhs | Number of shares in lakhs* | INR Lakhs | Number of shares in lakhs* | INR Lakhs |
| **As at 01 April 2018** | **259.99** | **2,599.99** | **-** | **0.01** | **1.00** | **100.00** | **-** | **-** | **-** | **-** |
| Increase/ (decrease) during the year** | 1,765.23 | 17,652.26 | - | - | - | - | 13.44 | 201.60 | 0.71 | 71.15 |
| **As at 31 March 2019** | **2,025.22** | **20,252.25** | **-** | **0.01** | **1.00** | **100.00** | **13.44** | **201.60** | **0.71** | **71.15** |
| Increase/ (decrease) during the year | | | | | | | | | | |
| **As at 31 March 2020** | **2,025.22** | **20,252.25** | **-** | **0.01** | **1.00** | **100.00** | **13.44** | **201.60** | **0.71** | **71.15** |

### (ii) Issued equity share capital

| PARTICULARS | Class A - Equity shares Face value of ₹ 10 each | | Class B - Equity shares Face value of ₹ 10 each | | 0.001% Compulsory convertible preference Shares Face value of ₹ 100 each | |
|---|---|---|---|---|---|---|
| | Number of shares in lakhs | INR Lakhs | Number of shares in lakhs* | INR Lakhs | Number of shares in lakhs* | INR Lakhs |
| **As at 1 April 2018** | **41.77** | **417.74** | **-** | **0.01** | **0.71** | **71.15** |
| Issued during the year | - | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | (0.71) | (71.15) |
| **As at 31 March 2019** | **41.77** | **417.74** | **-** | **0.01** | **-** | **-** |
| Issued during the year | - | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | - | - |
| **As at 31 March 2020** | **41.77** | **417.74** | **-** | **0.01** | **-** | **-** |

** Nil due to rounding off to nearest lakhs*

*** Consequent to the merger order of Bhubaneshwar Industrial Waste Management Private Limited, the authorised share capital of the merged entity is included in the authorised share capital of the Company (refer note 43).*

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### (iii) Terms/ rights attached to equity shares

The Company have two classes of equity shares, i.e. Class A and Class B, having par value of ₹ 10/- each. Each equity share holder is entitled to one vote per equity share held. Both classes of equity shares have same voting rights. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

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

### (iv) Terms/ rights attached to preference shares

a. Compulsory Convertible Preference Shares and Redeemable Preference Shares:

Compulsory convertible preference Shares are convertible into equity shares and are entitled to 0.001% dividend. The terms of these preference shares have been amended and converted into redeemable preference shares. These shares were redeemed on 08 February 2019 but were extinguished from the records subsequent to the balance sheet.

b. Optionally Convertible Redeemable Preference Shares (OCRPS):

- The face value of each OCRPS is ₹ 15 each and carries dividend of 0.00001% which is cumulative and participative based on the formula specified in the Share Subscription and Share Purchase Agreement (SSPA).
- OCRPS shall be redeemed for cash on the twentieth anniversary of their issuance, unless converted or redeemed earlier.
- The existing shareholders have agreed to indemnify the investor / the Company along with its subsidiaries on the happening of certain events specified the SSPA. It also specifies the nature of indemnity along with indemnified amount and period of such indemnity after closing date.
- These preference shares are convertible into equity shares or redeemed based on agreed indemnity events and mechanism specified in SSPA.
- The Company shall automatically convert all the remaining OCRPS (that have not been converted/ redeemed) into equity shares representing 0.5% of the transaction date equity shareholding i.e. after nineteen years from the date of allotment. (Refer note 44 for details)

### (v) The details of shares held by shareholder holding more than 5% of the aggregate shares in the Company.

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares in lakhs | % of holding | Number of shares in lakhs* | % of holding |
| **Class A equity shares:** | | | | |
| A Ayodhya Rami Reddy | 16.08 | 38.50% | 16.08 | 38.50% |
| Metropolis Investments Holdings Pte Limited | 24.85 | 59.50% | 24.85 | 59.50% |
| **Class B equity shares:** | | | | |
| Metropolis Investments Holdings Pte Limited | -* | 100% | -* | 100% |
| **Optionally Convertible Redeemable Preference Shares:** | | | | |
| Metropolis Investments Holdings Pte Limited | 13.43 | 100% | 13.43 | 100% |

** Nil due to rounding off to nearest lakhs*

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 10. OTHER EQUITY

| PARTICULARS | | 31 March, 2020 | 31 March, 2019 |
|---|---|---|---|
| **A)** | **Capital reserve** | | |
| | Opening balance | 17,923.58 | - |
| | Add: Increase during the year (refer note 43) | - | 17,923.58 |
| | **Closing balance (A)** | **17,923.58** | **17,923.58** |
| **B)** | **Securities premium** | | |
| | Opening balance | - | 17,946.05 |
| | Less: Premium on redemption of preference shares | - | (17,946.05) |
| | **Closing balance (B)** | **-** | **-** |
| **C)** | **Share-based payment Reserve** | | |
| | Opening balance | - | - |
| | Add: Compensation options granted during the year (refer note 30A) | 1,575.36 | - |
| | Less: transferred to capital reserve on exercise of stock options | - | - |
| | **Closing balance (C)** | **1,575.36** | **-** |
| **D)** | **Equity component of compound financial instruments (refer note 44)** | | |
| | Opening balance | 71,162.18 | - |
| | Issue of Optionally Convertible Redeemable Preference Shares | - | 1,15,544.98 |
| | Less: Premium on redemption of preference shares | - | (44,382.80) |
| | **Closing balance (D)** | **71,162.18** | **71,162.18** |
| **E)** | **Retained earning** | | |
| | Opening balance | 31,857.35 | 45,036.33 |
| | Add: Profit for the year | 5,463.30 | 14,624.20 |
| | Other comprehensive Income: | | |
| | Remeasurement Losses on defined benefit plans (net of tax) | (85.82) | (9.17) |
| | Interim dividend for the year (refer note 44) | - | (23,226.11) |
| | Dividend distribution tax | - | (4,592.02) |
| | Reserves adjusted on account of amalgamation | - | 24.12 |
| | **Closing balance (E)** | **37,234.83** | **31,857.35** |
| | **Total other equity (F=A+B+C+D+E)** | **1,27,895.95** | **1,20,943.11** |

### Nature and purpose of reserves:

**(i) Retained earnings**

Retained earnings are the profits/losses (net of appropriations) of the company earned till date, including items of other comprehensive income.

**(ii) Securities premium**

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

**(iii) Share-based payment reserve**

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**(iv) Equity component of compound financial instruments**

The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) during the year ended 31 March 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS and the liability so computed has been treated as the "Equity component of compound financial instruments" and grouped under other equity.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(v) Capital reserve (refer note 43)**

During F.Y 2018-19, pursuant to the scheme of Amalgamation (the 'scheme') sanctioned by the Hyderabad bench of National Company Law Tribunal ('NCLT') vide its order dated 14 March 2019, Bhubaneswar Industrial Waste Management (Orissa) Private Limited ('transferor company'), a subsidiary of the Company, merged with the Company with effect from 1 April 2018 (the 'appointed date'). The amalgamation qualifies as a common control business combination and is accounted under 'pooling of interest' method specified in Ind AS 103 Business Combinations notified under section 133 of the Companies Act 2013 and the rules made thereunder. The amalgamation had resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values. Capital reserve represents the difference the net assets transferred and purchase consideration.

## 11. BORROWINGS

### 11A. Borrowings

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Non-current borrowings** | | | | |
| **Secured (at amortized cost)** | | | | |
| **Term loans from banks** | | | | |
| (a) ICICI Bank Limited | - | - | - | 512.51 |
| | **-** | **-** | **-** | **512.51** |
| **Vehicle loans from banks** | | | | |
| (b) ICICI Bank Limited | 68.17 | 42.57 | 110.69 | 39.36 |
| (c) Kotak Mahindra Bank Limited | 21.58 | 23.59 | 45.21 | 21.26 |
| | **89.75** | **66.16** | **155.90** | **60.62** |
| **Vehicle loans from others** | | | | |
| (d) Daimler Financial Services India Private Limited | - | 56.80 | 56.80 | 76.25 |
| (e) Cholamandalam Investment and Finance Company Limited | 61.20 | 74.89 | 137.07 | 68.47 |
| (f) Mahindra & Mahindra Financial Services Limited | 51.64 | 56.55 | 107.70 | 50.25 |
| | **112.84** | **188.24** | **301.57** | **194.97** |
| | **202.59** | **254.40** | **457.47** | **768.10** |
| **Total non-current borrowings** | **202.59** | **254.40** | **457.47** | **768.10** |

### 11B. Current borrowings

**Secured (at amortized cost)**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Cash Credit** | | |
| (g) Axis Bank Limited | - | 3,777.39 |
| (h) State Bank of India | 2,369.67 | - |
| | **2,369.67** | **3,777.39** |

**Security details of borrowings:**

(i) **Loan from ICICI bank**

Loan was secured by:

- First pari passu charge on movable fixed assets of the borrower excluding assets specifically charged to equipment finance lenders.
- Second pari passu charge on current assets of the borrower.
- Pledge of 15% shares of the company
- Pledge of 30% shares, Corporate guarantee and non disposable undertaking (NDA) & Power of attorney (POA) arrangement over 21% shares of Mumbai Waste Management Limited

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- An exclusive charge on Escrow and Debt service reserve (DSRA) account.
- During the previous year, ICICI Bank had raised a demand of ₹ 512.51 (including interest of ₹ 11.51) on the Company as default charges for breach of certain financial covenants for earlier years and non-replenishment of Debt Service Reserve Account (DSRA). The same was charged-off in the statement of profit and loss as penal interest under finance cost during FY 2018-19. During FY 2019-20, the bank has revised the charges and the liability has been reversed as liabilities no longer required written back on receipt of such waiver from the bank.

(ii) Loans mentioned in (b) to (f) are secured by hypothecation of respective assets for which the loans are availed.

(iii) Loan mentioned in (h) is secured by

-Exclusive first charge on the fixed assets of Ramky Energy and Environment Limited including equitable mortgage of the following

a) 1 Acre 20 cents together with ACC building of super build-up area of 6482 Sq from Edapadi Sangagiri Main Road in Survey NO.10/1A at Thangayur Village, EdappadiTaluk, Salem District, State of Tamil Nadu

b) All that piece and parcel of land situated at Thangayur village, EdappadiTaluk, Salem District with S No. 10/1A land measuring 9 acres 16 cents at Thangayur village, EdappadiTaluk, Salem District, State of Tamil Nadu.

c) All that the land in S No. 136/I admeasuring Acres 0.47 Cents and the land in survey NO. 136/4C ad =measuring acres 1.28 Cents and the land in S No 137/4B admeasuring Acres 3-10 Cents total Land admeasuring 4.85 Cents situated in Undurumikidakutam Village, Mukkulam Mandikutam Panchayat and Narikudi Panchayat Union, Sivagangai District and Subdistrict and Subdistrict of Thiruppuvanam of Tamil Nadu.

d) All that piece and parcel of commercial land together with Undurumikidakutam Village, Thiuruchuli Taluk, Virundhunagar District of Tamil Nadu with S No. 136/3 B admeasuring an extent of 2 acres and 32 cents.

- Second charge on Fixed Assets of Mumbai Waste Management Ltd.
- Second charge on Pari passu basis along with other working capital lenders on the fixed assets of Ramky Enviro Engineers Ltd.
- Pari passu second charge on all chargeable current assets of the company.

(iv) Loan mentioned in (g) is secured by

- Pari passu first charge on the entire movable fixed assets and current assets of the Company excluding assets specifically charged to equipment finance lenders.
- Pledge of 10% of equity shares of the Company held by Oxford Ayyappa Consulting Services Private Limited (OACSIPL) along with the corporate guarantee given by OACSIPL.
- Pari passu first charge on the leasehold land admeasurig 200 acres covered by survey no. 684/1, Dundigal village, Qutubullapur mandal, Ranga Reddy district and buildings constructed/to be constructed thereon standing in the name of the Company.
- Personal guarantee given by Alla Aydhya Rami Reddy.
- Goods/ material procured/imported under letter of credits.

**Term of Interest**

i) The rate of interest for vehicle loans from Banks is 8.99% and from others it ranges from 8.99%% to 10.99%

| Terms of repayment | Outstanding as on 31 March 2020 | Financial Year | | |
|---|---|---|---|---|
| | | F.Y. 2020-21 | F.Y. 2021-22 | F.Y. 2022-23 |
| **Non Current Borrowings** | | | | |
| **Secured at Amortized cost** | | | | |
| **Vehicle loans from banks** | | | | |
| ICICI Bank limited | 110.74 | 42.57 | 47.06 | 21.11 |
| Kotak Mahindra Bank Limited | 45.17 | 23.59 | 21.58 | - |
| **Vehicle loans From Others** | | | | |
| Daimler Financial Services India Private Limited | 56.80 | 56.80 | - | - |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| Terms of repayment | Outstanding as on 31 March 2020 | Financial Year | | |
|---|---|---|---|---|
| | | F.Y. 2020-21 | F.Y. 2021-22 | F.Y. 2022-23 |
| Cholamandalam Investment and Finance Company Limited | 136.09 | 74.89 | 61.20 | - |
| Mahindra & Mahindra Financial Services Limited | 108.19 | 56.55 | 51.64 | - |
| | **456.99** | **254.40** | **181.48** | **21.11** |

## 12. TRADE PAYABLES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| - Total outstanding dues to micro enterprises and small enterprises (refer note 33) | 311.76 | 170.21 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises. | 8,940.90 | 6,336.96 |
| - Dues to related parties (refer note 32) | 676.59 | 572.58 |
| | **9,929.25** | **7,079.75** |

### Terms and conditions of the above trade payables

Trade payables other than due to micro enterprises and small enterprises are non-interest bearing and are normally settled within credit terms. For Company's credit risk management processes, refer note 37.

## 13. OTHER FINANCIAL LIABILITIES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non Current** | | |
| **At amortised cost** | | |
| Security deposit payable | 3,355.22 | 2,587.24 |
| **At fair value through profit and loss** | | |
| 0.00001% Optionally convertible redeemable preference shares (refer note 44) | 11,479.54 | 11,855.00 |
| **Total non-current other financial liabilities** | **14,834.76** | **14,442.24** |
| **Current** | | |
| **At amortised cost** | | |
| Current maturities of long term borrowings | 254.40 | 768.10 |
| Redemption obligation arising from 0.00001% Optionally convertible redeemable preference shares (refer note 44) | 375.46 | - |
| Inter corporate deposit taken from related parties | - | 533.66 |
| Capital creditors # | 176.59 | 194.88 |
| Interest accrued and due | 1.07 | - |
| Retention money payable | 698.93 | 787.27 |
| Interest on micro and small enterprises payable (refer note 33) | 31.78 | 29.11 |
| Employees dues payable | 1,068.28 | 245.62 |
| | **2,606.51** | **2,558.64** |

*# Includes payable to related parties amounting to ₹124.12 (31 March 2019: ₹125.56)*

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Break up of financial liabilities carried at amortised cost**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Borrowings (Non current) (refer note 11A) | 202.59 | 457.47 |
| Borrowings (Current) (refer note 11B) | 2,369.67 | 3,777.39 |
| Trade payables (Current) (refer note 12) | 9,929.25 | 7,079.75 |
| Other financial liabilities (Non current) (refer note 13) | 14,834.76 | 14,442.24 |
| Other financial liabilities (Current) (refer note 13) | 2,606.51 | 2,558.64 |
| **Total of financial liabilities carried at amortized cost** | **29,942.78** | **28,315.49** |

## 14. LIABILITIES FOR CURRENT TAX (NET)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Provision for taxes (net of advance tax) | 2,399.14 | 2,399.14 |
| | **2,399.14** | **2,399.14** |

## 15. GOVERNMENT GRANTS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| **Opening balance** | 122.97 | 152.91 |
| Less: Recognised in statement of profit and loss | (6.95) | (29.94) |
| **Closing balance** | **116.02** | **122.97** |

## 16. PROVISIONS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Provision for employee benefits | | |
| - Gratuity (Refer note 30) | 132.15 | 36.62 |
| - Compensated absences | 145.34 | - |
| Other provisions | | |
| - Provision for replacement of assets under service concession (refer note 34) | 54.24 | 424.95 |
| - Provision for capping (refer note 34) | 486.92 | 1,381.47 |
| - Provision for post closure (refer note 34) | 1,653.62 | 1,304.89 |
| | **2,472.27** | **3,147.93** |
| **Current** | | |
| Provision for employee benefits | | |
| - Gratuity (Refer note 30) | 154.12 | 53.24 |
| - Compensated absences | 61.80 | 183.88 |
| Other provisions | | |
| - Provision for capping obligation (refer note 34) | 2,475.92 | 716.44 |
| - Provision for incineration (refer note 34) | 452.09 | 125.25 |
| - Provision for replacement of assets under SCA (refer note 34) | 412.25 | - |
| | **3,556.18** | **1,078.81** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 17. OTHER LIABILITIES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Contract Liability | | |
| - Deferred income | 677.89 | 792.89 |
| | **677.89** | **792.89** |
| **Current** | | |
| Contract Liability | | |
| - Advances from customers# | 1,307.70 | 1,384.57 |
| - Deferred income | 113.01 | 113.01 |
| - Unearned revenue | 9.94 | 650.92 |
| Statutory dues payables | 469.54 | 750.45 |
| | **1,900.18** | **2,898.95** |

*# Includes advance received from related parties amounting to ₹737.97 (31 March 2019 : ₹831.40)*

## 18. REVENUE FROM OPERATIONS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Rendering of services | | |
| - Revenue from waste disposal activities | 33,727.32 | 31,112.69 |
| - Revenue from turnkey contracts | 5,706.86 | 2,137.40 |
| - Revenue from consultancy and other services | 2,871.14 | 3,280.69 |
| - Revenue from service concession activity | 402.12 | 26.47 |
| Sale of goods | | |
| - Revenue from sale of goods | 193.48 | 1,432.20 |
| | **42,900.92** | **37,989.45** |

## 19. OTHER INCOME

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Interest income on | | |
| - Loan to related party | 4,767.96 | 3,706.17 |
| - Bank and other deposits | 290.93 | 167.44 |
| - Interest income (using the effective interest method) | 1,032.23 | 481.20 |
| - Others | 126.98 | 98.95 |
| Liabilities no longer required written back | 937.49 | - |
| Foreign exchange gain (net) | 154.26 | - |
| Net gain on sale of property, plant and equipment | 5.87 | 147.31 |
| Apportionment of government grants | 6.95 | 29.94 |
| Profit on sale of investments | 14.85 | - |
| Dividend income | 1.28 | - |
| Gain on sale of Investments in liquid funds (quoted) | 92.67 | 182.76 |
| Insurance claims | 58.94 | - |
| Other non-operating income | 95.09 | 405.46 |
| | **7,585.50** | **5,219.23** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Inventory at the beginning of the year | 1,016.97 | 516.06 |
| Add: Purchases | 5,627.37 | 3,762.34 |
| Less: inventory at the end of the year | (1,397.00) | (1,016.97) |
| **Cost of raw material and components consumed** | **5,247.34** | **3,261.43** |

## 21. CONSTRUCTION EXPENSES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Construction cost on service concession activity | 402.12 | 26.47 |
| | **402.12** | **26.47** |

## 22. EMPLOYEE BENEFIT EXPENSE

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Salaries, allowances and wages | 4,501.65 | 3,303.00 |
| Contribution to provident fund and other funds | 290.02 | 222.77 |
| Staff welfare expenses | 290.69 | 319.73 |
| Gratuity expense (refer note 30) | 75.34 | 36.83 |
| Share-based payment expenses (refer note 30A) | 1,421.47 | - |
| | **6,579.17** | **3,882.33** |

## 23. FINANCE COSTS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Interest on debt and borrowings | 111.15 | 2,180.45 |
| Interest expenses (using the effective interest method) | 1,335.98 | 1,436.31 |
| Interest others | 203.59 | 573.41 |
| Other borrowing cost | 3.88 | - |
| Bank charges | 138.09 | 359.02 |
| | **1,792.69** | **4,549.19** |

## 24. DEPRECIATION AND AMORTIZATION EXPENSE

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Depreciation of property plant and equipment (note 3A) | 1,877.20 | 3,510.23 |
| Amortization of intangible assets (note 3C) | 76.11 | 281.06 |
| Depreciation of Right-of-use assets (note 30B) | 158.10 | - |
| | **2,111.41** | **3,791.29** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 25. OTHER EXPENSES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Sub contract expenses | 4,971.47 | 3,184.93 |
| Labour contract charges | 3,066.73 | 2,636.01 |
| Power and fuel | 1,835.39 | 2,012.48 |
| Transport charges | 1,775.16 | 1,859.92 |
| Repairs and maintenance | | |
| - Plant and machinery | 655.14 | 637.45 |
| - Others | 472.23 | 848.62 |
| Hire charges | 1,218.14 | 1,162.13 |
| Capping for land fill (refer note no. 34) | 454.22 | 433.12 |
| Post closure maintenance expenses (refer note 34) | 177.49 | 154.99 |
| Incineration expenses (refer note 34) | 402.80 | 33.37 |
| Security charges | 286.98 | 215.92 |
| Rates and taxes | 468.16 | 434.42 |
| Legal and professional charges | 1,920.82 | 6,325.49 |
| Travelling and conveyance | 629.88 | 504.52 |
| Rent | 41.37 | 219.79 |
| Insurance | 625.83 | 125.29 |
| Donations | 4.12 | 4.79 |
| CSR Expenditure | 209.03 | 150.65 |
| Advertisement and business promotion | 113.53 | 61.26 |
| Communication expenses | 74.08 | 53.90 |
| Printing and stationary | 26.27 | 58.70 |
| Office maintenance | 71.54 | 76.32 |
| Membership & subscription | 58.82 | 20.45 |
| Bad debts / advances written off | 38.32 | 15.71 |
| Foreign exchange gain/loss net | 60.55 | 42.62 |
| Tender documents and charges | 5.22 | 8.22 |
| Provision for doubtful trade receivables and advances | 1,318.17 | 301.72 |
| Payment to auditors (refer details below) | 116.66 | 186.69 |
| Miscellaneous expenses | 355.60 | 205.38 |
| | **21,453.72** | **21,974.86** |

### (i) Payment to auditors (including indirect taxes as applicable)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **As auditor:** | | |
| Audit fee | 105.00 | 117.00 |
| Other services (certification fees) | 10.00 | 68.00 |
| Reimbursement of expenses | 1.66 | 1.69 |
| | **116.66** | **186.69** |

### (ii) Details of CSR expenditure

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| a) Gross amount required to be spent by the company during the year | 180.00 | 154.63 |
| b) Amount spent during the year | | |
| i) Construction/ acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 209.03 | 150.65 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 26. COMPONENTS OF OTHER COMPREHENSIVE INCOME

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Items that will not be reclassified to profit or loss** | | |
| Re-measurement (losses) on defined benefit plans | (121.08) | (14.10) |
| Deferred tax on remeasured (loss) | 35.26 | 4.93 |
| | **(85.82)** | **(9.17)** |

## 27. INCOME TAX

The major components of income tax expenses for the year ended 31 March 2020 and 31 March 2019 are as follows:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Profit or loss section** | | |
| Current tax expense | 1,802.76 | 3,092.78 |
| Adjustment of tax relating to earlier periods | - | 926.11 |
| Less: MAT credit entitlement | 18.87 | - |
| Deferred tax | 1,199.35 | 181.75 |
| **Total income tax expense recognised in statement of Profit & Loss** | **3,020.98** | **4,200.64** |

### OCI section

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Tax Effect on remeasurement of defined benefit plans | (35.26) | (4.93) |
| **Income tax charged to OCI** | **(35.26)** | **(4.93)** |

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Accounting profit before tax | 8,484.28 | 18,824.88 |
| At India's statutory income tax rate of 29.12% (31 March 2019: 34.944%) | 2,470.62 | 6,578.17 |
| Adjustments in respect of current income tax of previous years | - | 926.11 |
| | | |
| **Adjustments** | | |
| Items which are not tax deductible for computing taxable income | 30.43 | (1,369.68) |
| Effect of change in income tax rate for deferred tax recognised | 326.50 | (206.08) |
| Effect of items which are not taxable for computing taxable income | (314.12) | (816.96) |
| Effect of deferred tax relating to prior period | 263.80 | (910.92) |
| Effect of Deferred tax on reversals during 80IA period | 189.09 | - |
| Others | 54.66 | - |
| **Income tax expense reported in the statement of profit and loss** | **3,020.98** | **4,200.64** |

**Income tax expense reported in the statement of profit and loss**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Deferred tax** | | |
| Deferred tax assets (net) | 1,243.62 | 2,407.73 |
| MAT credit entitlement | 878.82 | 897.69 |
| **Deferred tax asset (net)** | **2,122.44** | **3,305.42** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| 2019-20 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | MAT Credit availed/ (utilization) | Closing balance |
|---|---|---|---|---|---|
| Deferred tax (liabilities) /assets in relation to: | | | | | |
| MAT credit | 897.69 | - | - | (18.87) | 878.82 |
| **Timing difference on:** | | | | | |
| -Property, plant and equipment | 2,141.43 | (418.80) | - | - | 1,722.63 |
| -Disallowances under Income Tax Act, 1961, allowed on payment basis | 175.20 | (68.85) | - | - | 106.35 |
| -Provision for doubtful debts and advances | 1,076.12 | 89.31 | - | - | 1,165.43 |
| -Financial assets and liabilities | (1,110.14) | (705.77) | - | - | (1,815.91) |
| -Remeasurement of defined benefit plans | 2.06 | - | 35.25 | - | 37.31 |
| -Others | 123.05 | (95.24) | - | - | 27.81 |
| | **3,305.41** | **(1,199.35)** | **35.25** | **(18.87)** | **2,122.44** |

| 2018-19 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | MAT Credit availed/ (utilization) | Closing balance |
|---|---|---|---|---|---|
| Deferred tax (liabilities) /assets in relation to: | | | | | |
| MAT credit | 897.69 | - | - | - | 897.69 |
| **Timing difference on:** | | | | | |
| -Property, plant and equipment | 2,107.71 | 33.72 | - | - | 2,141.43 |
| -Disallowances under Income Tax Act, 1961, allowed on payment basis | 169.17 | 6.03 | - | - | 175.20 |
| -Provision for doubtful debts and advances | 771.83 | 304.29 | - | - | 1,076.12 |
| -Financial assets and liabilities | (461.30) | (648.84) | - | - | (1,110.14) |
| -Remeasurement of defined benefit plans | (2.87) | - | 4.93 | - | 2.06 |
| -Others | - | 123.05 | - | - | 123.05 |
| | **3,482.23** | **(181.75)** | **4.93** | **-** | **3,305.41** |

## 28. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Profit for the year (before exceptional items) | 8,583.84 | 5,380.11 |
| Profit for the year (after exceptional items) | 5,463.30 | 14,624.24 |
| Weighted average number of equity shares in calculating basic EPS (lakhs) | 41.77 | 41.77 |
| Weighted average number of equity shares in calculating diluted EPS (lakhs) | 62.33 | 44.65 |
| Earnings per equity share of face value of ₹10 each before exceptional items | | |
| Basic earnings per share | 205.50 | 128.80 |
| Diluted earnings per share | 137.71 | 120.49 |
| Earnings per equity share of face value of ₹10 each after exceptional items | | |
| Basic earnings per share | 130.79 | 350.11 |
| Diluted earnings per share | 87.65 | 327.46 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 29. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

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

**Judgements**

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

### a. Revenue from contracts with customers

The Company provides waste management services to its customers and has certain performance obligations attached to their services such as capping and post closure obligations. The Company believes that these obligations are not separate performance obligations as they are required to be performed due to laws governing waste management and are not capable of being distinct from the waste management service.

### b. Recognition of Concession Agreement as an Intangible Asset and Financial Asset

(i) **Basis of accounting for the service concession:** Management has assessed the applicability of Appendix C to Ind AS 115 Service Concession Arrangements to the concession agreement and hence has applied it in accounting for the concession. As per the agreement with the municipal authorities, the construction and operations of facility shall be recovered by the Company in form of tipping fees received from municipal authorities (Intangible asset). Disclosures for Service Concession Arrangement as prescribed under Appendix D to Ind AS 115. Disclosure have been incorporated into the financial statements.

(ii) **Significant assumptions in accounting for the intangible asset:** The Company has recognised intangible asset with a construction margin based on sensitivity analysis of companies with business in similar waste management activities.

### c. Leases (Ind AS 116)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of building with shorter non-cancellable period. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of building with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 30B for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

### d. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Provision for capping and post closure**

Provision for capping requires an evaluation of the cost of protective capping of the active landfills in which waste is dumped. The provision recorded in the statement of financial statement at year-end is derived on the basis of estimated cost for capping the landfill, proportionate to the capacity of landfill utilised till the end of the year. The significant estimates involved include capping cost in respect of the total expected waste capacity of the landfill that requires, the time period during which these cost would actually be paid, inflation rate and the discount rate applied.

Further, to ensure that there is no negative impact on the environment due to waste disposal, the Company is required to perform certain post closure monitoring activities for a period ranging from 15-25 years after the estimated operating period (15-25 years). The provision for post closure monitoring at the end of each year is calculated based on the estimated aggregate costs to be incurred during the post closure period proportionate to the capacity of site utilized till the end of the year. The significant estimates involved include post monitoring cost in respect of the total expected waste during the operating period, the time period during which these cost would actually be paid, inflation rate and the discount rate applied.

The estimates for projected capping and post closure monitoring are developed using inputs from the Company's engineers, accountants and are reviewed by management at regular intervals.

**(ii) Estimates related to service concession arrangement**

The Company has recognised construction margin on intangible assets under service concession arrangement based on sensitivity analysis of similar contracts. The Company has estimated provision for replacement using assumptions which include the cost to be incurred for replacing assets, their useful life, inflation rate, discount rate etc., and are reviewed by management at regular intervals.

**(iii) Estimates of outcomes of indemnity events**

The Company has estimated the outcomes of each of the indemnity events specified in SSPA (refer note 44) taking into account the probability of their occurrence and underlying factors.

**(iv) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(v) Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses Black Scholes Option valuation model for time based options and Binomial option model for performance based options .The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 30A.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 30. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

### (a) Defined contribution plan

The following amount recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Contribution to provident fund recognised as expense in the Statement of Profit and Loss | **290.02** | **222.77** |

### (b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following table's summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

**Statement of profit and loss**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Net employee benefit expense recognised in the employee cost** | | |
| Current service cost | 68.50 | 31.66 |
| Past service cost | - | - |
| Interest cost on defined benefit obligation | 18.80 | 5.17 |
| Return on plan assets (interest income) | (11.96) | - |
| **Net benefit expense** | **75.34** | **36.83** |
| Re measurement during the period/year due to : | | |
| Actuarial loss / (gain) arising from change in financial assumptions | (2.80) | 12.88 |
| Actuarial loss / (gain) arising from change in demographic assumptions | 5.43 | (4.50) |
| Actuarial loss / (gain) arising on account of experience changes | 118.50 | 3.56 |
| Return on plan assets excluding interest income | (0.05) | 2.16 |
| **Amount recognised in OCI outside profit and loss statement** | **121.08** | **14.10** |
| **Balance Sheet** | | |
| **Reconciliation of net liability / asset** | | |
| Closing Present Value of Defined Benefit Obligation | 445.57 | 257.37 |
| Closing Fair Value of Plan Assets | 159.29 | 167.51 |
| **Closing net defined benefit liability** | **286.27** | **89.86** |
| **Changes in the present value of the defined benefit obligation are as follows:** | | |
| Opening defined benefit obligation | 257.37 | 223.98 |
| Current service cost | 68.50 | 31.66 |
| Past service cost | - | - |
| Interest cost | 18.80 | 16.84 |
| Re measurement during the period due to: | | |
| Actuarial loss/(gain) arising from change in financial assumptions | (2.81) | 12.88 |
| Actuarial loss/(gain) arising from change in demographic assumptions | 5.43 | (4.50) |
| Actuarial loss/(gain) arising on account of experience changes | 118.50 | 3.56 |
| Benefits paid | (20.23) | (27.05) |
| **Closing defined benefit obligation** | **445.57** | **257.37** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Net liability is bifurcated as follows:** | | |
| Current | 154.12 | 53.24 |
| Non-current | 132.15 | 36.62 |
| **Net liability (net of plan assets)** | **286.27** | **89.86** |
| **Change in fair value of plan assets during the year** | | |
| Opening Fair Value of Plan Assets | 167.51 | 149.00 |
| Contributions paid by the employer | - | 36.08 |
| Return on plan assets (Excluding interest income) | 0.05 | (2.16) |
| Benefits paid | (20.23) | (27.05) |
| Interest income on Plan Assets | 11.96 | 11.64 |
| **Closing Fair Value of Plan Assets** | 159.29 | 167.51 |

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Discount rate (p.a.) | 6.76% | 7.60% |
| Salary escalation rate (p.a.) | 8.00% | 9.00% |
| Mortality rate (as % of IALM (2006-08) (Mod.) Ult. Mortality Table) | 100.00% | 100.00% |
| Disability rate | 0.00% | 0.00% |
| Withdrawal rate | 20.29% | 24.51% |
| Normal retirement age (in years) | 60.00 | 60.00 |
| Adjusted average future service | 11.07 | 25.85 |

**A quantitative analysis for significant assumptions is as shown below:**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Assumptions - Discount rate** | | |
| Sensitivity Level (a hypothetical increase/(decrease) by) | | |
| Impact of Increase in 100 bps on defined benefit obligation | 430.76 | 248.13 |
| Impact of Decrease in 100 bps on defined benefit obligation | 461.80 | 267.39 |
| **Assumptions - Salary Escalation rate** | | |
| Sensitivity Level (a hypothetical increase/(decrease) by) | | |
| Impact of Increase in 100 bps on defined benefit obligation | 461.95 | 267.25 |
| Impact of Decrease in 100 bps on defined benefit obligation | 430.14 | 248.01 |
| **Assumptions - Withdrawal rates** | | |
| Sensitivity Level (a hypothetical increase/(decrease) by) | | |
| Impact of Increase in 100 bps on defined benefit obligation | 444.18 | 256.65 |
| Impact of Decrease in 100 bps on defined benefit obligation | 447.03 | 258.12 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The following payments are expected contributions to the defined benefit plan in future years:

**Expected future benefit payments**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 154.12 | 53.24 |
| Between 2 and 5 years | 203.58 | 157.24 |
| Between 6 and 10 years | 141.35 | 97.14 |
| **Total expected payments** | **499.05** | **307.62** |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period (based on discounted cash flows) is 5.71 years

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 30A. Share-based payments

### Share Option Plan for Key Employees

**Under th**e 2019 Share Option Plan for Key employees , the management has authorised the Nomination and Remuneration Committee to grant share options to directors and certain identified eligible employees of the Company and its subsidiaries. This scheme is further divided into Plan I and Plan II.

### The vesting of the share options under Plan I and Plan II is based on below:

**Plan I**

a. Time based vesting for 40% of the total options with 20% options vesting each year for 5 years - on May 1, 2020 (for the first tranche 20% of the time options), and subsequently, on April 1st each year, for the remaining four tranches of 20% of the time options.

b. Performance based vesting for 60% of the total options and 20% of such options vest each year (over 5 years) on achievement of agreed Profit Before Tax (PBT) performance of the Company, on a consolidated basis, with opportunity to catch up in 2 (two) subsequent years, if the performance target is not met in any given year.

In all cases, no option will vest prior to (i) the first anniversary of the grant date or (ii) May 1, 2020, whichever is later.

Plan II

The share options under Plan II shall vest on the completion of 1 (one) Year from the Grant Date.

The fair value of share options granted is estimated at the date of grant date using Black Scholes Option valuation model for time based options and Binomial option model for performance based options, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Exercise price per Share of an option under Plan II shall mean the face value of the Shares on the Grant Date.

The contractual term of the share options is five years and there are no cash settlement alternatives for the employees.

The expense recognised for employee services received during the year is shown in the following table:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 1,421.47 | - |
| **Total** | **1,421.47** | **-** |

There were no cancellations or modifications to the awards in year ending 31 March 2020.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

**Plan I**

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number | WAEP | Number | WAEP |
| Outstanding at 01 April 2019 | - | - | - | - |
| Granted during the year | 66,255 | 0.14 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at 31 March 2020 | 66,255 | 0.14 | - | - |
| Exercisable at 31 March 2020 | - | - | - | - |

The weighted average remaining contractual life for the share options outstanding as at 31 March 2020 was 5 years (31 March 2019: Nil).

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The weighted average fair value of options granted during the year was `0.05 (31 March 2019: INR Nil).

**Plan II**

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number | WAEP* | Number | WAEP |
| Outstanding at 01 April 2019 | - | - | - | - |
| Granted during the year | 4,893 | 0.00 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at 31 March 2020 | 4,893 | 0.00 | - | - |
| Exercisable at 31 March 2020 | - | - | - | - |

** Nil due to rounding off to nearest lakhs*

The weighted average remaining contractual life for the share options outstanding as at 31 March 2020 was 5 years (31 March 2019: Nil).

The weighted average fair value of options granted during the year was ₹.0.12 (31 March 2019: INR Nil).

The following tables list the inputs to the models used for plan I for the years ended 31 March 2020 and 31 March 2019, respectively:

| PARTICULARS | 31 March 2020 | | | 31 March 2019 | |
|---|---|---|---|---|---|
| | Plan I (Tranche 1)- Time based | Plan I (Tranche 2)- Time based | Plan I (Performance based) | Plan I | Plan II |
| Dividend yield (%) | - | - | - | - | - |
| Expected volatility (%) | 37.5% | 36.5% | 37.5% | - | - |
| Risk–free interest rate (%) | 7.20% | 6.10% | 7.20% | - | - |
| Expected life of share options/SARs (years) | 5.00 | 4.50 | 5.00 | - | - |
| Weighted average share price (INR ) | 0.05 | 0.06 | 0.05 | - | - |
| Model used | Black-Scholes option-pricing Model | Black-Scholes option-pricing Model | Binomial option-pricing model | - | - |

The following tables list the inputs to the models used for plan II for the years ended 31 March 2020 and 31 March 2019, respectively:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Dividend yield (%) | - | - |
| Expected volatility (%) | 37.5% | - |
| Risk–free interest rate (%) | 7.20% | - |
| Expected life of share options/SARs (years) | 5.00 | - |
| Weighted average share price (INR ) | 0.12 | - |
| Model used | Black-Scholes Option-Pricing Model | - |

### 30B. Lease

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| Particulars | Right-of-use assets | | Lease Liabilities |
|---|---|---|---|
| | Building | Total | |
| **As at 01 April 2019** | **1,395.25** | **1,395.25** | **1,395.25** |
| Additions | - | - | - |
| Depreciation expense | 158.10 | 158.10 | - |
| Interest expense | - | - | 161.54 |
| Payments | - | - | (226.51) |
| **As at 31 March 2020** | **1,237.15** | **1,237.15** | **1,330.28** |
| Non-current | 1,237.15 | 1,237.15 | 1,252.77 |
| Current | - | - | 77.51 |

**The following are the amounts recognised in profit or loss:**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Depreciation expense of right-of-use assets | 158.10 | - |
| Interest expense on lease liabilities | 161.54 | - |
| Rent expense - short-term leases | 41.37 | - |
| **Total amounts recognised in profit or loss** | **361.01** | **-** |

## 31. COMMITMENTS & CONTINGENT LIABILITIES

| | PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|---|
| **(a)** | **Commitments:** | | |
| i) | Commitment towards investment in companies (net of share application money) | 8,617.67 | 5,122.77 |
| ii) | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,572.82 | 807.04 |
| iii) | The Company has undertaken to arrange for the necessary financial support to Ramky International Singapore Pte Ltd (Subsidiary Company) and Ramky Solutions Pte Ltd (step down subsidiary) amounting to ₹.3,301.96 and ₹.2,611.90 respectively. | | |
| **(b)** | **Contingent liabilities** | | |
| | Performance Guarantees issued by banks: | | |
| | -On behalf of the subsidiaries, step-down subsidiaries and an associate | 6,822.05 | 4,348.24 |
| | -On behalf of others | - | 1,787.60 |
| | | | |
| | Corporate guarantees to banks against credit facilities extended to: | | |
| | - Subsidiaries, step-down subsidiary and jointly controlled entity | 49,745.92 | 53,731.09 |
| | | | |
| **(c)** | **Claims against the Company not acknowledged as debts in respect of:*** | | |
| i) | Sales tax matters | 543.30 | 583.73 |
| ii) | Service tax matters (refer note 42) | - | 16,289.21 |
| iii) | Income tax matters | 206.33 | 206.33 |
| iv) | other matters | 906.43 | 961.43 |

**Excluding interest not ascertainable from the date of order, if any.*

### (d) Provident fud

On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employe r contribution obligations, for Provident Fund contributions under Indian law. There are numerous interpretative issues relating to this judgement. However, during the current year the Company has complied with the aforesaid Supreme court's judgement. The Company will evaluate the same and update its provision, if any on receiving further clarity on the subject.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 32 RELATED PARTY TRANSACTIONS

### (a) Nature of relationship and names of related parties

| Nature of relationship | Name of related parties |
|---|---|
| (i) Holding Company | Metropolis Investments Holdings Pte Limited (w.e.f 08 February 2019) |
| (ii) Subsidiary Companies | Tamilnadu Waste Management Limited |
| | West Bengal Waste Management Limited |
| | Mumbai Waste Management Limited |
| | Ramky Reclamation and Recycling Limited |
| | Ramky E-waste Management Limited |
| | Ramky International (Singapore) Pte Limited |
| | Ramky MSW Private Limited |
| | Ramky IWM Private Limited |
| | Visakha Solvents Limited |
| | Hyderabad Integrated MSW Limited |
| | Delhi MSW Solutions Limited |
| | B & G Solar Private Limited |
| | Hyderabad MSW Energy Solutions Private Limited (formerly known as East Coast Industries (India) Private Limited) |
| | Maridi Bio Industries Private Limited (formerly known as Cuttack Solid Waste Management Private Limited) |
| | Pithampur Industrial Waste Management Private Limited |
| | Ramky Enviro Services Private Limited |
| | Chhattisgarh Energy Consortium (India) Private Limited (refer note 41) |
| | Ramky Enviro Engineers Middle East FZ LLC |
| | Chennai MSW Private Limited |
| | Jodhpur MSW Private Limited |
| | Dehradun Waste Management Private Limited |
| | Adityapur Waste Management Private Limited |
| | Bhubaneswar Industrial Waste Management (Orissa) Private Limited (refer note 43) |
| | Madhya Pradesh Waste Management Private Limited (upto 28 January 2019) |
| | REWA MSW Holdings Limited* |
| | Pro Enviro Recycling Private Limited* |
| | Saagar MSW Solutions Private Limited* |
| | Katni MSW Management Private Limited* |
| | Deccan Recyclers Private Limited* |
| | Hyderabad C&D Waste Private Limited* |
| | Bio Medical Waste Treatment Plant Private Limited* |
| | Delhi Cleantech Services Private Limited |
| | REWA MSW Management Solutions Limited* |
| | REWA Waste 2 Energy Project Limited* |
| | Ramky Energy and Environment Limited* |
| | Ramky International (India) Pte Limited* |
| | Ramky Cleantech Services Pte Limited* |
| | Ramky Cleantech Services (Philippines) Pte Limited* |
| | Ramky Cleantech Services (China) Pte Limited* |
| | Evergreen Cleantech Facilities Management (India) Limited* |
| | RVAC Private Limited* |
| | Ramky Environmental Technology (Shenzhen) Co. Limited* |
| | PT Ramky Indonesia* |
| | Medicare Environmental Management Private Limited* |
| | Pro Enviro C&D Waste Management Private Limited** |
| | Ramky ARM Recycling Private Limited* |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(a) Nature of relationship and names of related parties**

| Nature of relationship | Name of related parties |
|---|---|
| | Ramky Wavoo Developers Private Limited |
| | Dhanbad Integrated Msw Limited (incorporated on 25 January 2019)* |
| (iii) Jointly Controlled Entity | Al Ahlia Environmental Services co LLC, Oman |
| (iv) Associates | Maridi Eco Industries Private Limited (upto 28 January 2019) |
| | Regency Yamuna Energy Limited (upto 28 January 2019) |
| | Vilholi Waste Management System Private Limited |
| | Ramky- AL-Turki Environmental Services Company Limited (Formely known as Ramky Risal Environmental Services Saudi Arabia Limited) |

* *Holding through subsidiary companies*

** *The Company holds 49% shareholding through Delhi MSW Solutions Limited and exercises control over the board, accordingly the entity is considered as subsidiary.*

| | |
|---|---|
| (v) Entities controlled by persons having control / significant influence over company | Ramky Infrastructure Limited |
| | Ramky Estates and Farms Limited |
| | Ramky Pharma City (India) Limited |
| | Ramky Towers Limited |
| | Ramky Foundation |
| | Smilax Laboratories Limited |
| | Frank Lloyd Tech Management Services Limited |
| | Oxford Ayyappa Consulting Services (India) Private Limited |
| | Abhiram Infra Projects Private Limited |
| | Ramky Enclave Limited |
| | Madhya Pradesh Waste Management Private Limited (w.e.f 29 January 2019) |
| | Voyants Solutions Private Limited |
| (vi) Promoter/relatives of promoters | Alla Ayodhya Rami Reddy |
| | Alla Dakshani |
| | Alla Dasaratha Rami Reddy |
| | Alla Veeraraghavamma |
| | Alla Sharan |
| | Alla Ishaan |
| | Oxford Ayyappa Consulting Services (India) Private Limited |
| | R.K. Ventures |
| (vii) Key Management Person | |
| Managing Director | M. Goutham Reddy |
| Joint Managing Director | Masood Alam Mallick (w.e.f 29 December 2018) |
| Chief Financial Officer | G. Hemanth Kumar Reddy (upto 13 December 2018) |
| Chief Financial Officer | Anil Khandelwal (w.e.f 14 December 2018) |
| Independent Director | Narayan Keelveedhi Seshadri |
| Independent Director | Shantharaju Bangalore Siddaiah |
| Independent Director | Hwee Hua Lim |
| Company secretary | Govind Singh |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| i) | Tamilnadu Waste Management Limited | Inter corporate deposit given | 1,174.99 | 4,221.97 |
| | | Refund of Inter corporate deposits given | 3,035.61 | 2,228.65 |
| | | Interest income on inter corporate deposit | 152.09 | 51.40 |
| | | Revenue from sale of goods | 19.37 | 260.96 |
| | | Corporate Guarantee | - | 1,220.05 |
| | | Performance guarantees given / (Cancelled) | 100.00 | - |
| | | Financial guarantee premium | - | 11.33 |
| | | Dividend income received | - | 4,003.45 |
| | | Employee stock options granted | 2.07 | - |
| ii) | West Bengal Waste Management Limited | Inter corporate deposit given | 890.37 | 4,168.68 |
| | | Refund of Inter corporate deposits given | 2,626.23 | 2,477.41 |
| | | Interest income on inter corporate deposit | 73.04 | 87.48 |
| | | Revenue from sale of goods | 167.22 | 38.78 |
| | | Corporate Guarantee | 153.42 | 257.60 |
| | | Performance guarantees (Cancelled) | (4.20) | - |
| | | Financial guarantee premium | 0.59 | 0.59 |
| iii) | Mumbai Waste Management Limited | Inter corporate deposit given | 3,716.11 | 14,985.58 |
| | | Refund of Inter corporate deposits given | 4,520.68 | 14,158.03 |
| | | Interest income on inter corporate deposit | 86.62 | 99.34 |
| | | Reimbursement of expenses given | - | 5.00 |
| | | Revenue from sale of goods | 290.79 | 136.05 |
| | | Purchase of Material | 7.29 | - |
| | | Performance guarantees given | 3.50 | 5.00 |
| | | Corporate Guarantee (Cancelled) /given | (613.99) | 4,224.45 |
| | | Financial guarantee premium | 0.23 | 44.24 |
| | | Purchases of raw materials | - | 12.28 |
| | | Employee stock options granted | 12.96 | - |
| iv) | Ramky Energy and Environment Limited | Revenue from waste disposal activities | 12.24 | 14.36 |
| | | Revenue from consultancy and other services | 0.30 | 0.14 |
| | | Other non operating income | - | 0.05 |
| | | Sale of investments | - | - |
| | | Reimbursement of expenses given | - | - |
| | | Inter corporate deposit given | 144.12 | 206.11 |
| | | Refund of Inter corporate deposits given | 87.95 | 199.34 |
| | | Interest income on inter corporate deposit | 5.67 | 11.66 |
| | | Purchase of DMSW equity shares | - | 1.45 |
| v) | Ramky Reclamation and Recycling Limited | Inter corporate deposit given | - | 538.77 |
| | | Refund of Inter corporate deposits given | 605.37 | 10.78 |
| | | Interest income on inter corporate deposit | - | 42.88 |
| | | Investment in Perpetual Debt | 1,431.92 | - |
| | | Revenue from waste disposal activities | 123.22 | 1.59 |
| | | Revenue from consultancy and other services | - | - |
| | | Purchase of Material | 1.28 | - |
| | | Performance guarantees given | 50.00 | 50.00 |
| | | Employee stock options granted | 33.13 | - |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| vi) | Ramky International (Singapore) Pte Limited | Dividend received for the year | - | 5,994.62 |
| | | Inter corporate deposit given | 1,309.60 | - |
| | | Interest income on inter corporate deposit | 38.87 | - |
| | | Employee stock options granted | 15.75 | - |
| vii) | Ramky E-waste Management Limited | Revenue from waste disposal activities | - | 4.28 |
| | | Reimbursement of expenses given | 0.77 | 0.31 |
| viii) | Ramky MSW Private Limited | Revenue from sale of goods | - | - |
| | | Inter corporate deposit given | 21.36 | 530.14 |
| | | Refund of Inter corporate deposits given | 54.63 | 422.08 |
| | | Interest income on inter corporate deposit | 21.99 | 18.28 |
| ix) | Ramky IWM Private Limited | Rent expense | - | 91.65 |
| | | Repairs & Maintenance - Buildings | - | 28.09 |
| | | Inter corporate deposit given | 1,000.35 | 1,563.54 |
| | | Refund of Inter corporate deposits given | 1,179.00 | 1,664.07 |
| | | Interest income on inter corporate deposit | 7.81 | 41.41 |
| | | Unwinding of Interest income - CCDs & OCD's | 525.86 | - |
| | | Employee stock options granted | 11.53 | - |
| x) | Visakha Solvents Limited | Revenue from waste disposal activities | 10.98 | 10.53 |
| | | Revenue from consultancy and other services | 0.18 | - |
| | | Reimbursement of expenses given | 0.33 | 0.13 |
| | | Corporate guarantee given/ (Cancelled) | (34.02) | 73.91 |
| xi) | Hyderabad Integarted MSW Limited | Revenue from sale of goods | 70.98 | 442.31 |
| | | Revenue from waste disposal activities | 4.79 | 14.66 |
| | | Purchase of Material | 2.28 | - |
| | | Inter corporate deposit given | 2,380.68 | 15,423.39 |
| | | Refund of Inter corporate deposits given | 9,260.00 | 8,445.62 |
| | | Interest income on inter corporate deposit | 1,018.07 | 334.75 |
| | | Corporate Guarantee (Cancelled)/given | (1,855.58) | 6,081.32 |
| | | Financial guarantee premium | 46.18 | 127.80 |
| | | Performance Guarantee (Cancelled)/given | (24.41) | 38.48 |
| | | Subcontract expenses | - | 0.40 |
| | | Employee stock options granted | 11.79 | - |
| xii) | Delhi MSW Solutions Limited | Revenue from sale of goods | 190.07 | 19.01 |
| | | Purchase of material | 1.40 | - |
| | | Inter corporate deposit given | 4,895.14 | 25,820.85 |
| | | Refund of Inter corporate deposits given | 18,221.99 | 6,552.59 |
| | | Interest income on inter corporate deposit | 2,238.58 | 1,648.58 |
| | | Investment in Perpetual Debt Instrument | 17,000.00 | - |
| | | Unwinding of Interest Income | 264.66 | - |
| | | Performance guarantees given / (Cancelled) | (14.38) | 393.08 |
| | | Corporate Guarantee given / (Cancelled) | (3,149.88) | 523.29 |
| | | Financial guarantee premium | 61.74 | 61.22 |
| | | Employee stock options granted | 11.40 | - |
| xiii) | Hyderabad MSW Energy Solutions Private Limited | Revenue from consultancy and other services | 167.30 | 219.58 |
| | | Reimbursement of expenses given | - | - |
| | | Inter corporate deposit given | - | 6,704.71 |
| | | Refund of Inter corporate deposits given | 6,851.91 | 4.00 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| | | Interest income on inter corporate deposit | - | 168.00 |
| | | Investment in Perpetual Debt Instrument | 29,805.07 | - |
| | | Liabilities no longer required to be written back | - | 46.75 |
| | | Performance guarantees given / (Cancelled) | (85.00) | 125.00 |
| | | Employee stock options granted | 5.18 | - |
| xiv) | Maridi Bio Industries Private Limited | Revenue from waste disposal activities | 17.55 | - |
| | | Advances / Deposits Written Off | - | 15.68 |
| | | Inter corporate deposit given | 759.69 | - |
| | | Refund of Inter corporate deposits given | - | - |
| | | Interest income on inter corporate deposit | 18.96 | - |
| xv) | Pithampur Industrial Waste Management Private Limited | Reimbursement of expenses given | 0.64 | 0.30 |
| xvi) | Ramky Enviro Services Private Limited | Revenue from waste disposal activities | 5.48 | 2.82 |
| | | Advance from customers (repaid)/ received | (15.00) | 15.00 |
| | | Reimbursement of expenses given | - | - |
| | | Inter corporate deposit given | 823.91 | 140.42 |
| | | Refund of Inter corporate deposits given | 425.03 | 139.79 |
| | | Interest income on inter corporate deposit | 20.16 | 7.16 |
| | | Performance guarantees given | 2,616.03 | 89.56 |
| | | Purchases of raw materials | 10.89 | 61.83 |
| xvii) | Delhi Cleantech Services Private Limited | Inter corporate deposit given | 10.89 | 72.32 |
| | | Reimbursement of expenses given | - | - |
| | | Refund of Inter corporate deposits given | 135.00 | - |
| | | Interest income on inter corporate deposit | 3.51 | 10.51 |
| xviii) | Chhattisgarh Energy Consortium (India) Private Limited | Inter corporate deposit given | - | 51.06 |
| | | Refund of Inter corporate deposits given | - | 66.77 |
| | | Interest income on inter corporate deposit | - | - |
| | | Reimbursement of expenses given | - | - |
| xix) | Ramky Enviro Engineers Middle East FZ LLC | Corporate guarantee (Cancelled)/given | (2,649.32) | 159.14 |
| | | Financial guarantee premium | - | - |
| | | Share application money pending allotment given/ (allotment) | (193.38) | 193.38 |
| | | Consultancy charges | 100.53 | - |
| | | Inter corporate deposit given | 2,164.26 | - |
| | | Interest income on inter corporate deposit | 74.73 | - |
| xx) | Ramky Cleantech Services Pte Limited | Expiry of Corporate Guarantee | - | - |
| | | Financial guarantee premium | - | - |
| | | Employee stock options granted | 34.55 | - |
| xx) | Chennai MSW Private Limited | Inter corporate deposit given | 7,486.10 | 7,805.90 |
| | | Refund of Inter corporate deposits given | 11,240.46 | 4,183.61 |
| | | Interest income on inter corporate deposit | 350.74 | 95.44 |
| | | Performance guarantees given | 398.83 | 1,074.12 |
| | | Dividend income received | - | 2,302.62 |
| | | Revenue from sale of goods | 3.88 | - |
| | | Employee stock options granted | 15.54 | - |
| xxi) | Pro Enviro Recycling Private Limited | Advance from customers | - | 1.60 |
| | | Inter corporate deposit given | 20.13 | 180.63 |
| | | Refund of Inter corporate deposits given | - | 55.00 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| | | Interest income on inter corporate deposit | 16.80 | 5.96 |
| | | Reimbursement of expenses given | - | 0.55 |
| xxii) | Al Ahlia Environmental Services Co LLC | Corporate Guarantee | 4,606.34 | - |
| xxiii) | Ramky Infrastructure Limited | Inter corporate deposit given | - | 4,700.00 |
| | | Refund of Inter corporate deposits given | - | 4,871.40 |
| | | Interest income on inter corporate deposit given | - | 190.44 |
| | | Revenue from waste disposal activities | 1,116.24 | 903.15 |
| | | Revenue from consultancy and other services | 1.99 | 0.05 |
| | | Refund of retention money received | - | 901.99 |
| | | Advances (received back)/given to suppliers | (1,427.49) | 493.88 |
| | | Purchase of DMSW equity shares | - | 0.50 |
| | | Advances received from Customers | - | - |
| xxiv) | Ramky Estates and Farms Limited | Revenue from consultancy and other services | 7.49 | 57.06 |
| | | Revenue from waste disposal activities | 0.80 | - |
| | | Capital advance given | - | - |
| | | Mobilization advance received | - | - |
| | | Interest income on advance given | - | 98.32 |
| | | Reimbursement of expenses taken | - | - |
| | | Liabilities no longer required to be written back | - | 86.88 |
| xxv) | Ramky Pharma City (India) Limited | Operational expenses | 69.71 | 146.69 |
| | | Power and fuel expenses | 5.70 | 25.69 |
| | | Electricity Charges - Office | 5.59 | 4.66 |
| | | Water charges | 39.69 | 47.68 |
| | | Repairs and Maintenance - Others | - | - |
| | | Lease rentals | 6.70 | 1.40 |
| | | Lab Analysis & Test Expenses | - | 0.02 |
| xxvi) | Smilax Laboratories Limited | Revenue from waste disposal activities | 44.80 | 42.68 |
| | | Revenue from consultancy and other services | 0.89 | 0.51 |
| | | Advances received from Customers | 2.41 | - |
| xxvii) | Ramky Foundation | CSR Expenditure | 200.00 | 140.36 |
| xxviii) | RVAC Private Limited | Performance guarantees given / (Cancelled) | - | (63.32) |
| xxix) | Jodhpur MSW Private Limited | Inter corporate deposit given | 5.75 | 91.80 |
| | | Interest income on inter corporate deposit | 18.59 | 10.32 |
| xxx) | Dehradun Waste Management Private Limited | Inter corporate deposit given | - | 805.81 |
| | | Refund of Inter corporate deposits given | 446.89 | 829.30 |
| | | Interest income on inter corporate deposit | - | 39.16 |
| | | Investment in Perpetual Debt | 641.19 | - |
| | | Performance guarantees given / (Cancelled) | 5.00 | (125.00) |
| | | Revenue from sale of goods | 47.05 | - |
| xxxi) | Frank Lloyd TechManagement Services Limited | Consultancy charges | 85.05 | 81.00 |
| xxxii) | Abhiram Infra Projects Private Limited | Inter corporate deposit repaid | 555.29 | 455.73 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| | | Interest on Inter coporate deposit taken | 24.04 | 91.61 |
| | | Performance guarantees Cancelled | (1,787.60) | (543.90) |
| xxxiii) | Katni MSW Private Limited | Inter corporate deposit given | 750.34 | 1,763.95 |
| | | Refund of Inter corporate deposits given | 2,179.00 | 1,012.00 |
| | | Interest income on inter corporate deposit | 7.89 | 82.24 |
| | | Financial guarantee premium | 0.03 | - |
| | | Corporate guarantee (Cancelled)/given | (0.31) | 13.82 |
| | | Investment in Perpetual Debt | 1,500.00 | - |
| | | Performance guarantees (Cancelled) | - | (180.00) |
| xxxiv) | Saagar MSW Solutions Limited | Inter corporate deposit given | - | 1,872.45 |
| | | Refund of Inter corporate deposits given | 1,470.45 | 1,135.00 |
| | | Interest income on inter corporate deposit | - | 68.84 |
| | | Revenue from sale of goods | - | 39.64 |
| | | Investment in Perpetual Debt | 1,970.95 | - |
| | | Financial guarantee premium | 0.08 | - |
| | | Corporate guarantee given / (Cancelled) | (8.90) | 31.10 |
| | | Performance guarantees given / (Cancelled) | - | (350.00) |
| xxxv) | Adityapur Waste Management Private Limited | Inter corporate deposit given | 396.11 | 858.98 |
| | | Refund of Inter corporate deposits given | 360.29 | 862.70 |
| | | Interest income on inter corporate deposit | 225.11 | 152.25 |
| | | Performance guarantees given / (cancelled) | 46.00 | (245.00) |
| xxxvi) | Hyderabad C&D Waste Private Limited | Inter corporate deposit given | - | 1,657.69 |
| | | Refund of Inter corporate deposits given | 808.53 | 1,005.97 |
| | | Interest income on inter corporate deposit | - | 67.34 |
| | | Investment in Perpetual Debt | 2,811.99 | - |
| | | Performance guarantees given | 200.00 | - |
| | | Reimbursement of expenses refund | - | 0.10 |
| xxxvii) | Deccan Recyclers Private Limited | Revenue from waste disposal activities | 110.67 | 175.85 |
| | | Purchases of trading goods | - | 1.15 |
| | | Advance from customers | 55.59 | 100.00 |
| | | Inter corporate deposit given | 126.51 | 13.42 |
| | | Refund of Inter corporate deposits given | 113.21 | 25.03 |
| | | Interest income on inter corporate deposit | 6.11 | 3.05 |
| xxxviii) | Vilholi Waste Management System Private Limited | Inter corporate deposit given | - | 43.09 |
| | | Refund of Inter corporate deposits given | 46.01 | 13.00 |
| | | Interest income on inter corporate deposit | 37.13 | 28.37 |
| xxxix) | Maridi Eco Industries Private Limited | Revenue from waste disposal activities | 12.56 | 21.67 |
| | | Inter corporate deposit given | - | 490.51 |
| | | Refund of Inter corporate deposits given | 445.04 | 133.64 |
| | | Interest income on inter corporate deposit | 41.37 | 56.60 |
| xl) | Rewa Msw Management Solutions Limited. | Reimbursement of expenses given | - | 0.59 |
| | | Inter corporate deposit given | 2,232.87 | 1,464.48 |
| | | Refund of Inter corporate deposits given | 3,941.47 | 204.50 |
| | | Interest income on inter corporate deposit | 47.83 | 127.91 |
| | | Performance guarantees given / (cancelled) | - | (794.00) |
| | | Corporate guarantee given / (Cancelled) | (306.88) | 375.89 |
| | | Investment in Perpetual Debt | 2,000.00 | - |
| | | Financial guarantee premium | 1.71 | 1.21 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| xli) | Medicare Environmental Management Private Limited | Revenue from waste disposal activities | 67.97 | 70.35 |
| | | Revenue from consultancy and other services | 0.06 | 1.99 |
| | | Inter corporate deposit given | 100.47 | 1,955.04 |
| | | Refund of Inter corporate deposits given | 750.00 | 16.60 |
| | | Interest income on inter corporate deposit | 225.38 | 26.11 |
| | | Advance from customers | 2.12 | 40.00 |
| | | Purchase of raw materials | - | 12.97 |
| | | Expenses incurred on behalf of the Company | 10.56 | - |
| | | Corporate Guarantee | - | (2,247.50) |
| | | Financial guarantee premium | - | 25.44 |
| xlii) | B & G Solar Private Limited | Corporate guarantee (Cancelled)/ given | (126.03) | 130.00 |
| | | Financial guarantee premium | 2.21 | - |
| | | Inter corporate deposit given | - | 20.00 |
| | | Interest income on inter corporate deposit | 2.54 | 0.39 |
| | | Dividend income received | 1.28 | 1.28 |
| xliii) | Ramky ARM Recycling Private Limited | Inter corporate deposit given | 101.86 | 7.25 |
| | | Refund of Inter corporate deposits given | 103.71 | - |
| | | Interest income on inter corporate deposit | 0.97 | 0.06 |
| | | Reimbursement of expenses given | - | 3.81 |
| | | Reimbursement of expenses taken | 32.40 | - |
| xliv) | Ramky Towers Limited | Refund of retention money received | - | 17.99 |
| | | Advances / Deposits Written Off | - | 55.80 |
| | | Liabilities no longer required to be written back | - | 17.99 |
| xlv) | Madhya Pradesh Waste Management Private Limited | Inter corporate deposit given | - | 3,311.23 |
| | | Refund of Inter corporate deposits given | - | 3,425.16 |
| | | Interest income on inter corporate deposit | - | 126.58 |
| | | Rent expense | 56.40 | 9.40 |
| | | Repairs & Maintenance - Buildings | 46.83 | 7.98 |
| | | Liabilities no longer required to be written back | - | 7.71 |
| | | Advance from customers | - | 614.00 |
| | | Sale of Regency Yamuna Energy Limited equity shares | - | 700.00 |
| | | Sale of Frank Lloyd Tech Management Services Limited equity shares | - | 1.20 |
| | | Sale of Frank Lloyd Tech Management Services Limited preference shares | - | 407.20 |
| | | Transfer of Madhucon inter corporate deposit to Madhya Pradesh Waste Management Private Limited | - | 818.15 |
| xlvi) | Ramky Enclave Limited | Refund of retention money | - | 1.01 |
| xlvii) | Dhanbad Integrated MSW Limited. | Reimbursement of expenses given | - | 0.50 |
| | | Investments in Perpetual Debt | 1,721.21 | - |
| xlviii) | Oxford Ayyappa Consulting Services (India) Private Limited | Sale of Madhya Pradesh Waste Management Private Limited equity shares | - | 1.00 |
| | | Dividend paid | - | 13,891.31 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### (b) Transactions with the related parties during the year

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| xlix) | Rewa Msw Holding Private Limited. | Expenses incurred on behalf of the Company | 0.47 | 0.59 |
| l) | Rewa Waste 2 Energy Project Limited. | Revenue from sale of goods | 45.09 | - |
| | | Inter corporate deposit given | 159.99 | 122.24 |
| | | Refund of Inter corporate deposits given | 4.64 | 0.15 |
| | | Interest income on inter corporate deposit | 27.40 | 11.38 |
| li) | Voyants Solutions Private Limited | Inter corporate deposit repaid | - | 30.34 |
| lii) | Metropolis Investments Holdings Pte Limited | Issue of Optionally Redeemable Convertible Preference Shares (Refer note 44) | - | 127,399.98 |
| liii) | Bio Medical Waste Treatment Plant Pvt Limited | Revenue from waste disposal activities | 3.74 | - |
| liv) | KKR Capstone India Operations Advisory Private Limited | Consultancy charges | 456.96 | - |
| lv) | Alla Ayodhya Rami Reddy | Dividend paid | - | 8,386.70 |
| lvi) | Alla Dakshayani | Rent expense | 169.03 | 74.61 |
| lvii) | Alla Dasaratha Rami Reddy | Dividend paid | - | 0.76 |
| lviii) | Alla Veeraraghavamma | Dividend paid | - | 0.76 |
| lvix) | Sharan | Dividend paid | - | 0.01 |
| lx) | Ishaan | Dividend paid | - | 0.01 |
| lxi) | R.K. Ventures | Dividend paid | - | 1,018.56 |
| lxii) | M. Goutham Reddy | Remuneration# | 281.07 | 143.58 |
| lxiii) | Masood Alam Mallick | Remuneration# | 873.31 | 55.20 |
| lxiv) | Anil Khandelwal | Remuneration# | 243.39 | 124.36 |
| lxv) | Narayan Keelveedhi Seshadri | Sitting Fee | 10.00 | - |
| lxvi) | Shantharaju Bangalore Siddaiah | Sitting Fee | 18.00 | - |
| lxvii) | Hwee Hua Lim | Sitting Fee | 12.00 | - |
| lxviii) | Govind Singh | Remuneration# | 12.87 | 12.45 |

*# includes esop expense for the year amounting to rs. 898.43 (31 march 2019: nil) to m, goutham reddy (rs.137.18) , masood alam mallick (rs.688.31) , anil khandelwal (rs.72.03) and govind singh (rs.0.91).*

### (c) Balance outstanding at the end of the year

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| i) | Tamilnadu Waste Management Limited | Inter corporate deposit given | 576.20 | 2,299.95 |
| | | Trade receivables | 3.41 | 151.55 |
| | | Investment in equity shares | 1,664.60 | 1,662.52 |
| | | Performance guarantees given | 100.00 | - |
| ii) | West Bengal Waste Management Limited | Inter corporate deposit given | 389.51 | 2,057.49 |
| | | Trade Receivables | 110.10 | - |
| | | Performance guarantees given | 28.14 | 32.34 |
| | | Corporate guarantee | 153.42 | - |
| | | Investment in preference shares | 1,578.00 | 1,578.00 |
| | | Investment in equity shares | 1,198.51 | 1,198.51 |
| | | Deferred income | 1.45 | 2.04 |
| iii) | Mumbai Waste Management Limited | Inter corporate deposit given | 336.41 | 1,063.01 |
| | | Trade Payables | - | 25.68 |
| | | Reimbursement of expenses | 4.50 | 5.00 |
| | | Trade receivables | 116.10 | 84.70 |
| | | Performance guarantees given | 13.50 | 10.00 |
| | | Corporate guarantee | 25.68 | 639.67 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(c) Balance outstanding at the end of the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| | | Investment in equity shares | 571.74 | 558.78 |
| | | Deferred income | 0.44 | 0.68 |
| iv) | Ramky Energy and Environment Limited | Trade receivables | 9.77 | 8.67 |
| | | Inter corporate deposit given | 96.41 | 35.14 |
| | | Payable on purchase of DMSW equity shares | 1.45 | 1.45 |
| v) | Ramky Reclamation and Recycling Limited | Inter corporate deposit given | - | 605.37 |
| | | Trade receivables | 85.55 | 4.73 |
| | | Trade payables | 1.05 | - |
| | | Investment in equity shares | 38.13 | 5.00 |
| | | Investment in Perpetual Debt | 1,431.92 | - |
| | | Performance guarantees given | 100.00 | 50.00 |
| vi) | Ramky International (Singapore) Pte Limited | Reimbursement of expenses | 103.04 | 103.04 |
| | | Investment in equity shares | 3,981.25 | 3,965.50 |
| | | Inter corporate deposit given | 1,364.17 | - |
| vii) | Ramky E-waste Management Limited | Trade payables | 2.40 | 0.77 |
| | | Trade receivables | - | 5.05 |
| | | Investment in equity shares | 177.18 | 177.18 |
| | | Creditors for Capital Asset | 124.12 | 125.56 |
| | | Advances received from Customers | 37.98 | 37.98 |
| viii) | Ramky MSW Private Limited | Trade receivables | 28.10 | 28.01 |
| | | Trade payables | - | 6.38 |
| | | Inter corporate deposit given | 174.26 | 187.74 |
| | | Investment in equity shares | 1.00 | 1.00 |
| | | Investment in preference shares | 1,663.24 | 1,663.24 |
| ix) | Ramky IWM Private Limited | Inter corporate deposit given | 7.23 | 178.85 |
| | | Investment in equity shares | 629.07 | 617.53 |
| | | Investment in Debentures (OCD's) | - | 6,000.00 |
| | | Investment in Debentures (CCD's) | 958.25 | 958.25 |
| x) | Visakha Solvents Limited | Trade receivables | 9.39 | 13.04 |
| | | Investment in equity shares | 76.50 | 76.50 |
| | | Reimbursement of expenses | 0.95 | 0.62 |
| | | Security deposit received | 1.08 | 1.08 |
| | | Corporate guarantee | 39.89 | 73.91 |
| xi) | Hyderabad Integrated MSW Limited | Reimbursement of expenses | - | -2.60 |
| | | Trade receivables | 705.46 | 617.84 |
| | | Trade payables | 2.68 | 0.47 |
| | | Inter corporate deposit given | 1,792.31 | 7,755.36 |
| | | Corporate guarantee | 17,592.87 | 19,448.45 |
| | | Investment in equity shares | 651.29 | 639.51 |
| | | Investment in preference shares | 5,191.26 | 5,191.26 |
| | | Performance guarantees given | 94.65 | 119.06 |
| | | Deferred income | 280.94 | 327.82 |
| xii) | Delhi MSW Solutions Limited | Trade receivables | 299.21 | 86.11 |
| | | Trade payables | 1.47 | - |
| | | Investment in equity shares | 3,508.95 | 3,497.55 |
| | | Investment in preference shares | 455.00 | 455.00 |
| | | Inter corporate deposit given | 13,111.34 | 20,859.96 |
| | | Investment in Perpetual Debt | 17,000.00 | - |
| | | Investment in Debentures (CCD's) | 1,277.67 | 1,277.67 |
| | | Performance guarantees given | 1,694.23 | 1,708.61 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(c) Balance outstanding at the end of the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| | | Corporate guarantee | 26,732.07 | 29,881.95 |
| | | Deferred income | 503.14 | 566.08 |
| xiii) | Hyderabad MSW Energy Solutions Private Limited | Investment in equity shares | 38.64 | 33.46 |
| | | Inter corporate deposit given | - | 6,851.91 |
| | | Investment in Perpetual Debt | 29,805.07 | - |
| | | Performance guarantees given | 165.00 | 125.00 |
| | | Trade receivables | - | 8,527.86 |
| xiv) | Maridi Bio Industries Private Limited | Trade payables | - | 131.12 |
| | | Trade receivables | 3.87 | 2.76 |
| | | Investment in equity shares | 1.00 | 1.00 |
| | | Inter corporate deposit given | 776.75 | - |
| | | Security deposit received | (0.15) | (0.15) |
| xv) | Pithampur Industrial Waste Management Private Limited | Reimbursement of expenses | 1.96 | 1.32 |
| | | Investment in equity shares | 1.00 | 1.00 |
| xvi) | Ramky Enviro Services Private Limited | Reimbursement of expenses | - | 2.82 |
| | | Trade Payables | - | 42.00 |
| | | Trade receivables | - | 3.32 |
| | | Inter corporate deposit given | 459.42 | 53.08 |
| | | Performance guarantees given | 2,707.66 | 102.94 |
| | | Investment in equity shares | 1.00 | 1.00 |
| | | Advances received from Customers | - | 15.00 |
| xvii) | Delhi Cleantech Services Private Limited | Reimbursement of expenses | - | - |
| | | Inter corporate deposit given | 4.82 | 125.77 |
| | | Investment in equity shares | 1.55 | 1.55 |
| | | Investment in preference shares | 44.65 | 44.65 |
| xviii) | Chhattisgarh Energy Consortium (India) Private Limited | Asset held for sale# | 614.00 | 614.00 |
| xix) | Ramky Enviro Engineers Middle East FZ LLC | Corporate guarantee | - | 2,649.32 |
| | | Share application money pending allotment | 1,383.44 | 1,576.81 |
| | | Investment in equity shares | 276.61 | 48.68 |
| | | Inter corporate deposit given | 2,374.20 | - |
| | | Trade payables | 100.53 | - |
| xx) | Chennai MSW Private Limited | Inter corporate deposit given | 376.79 | 3,815.49 |
| | | Investment in equity shares | 119.02 | 103.48 |
| | | Trade receivables | 9.88 | - |
| | | Trade payables | -0.10 | -0.10 |
| | | Performance guarantees given | 1,698.31 | 1,299.48 |
| xxi) | Pro Enviro Recycling Private Limited | Advances received from Customers | 1.60 | 1.60 |
| | | Inter corporate deposit given | 166.24 | 131.00 |
| | | Trade receivables | 14.23 | 14.23 |
| xxii) | Al Ahlia Environmental Services Co LLC | Investment in equity shares | 145.65 | 145.65 |
| | | Corporate guarantee | 4,606.34 | - |
| xxiii) | Ramky Infrastructure Limited | Trade receivables | 1,383.80 | 156.31 |
| | | Advance given to suppliers | - | 1,427.49 |
| | | Advances received from Customers | 12.97 | 0.35 |
| | | Payable on purchase of DMSW equity shares | 0.50 | 0.50 |
| xxiv) | Ramky Estates and Farms Limited | Advances received from Customers | 19.95 | 19.95 |
| | | Trade receivables | 11.26 | 16.29 |
| | | Advances given | 17.57 | 17.57 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(c) Balance outstanding at the end of the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| xxv) | Ramky Pharma City (India) Limited | Trade payables | 369.43 | 109.23 |
| xxvi) | Smilax Laboratories Limited | Trade receivables | 33.96 | 16.85 |
| | | Trade payables | - | 2.41 |
| | | Security deposit received | 5.03 | 5.03 |
| | | Advances received from Customers | 2.43 | 0.02 |
| xxvii) | Medicare Environmental Management Private Limited | Trade receivables | 31.25 | 44.57 |
| | | Trade Payables | 22.87 | 7.26 |
| | | Inter corporate deposit given | 1,515.25 | 1,961.94 |
| | | Advances received from Customers | 2.12 | 40.00 |
| | | Performance guarantees given | 10.56 | - |
| xxviii) | Jodhpur MSW Private Limited | Investment in equity shares | 10.00 | 10.00 |
| | | Trade payables | 13.05 | 13.05 |
| | | Inter corporate deposit given | 166.46 | 143.98 |
| | | Receivable on account of slump sale | 186.32 | 186.32 |
| xxix) | Dehradun Waste Management Private Limited | Inter corporate deposit given | - | 446.89 |
| | | Performance guarantees given | 5.00 | - |
| | | Investment in equity shares | 1.00 | 1.00 |
| | | Investment in Perpetual Debt | 641.19 | - |
| | | Trade receivables | 54.45 | - |
| xxxi) | Frank Lloyd TechManagement Services Limited | Advance to suppliers | - | 79.33 |
| | | Trade payables | 7.65 | (4.86) |
| | | | - | - |
| xxxii) | Abhiram Infra Projects Private Limited | Inter corporate deposit taken | - | 533.66 |
| | | Performance guarantees given | - | 1,787.60 |
| xxxiii) | Katni MSW Private Limited | Inter corporate deposit given | 114.72 | 1,536.28 |
| | | Investment in Perpetual Debt | 1,500.00 | - |
| | | Advances received from Customers | 0.11 | 0.11 |
| | | Corporate guarantee | 13.51 | 13.82 |
| | | Deferred income | 0.08 | 0.12 |
| xxxiv) | Saagar MSW Solutions Limited | Inter corporate deposit given | - | 1,470.45 |
| | | Investment in Perpetual Debt | 1,970.95 | - |
| | | Trade receivables | 26.77 | 26.77 |
| | | Reimbursement of expenses | 0.33 | 0.33 |
| | | Corporate guarantee | 22.20 | 31.10 |
| | | Deferred income | 0.18 | 0.27 |
| xxxv) | Adityapur Waste Management Private Limited | Inter corporate deposit given | 1,956.73 | 1,718.32 |
| | | Receivable on account of slump sale | 777.61 | 777.61 |
| | | Performance guarantees given | 5.00 | 5.00 |
| | | Investment in equity shares | 1.00 | 1.00 |
| | | Reimbursement of expenses | - | (0.10) |
| xxxvi) | Hyderabad C&D Waste Private Limited | Inter corporate deposit given | - | 808.53 |
| | | Investment in Perpetual Debt | 2,811.99 | - |
| | | Performance guarantees given | 200.00 | - |
| xxxvii) | Deccan Recyclers Private Limited | Trade receivables | 25.66 | 6.23 |
| | | Advances received from Customers | 46.55 | 102.14 |
| | | Trade Payables | 0.03 | - |
| | | Inter corporate deposit given | 40.65 | 21.86 |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(c) Balance outstanding at the end of the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| xxxviii) | Vilholi Waste Management System Private Limited | Inter corporate deposit given | 351.32 | 271.96 |
| | | Reimbursement of expenses | - | - |
| | | Trade receivables | 71.05 | 71.05 |
| | | Investment in equity shares | 0.26 | 0.26 |
| xxxix) | Maridi Eco Industries Private Limited | Trade receivables | - | 22.79 |
| | | Inter corporate deposit given | - | 407.81 |
| | | Reimbursement of expenses | 0.41 | - |
| xl) | B & G Solar Private Limited | Corporate guarantee | 141.18 | 267.21 |
| | | Inter corporate deposit given | 22.64 | 20.35 |
| | | Investment in equity shares | 328.90 | 328.90 |
| | | Investment in preference shares | 12.75 | 12.75 |
| | | Deferred income | 2.39 | 4.61 |
| xli) | Pro Enviro C&D Waste Management Private Limited | Trade receivables | 2.36 | 2.36 |
| | | Reimbursement of expenses | - | 0.55 |
| xlii) | Ramky ARM Recycling Private Limited | Inter corporate deposit given | 6.35 | 7.31 |
| | | Reimbursement of expenses | (32.59) | 3.81 |
| xliii) | Dhanbad Integrated MSW Limited. | Reimbursement of expenses | - | 0.50 |
| | | Investment in Perpetual Debt | 1,721.21 | - |
| xliv) | Madhya Pradesh Waste Management Private Limited | Advances received from Customers | 614.00 | 614.00 |
| | | Trade Payables | 4.40 | 153.82 |
| xlv) | Rewa Msw Management Solutions Limited | Investment in Perpetual Debt | 2,000.00 | - |
| | | Inter corporate deposit given | 185.09 | 1,850.64 |
| | | Reimbursement of expenses | 5.75 | 5.75 |
| | | Corporate guarantee | 418.78 | 725.66 |
| | | Advances received from Customers | 0.25 | 0.25 |
| | | Deferred income | 2.24 | 5.48 |
| xlvi) | Rewa Msw Holding Private Limited | Reimbursement of expenses | 1.73 | 1.26 |
| xlvii) | Rewa Waste 2 Energy Project Limited | Trade receivables | 52.37 | - |
| | | Inter corporate deposit given | 329.67 | 149.66 |
| | | Reimbursement of expenses | - | -5.88 |
| xlviii) | Bio Medical Waste Treatment Plant Pvt Limited | Trade receivables | 1.68 | - |
| xlix) | Ramky- AL-Turki Environmental Services Company Limited | Investment in equity shares | 59.36 | 84.81 |
| l) | Ramky Wavoo Developers Private Limited | Trade receivables | - | 1.52 |
| li) | KKR Capstone India Operations Advisory Private Limited | Trade payables | 148.06 | - |
| lii) | Alla Dakshayani | Trade payables | - | 59.58 |
| liii) | Govind Singh | Salary payable | 0.51 | - |
| liv) | M. Goutham Reddy | Salary payable | 4.32 | - |
| lv) | Anil Khandelwal | Salary payable | 1.61 | - |
| lvi) | Masood Mallick | Salary payable | 9.35 | - |

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 33 THE FOLLOWING DETAILS RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES SHALL BE DISCLOSED IN THE NOTES

| | | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| a) | the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; | 311.76 | 170.21 |
| b) | the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c) | the amount of interest due and payable for the period of delay in making payment ( which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| d) | the amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest | 31.78 | 29.11 |
| e) | dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| | | 343.54 | 199.32 |

## 34 MOVEMENT IN PROVISIONS

### Movement in provisions for the year ended 31 March 2020:

| | Replacement of assets | Capping | Post closure | Incineration |
|---|---|---|---|---|
| At the beginning of the year | 424.95 | 2,097.91 | 1,304.89 | 125.25 |
| Add: Provision made during the year | - | 454.22 | 177.49 | 402.80 |
| Add: Interest expenses (using the effective interest rate method) | 42.94 | 424.51 | 171.24 | |
| Less: Provision reversed/utilized during the year | (1.40) | (13.80) | (0.00) | (75.96) |
| **At the end of the year** | **466.49** | **2,962.84** | **1,653.62** | **452.09** |
| Short-term provision | 412.25 | 2,475.92 | - | 452.09 |
| Long-term provision | 54.24 | 486.92 | 1,653.62 | - |

### Movement in provisions for the year ended 31 March 2019:

| | Replacement of assets | Capping | Post closure | Incineration |
|---|---|---|---|---|
| At the beginning of the year | 378.53 | 3,518.38 | 1,083.97 | 175.95 |
| Add: Provision made during the year | - | 433.12 | 154.99 | 33.37 |
| Add: Interest expenses (using the effective interest rate method) | 46.42 | 167.51 | 139.81 | - |
| Less: Provision reversed/utilized during the year | - | 2,021.10 | 73.88 | 84.07 |
| **At the end of the year** | **424.95** | **2,097.91** | **1,304.89** | **125.25** |
| Short-term provision | - | 716.44 | - | 125.25 |
| Long-term provision | 424.95 | 1,381.47 | 1,304.89 | - |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 35 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108 "OPERATING SEGMENTS"

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments, as follows:

Waste Management : Comprises of collection, transportation, treatment of waste and maintenance of waste treatment facilities.

Turnkey Projects : Comprises of EPC projects.

Others : Comprises of Consultancy and other miscellaneous services.

### Identifications of Segments

The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

**Year ended 31 March 2020**

| Particulars | Waste Management Division | Turnkey Projects division | Others | Total |
|---|---|---|---|---|
| Revenue | | | | |
| External customers | 34,322.92 | 5,706.86 | 2,871.14 | 42,900.92 |
| Inter-segment | - | - | - | - |
| **Total revenue** | **34,322.92** | **5,706.86** | **2,871.14** | **42,900.92** |
| Income/(Expenses) | | | | |
| Depreciation and amortisation | 1,785.08 | 0.37 | 325.95 | 2,111.41 |
| Segment profit | 13,667.35 | 2,314.40 | (399.43) | 15,582.33 |
| Interest income | - | - | - | 6,218.10 |
| Other income | - | - | - | 1,367.40 |
| Interest expense | - | - | - | 1,792.69 |
| Unallocated expense | - | - | - | 8,488.28 |
| Profit before Tax before exceptional items | - | - | - | 12,886.86 |
| Exceptional items | - | - | - | (4,402.57) |
| Profit before Tax after exceptional items | - | - | - | 8,484.29 |
| Tax expense | - | - | - | 3,020.98 |
| Profit After Tax | - | - | - | 5,463.31 |
| Segment assets | 36,275.75 | 4,363.82 | 770.88 | 41,410.45 |
| Unallocable assets | - | - | - | 129,298.01 |
| Segment liabilities | 15,722.05 | 1,914.68 | 726.16 | 18,362.89 |
| Unallocable Liabilities | - | - | - | 24,031.86 |
| **Other disclosures** | - | - | - | |
| Non cash expense other than Depreciation | - | - | - | 5,253.17 |
| Capital expenditure | 2,338.98 | 2.39 | 166.62 | 2,507.99 |

**Year ended 31 March 2019**

| Particulars | Waste Management Division | Turnkey Projects division | Others | Total |
|---|---|---|---|---|
| Revenue | | | | |
| External customers | 33,497.37 | 1,018.68 | 3,473.40 | 37,989.45 |
| Inter-segment | - | - | - | - |
| **Total revenue** | **33,497.37** | **1,018.68** | **3,473.40** | **37,989.45** |

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**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Year ended 31 March 2019**

| Particulars | Waste Management Division | Turnkey Projects division | Others | Total |
|---|---|---|---|---|
| Income/(Expenses) | | | | |
| Depreciation and amortisation | 3,672.30 | 0.13 | 118.86 | 3,791.29 |
| Segment profit | 13,690.02 | 339.49 | 445.45 | 14,474.96 |
| Interest income | - | - | - | 4,453.75 |
| Other income | - | - | - | 765.48 |
| Interest expense | - | - | - | 4,559.82 |
| Unallocated expense | - | - | - | 9,351.44 |
| Profit before Tax before exceptional items | - | - | - | 5,782.94 |
| Exceptional items | - | - | - | 13,041.94 |
| Profit before Tax after exceptional items | - | - | - | 18,824.88 |
| Tax expense | - | - | - | 4,200.64 |
| Profit After Tax | - | - | - | 14,624.24 |
| Segment assets | 37,926.98 | 3,547.71 | 892.82 | 42,367.51 |
| Unallocable assets | - | - | - | 1,17,749.53 |
| Segment liabilities | 28,799.31 | 6,006.80 | 75.87 | 34,881.98 |
| Unallocable Liabilities | - | - | - | 3,874.19 |
| Other disclosures | | | | |
| Non cash expense other than Depreciation | - | - | - | 1,084.83 |
| Capital expenditure | 3,315.75 | 1.87 | 535.67 | 3,853.29 |

**Information about major customers**

The Company has large number of customers and no single customer contributes more than 10% of total revenue of the Company. Hence, there are no major customers details to be reported by the Company.

**Geographical Information**

The companies operations are confined within India and as such there are no reportable geographical segments.

## 36 FAIR VALUES INCLUDING FAIR VALUE HIERARCHY

The management assessed that loans, trade receivables, cash and cash equivalents, bank balances, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts as fair value except for investment in mutual funds. The fair value for investments in mutual funds (FVTPL) are valued using Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities. The fair value for OCRPS (FVTPL) are valued using Level 3.

## 37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

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 Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk and Liquidity risk.

### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk. Financial instruments affected by market risk include loans, borrowings and deposits.

### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and investment in mutual funds debt schemes.

#### Interest rate sensitivity

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

| | | Effect on profit before tax | | |
|---|---|---|---|---|
| | | Increase / decrease in basis points | Financial liability instrument | Financial asset instrument |
| 31 March 2020 | INR | 100.00 | (28.27) | 40.29 |
| | | (100.00) | 28.27 | (40.29) |
| 31 March 2019 | INR | 100.00 | (42.90) | 96.07 |
| | | (100.00) | 42.90 | (96.07) |

### iii) Foreign currency risk

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

| PARTICULARS | Currency | In foreign currency | | In Rupees | |
|---|---|---|---|---|---|
| | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Trade payables | USD | 18.93 | 13.44 | 1,426.92 | 931.69 |

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Change in USD rate** | | |
| - 5% increase | 71.35 | 46.58 |
| - 5% decrease | (71.35) | (46.58) |

### iv) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Trade receivables

Credit risk with respect to trade receivables is limited, based on our historical experience of collecting receivables, supported by the level of default.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's top management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### v) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Carrying Value | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years |
|---|---|---|---|---|---|---|
| **As at 31 March 2020** | | | | | | |
| Borrowings | 2,826.66 | 2,369.67 | 63.6 | 190.8 | 202.59 | - |
| Other financial liabilities | 17,186.87 | - | 686.94 | 1,279.08 | 1,901.05 | 13,319.79 |
| Trade payables | 9,929.25 | - | 9,929.25 | - | - | - |
| **As at 31 March 2019** | | | | | | |
| Borrowings | 5,002.96 | 4,311.05 | 241.06 | 527.04 | 457.47 | - |
| Other financial liabilities | 15,538.53 | - | 281.61 | 1,156.41 | 1,718.73 | 10,334.27 |
| Trade payables | 7,079.78 | - | 7,079.78 | - | - | - |

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows

## 38 CAPITAL MANAGEMENT

The Company endeavours to maintain sufficient levels of working capital, current assets, and current liabilities which helps the company to meet its expense obligations while also maintaining sufficient cash flow. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings). The capital structure of the Company is reviewed by the management on a periodic basis.

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Gearing ratio** | | |
| Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due) | 2,826.66 | 5,002.96 |
| Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents ) and Liquid investments in Mutual Funds | (12,708.13) | (14,866.82) |
| **Net debt (A)** | **(9,881.47)** | **(9,863.86)** |
| Equity | 1,28,313.70 | 1,21,360.83 |
| **Total capital (B)** | **1,28,313.70** | **1,21,360.83** |
| Gearing ratio (%) {A/(A+B)} | **0.00%** | **0.00%** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Gearing ratio:**

The company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio within 50%.

In order to achieve this overall objective, the Company makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company aims to ensure that it meets the financial covenants attached to the interest bearing loans and borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year, other than those reported.

**39** During earlier years, the management had carried out a detailed evaluation of compliance with Foreign Exchange Management ODI regulations and had identified certain non-compliances therein.

The Company had filed the compounding application with the Reserve Bank of India (RBI) on 28 December 2018, which had directed the Company to file the same with Authorised Dealer (AD) and post addressing the observations is in the process of filing the revised compounding applications with the AD. Based on legal advice obtained and other documentary evidences available with the company, the management is of the view that there would be no material impact on the financial statements and accordingly, no adjustments for the possible effect of such non-compliance have been made to the standalone financial statements of the Company.

**40** The income tax department has conducted survey operation on the Company's registered office on 17 May 2019. No order consequent to such operation has so far been received by the Company. Management believes that there would be no implication of the aforesaid survey operations on the standalone financial statements of the Company.

**41** In the earlier years, the Company had entered into a Share Purchase Agreement with the other shareholder of Chhattisgarh Energy Consortium India Private Limited (CECIPL) and purchased 51% stake in CECIPL and entered into an agreement to sell its investment in CECIPL to one of the promoter's entity (buyer) and had received advance of ₹ 614 for such sale from the buyer. During the current year, the Beneficial Ownership of the said subsidiary had been transferred to the buyer. However, the control over the subsidiary could not be transferred on account of dispute between the shareholders of CECIPL and hence the Company has continued to disclose the investment in subsidiary of ₹ 614 as Asset Held for Sale. The Financial Statement of CECIPL have not been audited after the year ending 31 March 2014 till current year.

Further, in the earlier years, the Company filed for an arbitration with the other shareholder of CECIPL and pursuant to an unfavourable award in relation to the aforesaid arbitration, the Company had made a provision for impairment of ₹ 1,036 on its investment in subsidiary, which had been disclosed as an exceptional item in the previous year. The management of the Company does not currently envisage any further loss related to the subsidiary.

## 42 EXCEPTIONAL ITEMS

Exceptional items consist of the following:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Advances to vendors and other advances written off | - | (438.71) |
| Amount paid under LDRS scheme | 4,402.57 | |
| Balance with government authorities written off | - | (66.33) |
| Dividend income | - | 12,301.99 |
| Loss on sale of investments | - | (758.32) |
| Liabilities no longer required on trade payables and provisions | - | 2,003.31 |
| | **4,402.57** | **13,041.94** |

Pursuant to Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) notified by Government of India, the Company decided to settle all ongoing disputes relating to the erstwhile Service Tax and Central Excise Acts. Accordingly, the Company has paid an amount of ₹4,402.57 and discharged tax as per the scheme and settled all pending matters under service tax. This has been disclosed as an exceptional item

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 43 SCHEME OF AMALGAMATION UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013

During previous year, pursuant to the scheme of Amalgamation (the 'scheme') sanctioned by the Hyderabad bench of National Company Law Tribunal ('NCLT') vide its order dated 14 March 2019, Bhubaneswar Industrial Waste Management (Orissa) Private Limited ('transferor company'), a subsidiary of the Company, merged with the Company with effect from 1 April 2018 (the 'appointed date'). The scheme was filed with the Registrar of the Companies on 25 March 2019 and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of the transferor company had been transferred to and vested in the Company with effect from appointed date.

In accordance with the scheme, the investments held in the transferor company by the Company and its subsidiaries namely Chennai MSW Private Limited, Medicare Environmental Management Private Limited, Mumbai Waste Management Limited and Tamil Nadu Waste Management Limited ('the consideration') had been cancelled and no new equity shares were allotted for such shareholding.

The transferor company was engaged in the business of collection and treatment of industrial and commercial waste. The amalgamation with the Company was a non-cash transaction.

The amalgamation qualifies as a common control business combination and is accounted under 'pooling of interest' method specified in Ind AS 103 Business Combinations notified under section 133 of the Companies Act 2013 and the rules made thereunder, as follows:

- All the assets and liabilities (including contingent liabilities), reserves, duties and obligations of the transferor company were recorded in the books of account of the Company at their existing carrying amounts and the same form.
- Intercompany balances were cancelled.
- The carrying amount of investments in the shares of the transferor company shall stand cancelled in the books of the Company.
- The difference between the value of net assets of the transferor company taken over by the Company and the consideration was transferred to capital reserve.

During previous year, the authorised share capital of the company increased by ₹ 17,652.26 on account of scheme of amalgamation.

Accordingly, the amalgamation had resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values:

| Assets | Amount |
|---|---|
| Inter Corporate Deposits | 374.50 |
| Trade Receivable | 14.85 |
| Cash and bank balances | 0.44 |
| **Total assets** | **389.79** |
| **Liabilities** | |
| Borrowings | (361.43) |
| Tax and statutory liabilities | (2.88) |
| Trade payables | (0.36) |
| **Total liabilities** | **(364.67)** |
| Net assets acquired by the Company on amalgamation | **25.12** |
| Less: | |
| Intercompany balances eliminated | 0.02 |
| Deficit in the statement of profit and loss of the transferor company, adjusted against the surplus in the statement of profit and loss of the Company, pursuant to amalgamation. | (24.12) |
| Value of investment in the share capital of the transferor company, in the books of the Company, cancelled pursuant to amalgamation | (17,924.60) |
| Balance transferred to capital reserve on amalgamation | **(17,923.58)** |

# Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 44 ISSUE OF OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCRPS)

During the previous year, pursuant to Share Subscription and Share Purchase Agreement (SSPA) entered by the Company on 20 August 2018 (as amended pursuant to first amendment agreement dated 08 February 2019), with Metropolis Investment Holdings Pte Ltd (the investor) and its promoters, the following transactions (collectively, 'the transaction') were performed on 08 February 2019:

- The investor acquired 2,485,488 class A equity shares of ₹ 10 each and 100 class B equity shares of ₹ 10 each representing 59.5% of the shareholding of the Company from the promoters.
- The Company had issued 1,343,431 0.00001% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 15 per OCRPS (₹ 201.51) to the investor at a premium of ₹ 9,468.18 per OCRPS (₹ 127,198.47), totalling to ₹ 127,399.98. Based on the external valuation, the Company had determined the liability component of OCRPS to ₹ 11,855.00 which was disclosed as financial liability under "Borrowings" and balance of ₹ 115,544.98 was classified as capital contribution under "Other equity".
- The Company had modified the terms of 71,145 0.001% Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 per CCPS (₹ 71.15) and redeemed the same at a premium of ₹ 87,608.20 per CCPS (₹ 62,328.85), totalling to ₹ 62,400.00. In accordance with the provisions of Companies Act, 2013, the Company had utilised the existing securities premium to the tune of ₹ 17,946.05 and balance of ₹ 44,382.80 from the fresh issue proceeds of OCRPS to redeem the existing CCPS.
- The Company along with its subsidiaries had sold certain investments, inter-corporate loans, buildings and advances which were not core to the business of the Company to its promoters for ₹ 28,000 of which ₹ 4,850 was from the company and ₹ 23,420 was from its subsidiaries. Accordingly, the Company had recognised profit of ₹ 277.69 and loss of ₹ 1,036.00 on sale of such assets and disclosed the same under 'Exceptional items'.
- The Company had declared a dividend of ₹ 23,226.11 (excluding dividend distribution tax of ₹ 4,592.02) to the promoters.
- The Company had incurred transaction related expense of ₹ 4,862.18 , which was charged off in the statement of profit and loss.
- Post the year-end, the company has decided to redeem an amount of ₹375.46 and has disclosed the same as current liability (refer note 13).

**45** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The waste management services provided by the Company are classified as essential services that are permitted to be provided during lockdown restrictions imposed by the government. In order to determine the impact of the outbreak, the Company has considered various information as available up to the date of approval of these financial statements including its ability to collect and process waste on account of disruptions to economic activity, impact on future cash flows, recoverability of assets and its ability to continue as going concern. The Company based on current estimates expects that the carrying amount of the assets will be recovered. Accordingly, given the timing of the outbreak and the impact assessment performed by management, COVID-19 did not have a material adverse impact on the financial statements of the Company as at and for the year ended 31 March 2020 as on the date of approval of these financial statements. However, the impact of COVID-19 on the Company's financial statements may differ from that estimated as on the date of approval of these financial statements and the group will continue to closely monitor any material changes to future economic conditions.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per **Darshan Varma**
Partner
Membership No: 212319

Place: Hyderabad
Date: 29th May 2020

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

# Independent Auditor's Report

To the Members of
**Ramky Enviro Engineers Limited**

## Report on the Audit of the consolidated Ind AS Financial Statements

### OPINION

We have audited the accompanying consolidated Ind AS financial statements of Ramky Enviro Engineers Limited ("hereinafter referred to as "the Holding Company""), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance Sheet as at 31 March 2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### EMPHASIS OF MATTER

We draw attention to note 53 of the consolidated Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 on the operations of the Group. Our opinion is not modified in respect of this matter.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITY OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements 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 ability of the Group and its associates and joint ventures 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 consolidated Ind AS 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 Group and its associates and joint ventures to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

## OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of 30 subsidiaries, whose Ind AS financial statements include total assets of ₹ 115,595.91 lakhs as at 31 March 2020, and total revenues of ₹ 78,005.88 lakhs and net cash outflows of ₹ 2,712.25 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Of the above 11 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 7 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 5,476.69 lakhs as at 31 March 2020, and total revenues of ₹ 557.47 lakhs and net cash inflows of ₹ 12.20 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 237.09 for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 4 associates and 1 Joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management.Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Of the above 3 associates and 1 joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such associates/ joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such associates/ joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We/ the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Group so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2020 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 35(ii) to the consolidated Ind AS financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended 31 March 2020.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Darshan Varma**
Partner
Membership Number: 212319
UDIN: 20212319AAAADL9481

Place of Signature: Hyderabad
Date: 29 May 2020

# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF RAMKY ENVIRO ENGINEERS LIMITED

**Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Ramky Enviro Engineers Limited as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Ramky Enviro Engineers Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective 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 Act.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

## OPINION

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding 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.

## OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 26 subsidiary companies and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Darshan Varma**
Partner
Membership Number: 212319
UDIN: 20212319AAAADL9481

Place of Signature: Hyderabad
Date: 29 May 2020

# Consolidated Balance Sheet as at 31 March, 2020

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3A | 30,286.16 | 26,963.95 |
| Capital work in progress | 3B | 5,543.34 | 5,667.40 |
| Investment property | 4 | 8.12 | 8.12 |
| Goodwill | 5A | 1,424.12 | 1,424.12 |
| Intangible assets | 5B | 93,189.55 | 86,584.83 |
| Intangible assets under development | 5C | 51,986.83 | 31,773.40 |
| Right-of-use assets | 36 | 4,751.51 | - |
| Investment in an associate and a joint venture | 40,41 | 4,798.54 | 1,345.68 |
| Financial assets | | | |
| (i) Investments | 6A | 120.87 | 119.63 |
| (ii) Bank balance other than cash and cash equivalent | 6F | 10,943.47 | 3,774.45 |
| (iii) Trade receivables | 6D | 2,790.80 | 1,718.80 |
| (iv) Other financial asset | 6C | 10,352.99 | 10,189.75 |
| Deferred tax assets (net) | 8 | 13,986.09 | 13,409.56 |
| Non-current tax assets | 9 | 4,546.37 | 3,134.97 |
| Other assets | 10 | 15,377.45 | 15,371.33 |
| | | **250,106.21** | **201,485.99** |
| **Current assets** | | | |
| Inventories | 7 | 3,563.63 | 2,814.52 |
| Financial assets | | | |
| (i) Investments | 6A | 4,028.81 | 25,768.01 |
| (ii) Loans | 6B | 6,801.48 | 8,095.82 |
| (iii) Trade receivables | 6D | 60,075.60 | 49,940.40 |
| (iv) Cash and cash equivalent | 6E | 21,339.86 | 15,745.51 |
| (v) Bank balance other than (iv) above | 6F | 7,679.81 | 8,614.18 |
| (vi) Other financial asset | 6C | 3,852.65 | 1,481.46 |
| Other assets | 10 | 14,393.58 | 15,464.47 |
| | | **121,735.42** | **127,924.37** |
| Asset classified as held for sale | 48 | 614.00 | 614.00 |
| **Total assets** | | **372,455.63** | **330,024.36** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 11 | 417.75 | 417.75 |
| Other equity | 12 | 189,339.63 | 162,326.31 |
| **Equity attributable to equity holders of the parent** | | **189,757.38** | **162,744.06** |
| Non-controlling interests | | 4,227.28 | 3,678.84 |
| **Total equity** | | **193,984.66** | **166,422.90** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13A | 43,932.49 | 48,620.90 |
| (ii) Lease liabilities | 36 | 4,531.26 | - |
| (iii) Other financial liabilities | 13C | 18,853.43 | 17,680.54 |
| Government grant | 17 | 2,894.89 | 1,554.09 |
| Long term provisions | 16 | 32,569.43 | 27,764.77 |
| Deferred tax liabilities (net) | 14 | 519.09 | 1,979.05 |
| | | **103,300.59** | **97,599.35** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13A | 2,457.37 | 4,691.61 |
| (ii) Lease liabilities | 36 | 93.12 | - |
| (ii) Trade payables | 13B | 24,241.27 | 23,139.18 |
| (iii) Other financial liabilities | 13C | 18,913.71 | 16,303.98 |
| Liabilities for current tax (net) | 15 | 4,786.92 | 3,874.28 |
| Provisions | 16 | 13,936.95 | 7,992.56 |
| Other liabilities | 18 | 10,741.04 | 10,000.50 |
| | | **75,170.38** | **66,002.11** |
| **Total equity and liabilities** | | **372,455.63** | **330,024.36** |
| Summary of significant accounting policies | 2.3 | | |

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per **Darshan Varma**
Partner
Membership No: 212319

Place: Hyderabad
Date: 29th May 2020

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

# Consolidated Statement of Profit and Loss

**for the year ended 31 March 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from contracts with customers | 19 | 246,839.22 | 221,129.12 |
| Other income | 20 | 6,351.22 | 7,327.02 |
| **Total income (I)** | | **253,190.44** | **228,456.14** |
| **EXPENSES** | | | |
| Cost of raw material consumed | 21 | 23,307.60 | 19,047.50 |
| (Increase) / decrease in inventories of finished goods | | (47.20) | (184.02) |
| Construction expenses | 22 | 32,791.20 | 27,942.58 |
| Employee benefits expense | 23 | 29,515.98 | 22,057.31 |
| Depreciation and amortization expense | 25 | 17,568.58 | 18,557.78 |
| Finance costs | 24 | 13,217.23 | 13,868.59 |
| Other expenses | 26 | 98,901.81 | 101,001.43 |
| **Total expense (II)** | | **215,255.20** | **202,291.17** |
| **Profit before share of profit of associates and a joint venture, exceptional items and tax (III=I-II)** | | **37,935.24** | **26,164.97** |
| Share of profit/(loss) of an associate and a joint venture (IV) | 40,41 | (409.85) | 17.59 |
| **Profit before exceptional items and tax (V=III+IV)** | | **37,525.39** | **26,182.56** |
| Exceptional items (VI) | 28 | 6,299.93 | 5,582.89 |
| **Profit before tax (VII=V-VI)** | | **31,225.46** | **20,599.67** |
| **Tax expense** | 29 | | |
| Current tax | | 8,218.96 | 10,220.35 |
| Adjustment of tax relating to earlier periods | | (143.74) | 1,069.77 |
| Deferred tax | | (1,899.91) | (6,198.33) |
| **Income tax expense (VIII)** | | **6,175.31** | **5,091.79** |
| **Profit for the year (IX=VII-VIII)** | | **25,050.15** | **15,507.88** |
| **Other comprehensive income** | 27 | | |
| *Items that may be reclassified to profit or loss* | | | |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | | - | (1.33) |
| Income tax effect | | - | 0.27 |
| | | - | (1.06) |
| Exchange differences on translation of foreign operations | | 463.31 | 1,133.81 |
| **Net other comprehensive income to be reclassified to profit or loss in subsequent periods** | | **463.31** | **1,132.75** |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement (losses)/gains on defined benefit plans | | (504.48) | (89.68) |
| Income tax effect | | 132.58 | 24.99 |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **(371.90)** | **(64.69)** |
| **Other comprehensive income for the year (net of tax) (X)** | | **91.41** | **1,068.06** |
| **Total comprehensive income for the year (net of tax) (XI=IX+X)** | | **25,141.56** | **16,575.94** |
| **Profit for the year is attributable to:** | | | |
| Equity holders of the parent | | 25,340.74 | 16,202.81 |
| Non-Controlling interest | | (290.59) | (695.99) |
| **Other comprehensive income is attributable to:** | | | |
| Equity holders of the parent | | 91.41 | 1,068.06 |
| Non-Controlling interest | | - | - |
| **Total comprehensive income is attributable to:** | | | |
| Equity holders of the parent | | 25,432.15 | 17,270.87 |
| Non-Controlling interest | | (290.59) | (695.99) |
| **Earnings per equity share computed on the basis of profit before exceptional items attributable to equity holders of the parent** | | | |
| Basic earnings per share | 30 | 713.50 | 474.81 |
| Diluted earnings per share | | 478.20 | 444.28 |
| **Earnings per equity share computed on the basis of profit after exceptional items attributable to equity holders of the parent** | | | |
| Basic earnings per share | 30 | 606.61 | 387.86 |
| Diluted earnings per share | | 406.56 | 362.92 |
| Summary of significant accounting policies | 2.3 | | |

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

per **Darshan Varma**
Partner
Membership No: 212319

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

Place: Hyderabad
Date: 29th May 2020

# Consolidated Statement of Changes in Equity for the year ended 31 March 2020

## (A) SHARE CAPITAL

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Class A - Equity Shares | | Class B - Equity Shares | | Compulsory Convertible Preference Shares |
|---|---|---|---|---|---|
| | Number of shares in Lakhs | INR Lakhs | Number of shares in Lakhs* | INR Lakhs | Number of shares in Lakhs |
| **Equity Share of ₹ 10 each & Preference Share of ₹ 100 each issued, subscribed and fully paid** | | | | | |
| **As at 01 April 2018** | **41.77** | **417.74** | **0.00** | **0.01** | **0.71** |
| Issued during the year | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | (0.71) |
| **As at 31 March 2019** | **41.77** | **417.74** | **0.00** | **0.01** | **-** |
| Issued during the year | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | - |
| **As at 31 March 2020** | **41.77** | **417.74** | **0.00** | **0.01** | **-** |

** Nil due to rounding off to nearest lakhs*

## (B) OTHER EQUITY

| | Reserves and surplus | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retained earnings | Securities premium | Capital reserve | Share-based payment reserve (refer note 33) | General Reserve | Foreign currency translation reserve | Equity Component of Compound Financial Instruments | Total | Non-controlling interests | Total |
| **Balance at 31 March 2018** | **96,600.89** | **17,946.05** | **4,655.10** | **-** | **87.00** | **402.12** | **-** | **1,19,691.16** | **4,185.53** | **1,23,876.69** |
| Effect of adoption of new accounting standard | (33.69) | - | - | - | - | - | - | (33.69) | - | (33.69) |
| **Balance as at 1 April 2018** | 96,567.20 | 17,946.05 | 4,655.10 | - | 87.00 | 402.12 | - | 1,19,657.47 | 4,185.53 | 1,23,843.00 |
| Profit for the year | 16,202.81 | - | - | - | - | - | - | 16,202.81 | (695.99) | 15,506.82 |
| Other comprehensive income (net of taxes) | (65.75) | - | - | - | - | 1,133.81 | - | 1,068.06 | - | 1,068.06 |
| Add: Increase/ (decrease) during the year | - | - | - | - | - | - | - | - | 189.30 | 189.30 |
| Add: Issue of Optionally Convertible Redeemable Preference Shares (refer note 51) | - | - | - | - | - | - | 1,15,544.97 | 1,15,544.97 | - | 1,15,544.97 |
| Less: Premium on redemption of preference shares (refer note 51) | - | (17,946.05) | - | - | - | - | (44,382.80) | (62,328.85) | - | (62,328.85) |
| Less: Interim Dividend and tax theron for the year | (27,818.15) | - | - | - | - | - | - | (27,818.15) | - | (27,818.15) |
| **Balance at 31 March 2019** | **84,886.11000** | **-** | **4,655.10** | **-** | **87.00** | **1,535.93** | **71,162.17** | **1,62,326.31** | **3,678.84** | **1,66,005.15** |
| Profit for the year | 25,340.74 | - | - | | - | - | - | 25,340.74 | (290.59) | 25,050.15 |
| Other comprehensive income (net of taxes) | (371.90) | - | - | | - | 463.31 | - | 91.41 | - | 91.41 |
| Share-based payments (refer note 33) | - | - | - | 1,581.17 | - | - | - | 1,581.17 | - | 1,581.17 |
| Add: Increase/ (decrease) during the year | - | - | - | - | - | - | - | - | 839.03 | 839.03 |
| **Balance at 31 March 2020** | **1,09,854.95** | **-** | **4,655.10** | **1,581.17** | **87.00** | **1,999.24** | **71,162.17** | **1,89,339.63** | **4,227.28** | **1,93,566.91** |

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per **Darshan Varma**
Partner
Membership No: 212319

Place: Hyderabad
Date: 29th May 2020

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

# Consolidated Statement of Cash Flows

**for the year ended 31 March 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 31,225.46 | 20,599.67 |
| *Adjustments to reconcile profit before tax to net cash flows:* | | |
| Depreciation and amortisation expense | 17,568.58 | 18,557.78 |
| Provision for doubtful receivables, advances and other assets (net) | 4,027.82 | 3,780.64 |
| Bad debts/ advances written-off | 134.35 | 1,978.08 |
| Liabilities no longer required written back | (1,642.49) | (419.86) |
| Deferred income arising from government grant | (140.39) | (143.35) |
| Goodwill write off | - | 510.00 |
| Loss/(Profit) on sale of property, plant and equipment (net) | 9.81 | (836.37) |
| Revenue from construction activity | (34,972.60) | (28,520.45) |
| Construction expenses | 32,791.20 | 27,942.58 |
| Loss on assets held for sale | - | 3,631.73 |
| Net gain on sale of investment | (708.70) | 344.41 |
| Share-based Payment expense | 1,581.17 | - |
| Interest expense | 12,882.26 | 13,034.38 |
| Interest income | (3,108.20) | (4,469.82) |
| Share of profit of an associate and a joint venture | 409.85 | (17.59) |
| **Working Capital Adjustments** | | |
| (Increase) / Decrease in other financial asset | (327.96) | 5,110.54 |
| Decrease/(increase) in other asset | 279.02 | (4,410.83) |
| (Increase) in inventories | (749.11) | (595.14) |
| (Increase) in trade receivables | (15,369.37) | (11,183.43) |
| Increase in provision | 6,233.27 | 6,592.26 |
| Increase in trade payables | 1,636.82 | 3,971.30 |
| Increase / (decrease) in other liabilities | 740.54 | (561.02) |
| Increase/(decrease) in other financial liabilities | 1,199.58 | (248.95) |
| **Cash generated from operating activities** | **53,700.91** | **54,646.56** |
| Income tax paid (net of refund) | (8,710.39) | (14,169.59) |
| **Net cash flows from operating activities (A)** | **44,990.52** | **40,476.97** |
| | | |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment and CWIP | (10,304.47) | (6,842.68) |
| Purchase of intangible assets | (29,068.60) | (34,856.65) |
| Purchase of non-current investment | (3,454.10) | (1,113.04) |
| (Purchase) / sale of current investment | 22,447.90 | (25,768.01) |
| Government grants received | 1,547.88 | 727.15 |
| Consideration received on disposal of assets | - | 29,524.83 |
| Inter corporate deposits (net) | 1,294.34 | (5,136.83) |
| Bank balances not considered as cash and cash equivalent | (6,234.65) | (8,073.41) |
| Interest received (finance income) | 1,298.35 | 2,335.17 |
| **Net cash used in investing activities (B)** | **(22,473.35)** | **(49,203.47)** |

# Consolidated Statement of Cash Flows

**for the year ended 31 March 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Acquisition of non-controlling interests | - | (506.69) |
| Proceeds from non-controlling interests | 285.00 | - |
| Proceeds from issue of preference share | - | 127,399.97 |
| Redemption of existing preference shares | - | (62,399.99) |
| Dividend and tax thereon paid | - | (27,818.15) |
| Proceeds from/(repayment) of short term borrowings (net) | (1,431.66) | 3,303.22 |
| Proceeds from long term borrowings | 2,756.85 | 2,350.20 |
| Repayment of long term borrowings | (7,763.80) | (23,387.46) |
| Payment of lease liabilities | (2,165.66) | - |
| Finance cost paid | (8,603.56) | (12,897.33) |
| **Net cash flow used in financing activities ( C)** | **(16,922.82)** | **6,043.77** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **5,594.35** | **(2,682.73)** |
| Cash and cash equivalents at the beginning of the year | 15,745.51 | 18,428.24 |
| **Cash and cash equivalents at year end** | **21,339.86** | **15,745.51** |

**a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.**

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| b) Cash and Cash Equivalents comprises of | | |
| Cash on hand | 54.97 | 74.04 |
| Balances with banks: (Refer Note 6E) | | |
| - Current Accounts | 12,769.27 | 15,664.37 |
| - On Cash credit account | 168.97 | 7.10 |
| - Deposit with maturity of less than 3 months | 8,346.65 | - |
| Cash and cash equivalent as per balance sheet | **21,339.86** | **15,745.51** |

Summary of significant accounting policies Note 2.3

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

per **Darshan Varma**
Partner
Membership No: 212319

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

Place: Hyderabad
Date: 29th May 2020

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Ramky Enviro Engineers Limited ("REEL" or "the parent") and its subsidiaries, associates and joint venture (collectively, the Group) for the year ended 31 March 2020. The group is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the group is located at 13th floor, Ramky Grandiose, Ramky Towers, Gachibowli , Hyderabad, 500032.

The Group is principally engaged in the business of integrated waste management solutions for industrial (hazardous) waste, municipal waste, biomedical waste, electronic waste, car park services, commercial cleaning services, conservency services and providing other incidental services. Information on the group's structure is provided in note 34, and information on the other related party relationships of the group is provided in note 35.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 29th May 2020.

## 2 SIGNIFICANT ACCOUTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value or amortized cost depending upon classification (refer accounting policy regarding financial instruments), and
- Derivative financial instruments.

### 2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31st March, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

  Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31st March, 2020. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date. (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. (d) As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in Equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

## 2.3 Summary of significant accounting policies

### a. Business combinations and goodwill

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of the transferor entity or business is recognised as capital reserve under equity. Other business combinations are accounted using acquisition method.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### b. Investment in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### c. urrent versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

## d. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, AS appropriate. in the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These Exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1

# Consolidated Notes to Financial statements

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April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2016. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

## e. Fair value measurement

The group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant liabilities, such as contingent consideration. Involvement of external valuers is decided by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Audit committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

# Consolidated Notes to Financial statements

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On an interim basis, the Management present the valuation results to the Audit Committee and the group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 43)
- Financial instruments (including those carried at amortised cost) (note 43)

## f. Revenue from contract with customer

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

The specific recognition criteria described below must also be met before revenue is recognised.

**Revenue from waste disposal activities:**

Revenue from user charges towards waste disposal is recognised as and when the related services are performed i.e. when the waste is collected, transported and is received at the dumping yards.

**Revenue form turnkey contracts**

Revenue from Turnkey contracts is recognised by reference to the stage of completion of the contract activity. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as and when assessed.

**Revenue from construction contracts**

The Group recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 115 'Revenue from contracts with customers'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Costs incurred for rendering the construction services, exchanged for the intangible asset and financial asset, include all costs that are directly related to the construction of the project and include all overheads other than those relating to general administration of the Group.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

# Consolidated Notes to Financial statements

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When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Car park and cleaning business:**

Revenue is recognised when services are rendered to the customers and the customers have accepted the services. Revenue is not recognised to the extent where there are significant uncertainities regarding recovery of the consideration due, associated costs or the possible return of goods.

**Significant financing component**

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term security deposits from customers. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**Dividend Income**

Dividend income is recognised when the Group's right to receive the payment is established.

**Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

## g. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## h. Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In cases, where the tax on dividend from a foreign subsidiary is allowed as a set off against the Group's own dividend distribution tax (DDT) liability, then the amount of tax paid on foreign dividend is recognised in the statement of changes in equity.

In cases, where the tax on dividend from a subsidiary is allowed as a set off against the Group's own dividend distribution tax (DDT) liability, the tax deducted by the domestic subsidiary is treated as withholding tax recognised in the statement of changes in equity.

The dividend income is recognised in the income statement at an amount including any withholding taxes (that is, gross of the withholding tax that has been deducted by the domestic subsidiary).

The Group recognises interest levied and penalties related to income tax assessments in interest expenses.

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

# Consolidated Notes to Financial statements

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current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Incase of tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

**Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## i. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 31 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building (refer below)
- Roads and other civil infrastructures 10 years
- Land fill based on the actual usage
- Plant and machinery 9 years
- Vehicles 8 years
- Lab equipment 10 years
- Computers 3 years
- Furniture and fixtures 10 years
- Office equipment 5 years

Landfill costs include costs such as landfill liner material and installation, excavation costs, leachate collection systems, gas collection systems, environmental monitoring equipment for groundwater and landfill gas, directly related engineering costs and other direct costs. The landfill capacity associated with each landfill is quantified and the landfill costs for each landfill are amortized over the capacity associated with the landfill as the capacity is utilized using units of consumption method.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of land development, building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset

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(calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

## j. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an internal/external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

## k. Intangible assets and Intangible assets under development

Under Appendix C to Ind AS 115, concession arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group receives a right to charge users of the public service. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The group has determined that both intangible asset model and financial asset model are applicable to the agreement as the group is entitled to receive grant (financial asset) which falls due based on the construction activity completed by the group, which is certified by an independent engineer appointed as per the terms of the contract and is also entitled to tipping fee towards waste disposed (intangible asset).

Any asset carried under concession agreement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

### Recognition and measurement

Under the SCA, where the group has received the right to charge the user of the public service, acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on the group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement".

In addition to above mentioned amounts the group has also received the right to charge the users of a public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the project receives waste and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when each component of the project is complete in all respects. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses.

### Revenue from construction contracts

The group recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 115 'Revenue from contracts with customers'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract

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is determined considering the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Costs incurred for rendering the construction services, exchanged for the intangible asset and financial asset, include all costs that are directly related to the construction of the project and include all overheads other than those relating to general administration of the group.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

**Borrowing costs**

Project specific borrowing costs are capitalized to the extent that they relate to the intangible asset until the capitalization of intangible asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds are temporarily invested pending their expenditures on the intangible asset, any investment income earned, to the extent that it relates to the intangible asset are reduced from the borrowing cost capitalized.

**Amortisation of Intangible asset under SCA**

The intangible rights which are recognised in the form of right to collect tipping fee, except for landfill costs are amortized on a straight-line basis from the date of capitalization over the concession period. The landfill cost is amortized on the basis of capacity utilised by waste dumped in the landfills.

**Contractual obligation to restore the infrastructure to a specified level of serviceability**

The group has contractual obligation to maintain the infrastructure to a specified level of serviceability during the concession period and at the time of handover to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and recognised on a discounted basis by creating a provision for replacement and capitalizing the costs to intangible assets and amortised on a straight-line basis over the concession period. The provision for replacement is unwound over its life using effective interest rate method.

## I. Other than Service concession arrangements

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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## m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## n. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). For leases previously classified as operating leases under Ind AS 17, the Company has elected the option to recognise right-of-use asset at the date of initial application equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application as per paragraph C8(b)(ii) of Ind AS 116.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 13)

(iii) Short-term leases and leases of low-value assets

The Grouop applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition

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exemption to those items that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## o. Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## p. Impairment of non-financial assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of

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profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Goodwill is tested for impairment annually as at each reporting date and when circumstances indicate that the carrying value may be impaired.

## q. Provisions

**General**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Provision for capping**

The cost for final capping for each landfill is estimated based on the area to be capped and the capping materials and activities required. The estimate also considers when these costs are anticipated to be paid and factor in inflation and discount rates. These costs are reviewed annually, or more often if significant facts change. The total cost of capping is charged to the statement of profit or loss over the capacity associated with the landfill as the capacity is utilized. The provision for capping is unwound over its life using effective interest rate method. Changes in estimates, such as timing or cost of construction, for final capping are charged off to the statement of profit and loss prospectively.

**Provision for post closure**

The estimates for post-closure costs are based on the regulatory and contractual requirements for post-closure monitoring and maintenance. The estimates for post-closure costs also considers when the costs are anticipated to be paid and factor in inflation and discount rates. The possibility of changing legal and regulatory requirements and the forward-looking nature of these types of costs make any estimation or assumption less certain. The total cost of post closure is charged to the statement of profit or loss over the quantity of waste estimated to be disposed in the specified site. The quantity of waste estimated to be disposed takes into consideration the remaining operating period of the site and the land available for waste disposal. These costs are reviewed annually, or more often if significant facts change. The provision for post closure is unwound over its life using effective interest rate method. Changes in estimates for closure and post-closure events are charged off to the statement of profit and loss prospectively.

## r. Employee benefits

**Post employment benefits**

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

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

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

- The date of the plan amendment or curtailment, and
- The date that the group recognises related restructuring costs.

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income
- Changes in the present value of the defined benefit obligation resulting from plan ammendments or curtailments are recognised immediately in profit or loss as past service cost.

### Compensated absence

The employees are entitled to accumulate leave subject to certain limits, for future encashment, as per policy of the Group. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year. The liability towards such unutilised leave at the end of each balance sheet date is determined based on independent actuarial valuation and recognised in the statement of profit and loss.

## s. Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional

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expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

## t. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section - Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, Derivatives snd equity instruments at fair value through profit of loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 6D.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

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

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

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

c. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables and Other receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12- month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification

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is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Non-derivative financial assets – Service concession arrangements

The group 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 service 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 amortised cost.

If the group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognised at its fair value.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information (refer Note 13A).

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and zthe net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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**u. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

**v. Dividend**

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**w. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

## 2.4 Changes in accounting policies and disclosures

### New and amended standards

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 116 - Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the Standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

**Leases previously classified as finance leases**

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2019.

**Leases previously accounted for as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. . Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets at the date of initial application were recognized to an amount equal to the lease liability, adjusted for previously recognised prepaid or accrued lease payments as per paragraph C8(b)(ii) of Ind AS 116.

# Consolidated Notes to financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 3A. Property, plant and equipment

| Particulars | Freehold Land | Buildings | Plant and equipment | Roads and other civil infrastructure | Landfill | Furniture and fixtures | Vehicles | Lab Equipment | Office equipment | Computers | Containers | Solar Pond | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | | | | | | | |
| **As at 31 March 2018** | **2,834.60** | **13,126.58** | **15,300.70** | **2,065.87** | **6,656.02** | **128.18** | **5,916.56** | **802.47** | **203.64** | **133.68** | **270.23** | **173.30** | **47,611.83** |
| Additions during the year | 265.69 | 969.28 | 6,812.75 | 354.83 | 3,179.96 | 63.48 | 2,070.33 | 143.87 | 161.85 | 68.03 | 143.40 | 73.43 | 14,306.90 |
| Deletions / adjustments | (125.37) | (2,830.86) | (15,548.72) | - | - | (5.20) | (1,429.44) | (21.48) | (5.60) | (8.78) | - | - | (19,975.45) |
| Exchange Differences | - | - | 11,664.61 | 0.97 | - | 2.14 | 119.45 | - | 7.27 | 18.85 | - | - | 11,813.29 |
| **As at 31 March 2019** | **2,974.92** | **11,265.00** | **18,229.34** | **2,421.67** | **9,835.98** | **188.60** | **6,676.90** | **924.86** | **367.16** | **211.78** | **413.63** | **246.73** | **53,756.57** |
| Additions during the year | 59.25 | 282.61 | 6,302.19 | 288.88 | 1,586.11 | 41.76 | 1,213.51 | 159.15 | 73.61 | 123.82 | 27.44 | - | 10,158.33 |
| Deletions / adjustments | - | (29.19) | (441.53) | - | - | (1.33) | (96.01) | - | (2.40) | (14.11) | - | - | (584.57) |
| Exchange Differences | - | - | 756.50 | 1.86 | - | 2.99 | 11.99 | - | 0.64 | 7.48 | - | - | 781.46 |
| **As at 31 March 2020** | **3,034.17** | **11,518.42** | **24,846.50** | **2,712.41** | **11,422.09** | **232.02** | **7,806.39** | **1,084.01** | **439.01** | **328.97** | **441.07** | **246.73** | **64,111.79** |
| **Accumulated Depreciation** | | | | | | | | | | | | | |
| **As At 31 March 2018** | **-** | **2,900.93** | **5,834.83** | **1,392.53** | **5,064.73** | **37.01** | **2,087.56** | **295.88** | **76.70** | **63.54** | **251.99** | **96.26** | **18,101.96** |
| For the year | 417.34 | 608.12 | 3,232.62 | 102.01 | 4,198.09 | 25.21 | 1,202.86 | 123.49 | 63.00 | 48.85 | 140.20 | 20.28 | 10,182.07 |
| Deletions / adjustments | - | (687.56) | (11,778.78) | - | - | (37.82) | (471.85) | (5.63) | (4.81) | (5.85) | - | - | (12,992.30) |
| Exchange Differences | - | - | 11,383.00 | (4.47) | - | 1.94 | 94.82 | - | 7.17 | 18.43 | - | - | 11,500.89 |
| **As At 31 March 2019** | **417.34** | **2,821.49** | **8,671.67** | **1,490.07** | **9,262.82** | **26.34** | **2,913.39** | **413.74** | **142.06** | **124.97** | **392.19** | **116.54** | **26,792.62** |
| For the year | 68.89 | 569.16 | 3,151.81 | 128.88 | 1,393.66 | 27.98 | 1,038.89 | 112.62 | 78.13 | 64.70 | 11.90 | 26.22 | 6,672.84 |
| Deletions / adjustments | | (4.76) | (70.90) | - | - | (0.13) | (78.51) | - | (0.88) | (13.09) | - | - | (168.27) |
| Exchange Differences | | - | 524.77 | 0.88 | - | 2.99 | (8.02) | - | 0.59 | 7.23 | - | - | 528.44 |
| **As At 31 March 2020** | **486.23** | **3,385.89** | **12,277.35** | **1,619.83** | **10,656.48** | **57.18** | **3,865.75** | **526.36** | **219.90** | **183.81** | **404.09** | **142.76** | **33,825.63** |
| **Net block** | | | | | | | | | | | | | |
| **As at 31 March 2019** | **2,557.58** | **8,443.51** | **9,557.67** | **931.60** | **573.16** | **162.26** | **3,763.51** | **511.12** | **225.10** | **86.81** | **21.44** | **130.19** | **26,963.95** |
| **As at 31 March 2020** | **2,547.94** | **8,132.53** | **12,569.15** | **1,092.58** | **765.61** | **174.84** | **3,940.64** | **557.65** | **219.11** | **145.16** | **36.98** | **103.97** | **30,286.16** |

## 3B Capital work in progress

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Capital work in progress | 5,543.34 | 5,667.40 |
| **Total** | **5,543.34** | **5,667.40** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 4. INVESTMENT PROPERTY

| | Freehold land | Total |
|---|---|---|
| **Cost** | | |
| **As at 31 March 2018** | **8.12** | **8.12** |
| Additions during the year | - | - |
| Deletions / adjustments | - | - |
| **As at 31 March 2019** | **8.12** | **8.12** |
| Additions during the year | - | - |
| Deletions / adjustments | - | - |
| **As at 31 March 2020** | **8.12** | **8.12** |
| **Depreciation** | | |
| **As at 31 March 2018** | **-** | **-** |
| For the year | - | - |
| Deletions / adjustments | - | - |
| **As at 31 March 2019** | **-** | **-** |
| For the year | - | - |
| Deletions / adjustments | - | - |
| As at 31 March 2020 | - | - |
| **Net block** | | |
| **As at 31 March 2019** | **8.12** | **8.12** |
| **As at 31 March 2020** | **8.12** | **8.12** |

### Fair values of investment property

Details of investment property and information about the fair value hierarchy as at 31 March 2020 and 31 March 2019, are as follows:

| | Fair value hierarchy | Fair value as at 31 March 2020 | Fair value as at 31 March 2019 |
|---|---|---|---|
| Freehold Land | Level 3 | 9.35 | 9.10 |

The fair value of the land is determined with the help of internal technical department. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

## 5A. GOODWILL

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Goodwill | 1,424.12 | 1,424.12 |
| | **1,424.12** | **1,424.12** |

## 5B Intangible asset

| | Intangible assets under service concession arrangement | Customer contracts | Computer software | Total |
|---|---|---|---|---|
| **Gross block** | | | | |
| **As at 31 March 2018** | 91,213.87 | 383.23 | 14.95 | 91,612.05 |
| Additions during the year | 10,864.11 | - | 4.62 | 10,868.73 |
| Deletions / adjustments | 3,351.46 | - | - | 3,351.46 |
| Exchange differences | - | - | - | - |
| **As at 31 March 2019** | **1,05,429.44** | **383.23** | **19.57** | **1,05,832.24** |
| Additions during the year | 15,955.40 | 1.40 | 41.65 | 15,998.45 |
| Deletions / adjustments | (536.52) | | | (536.52) |
| Exchange differences | | | | - |
| **As at 31 March 2020** | **1,20,848.32** | **384.63** | **61.22** | **1,21,294.17** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Intangible assets under service concession arrangement | Customer contracts | Computer software | Total |
|---|---|---|---|---|
| **Amortization** | | | | |
| **As at 31 March 2018** | **10,480.13** | **383.23** | **8.34** | **10,871.70** |
| For the year | 8,372.29 | - | 3.42 | 8,375.71 |
| Deletions / adjustments | - | - | - | - |
| Exchange differences | - | - | - | - |
| **As at 31 March 2019** | **18,852.42** | **383.23** | **11.76** | **19,247.41** |
| For the year | 8,851.85 | - | 5.36 | 8,857.21 |
| Deletions / adjustments | - | - | - | - |
| Exchange differences | - | - | - | - |
| **As at 31 March 2020** | **27,704.27** | **383.23** | **17.12** | **28,104.62** |
| **Net block** | | | | |
| **As at 31 March 2019** | **86,577.02** | **-** | **7.81** | **86,584.83** |
| **As at 31 March 2020** | **93,144.05** | **1.40** | **44.10** | **93,189.55** |

### 5C. Intangible assets under development

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Intangible assets under development | 51,986.83 | 31,773.40 |
| | **51,986.83** | **31,773.40** |

## 6 FINANCIAL ASSET

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **6A. Investments** | | |
| **Non current** | | |
| **Investments at fair value through profit or loss - unquoted** | | |
| Equity shares of ₹ 10/- each (fully paid-up) | | |
| 10,15,000 (31 March 2019: 10,15,000) equity shares of ₹10/- each of Pithampur Auto Cluster Limited | 101.50 | 101.50 |
| 10,000 (31 March 2019: 10,000) equity shares of AED.1/- each of Oman Maritime Waste Treatment SAOC | 19.37 | 18.13 |
| | **120.87** | **119.63** |
| Aggregate value of unquoted investments | 120.87 | 119.63 |
| Aggregate amount of impairment in value of investments | - | - |
| **Current** | | |
| **Trade (unquoted) (at fair value through profit and loss account)** | | |
| **Investment in Mutual Funds (Debt funds)** | | |
| 1,647.56 units (31 March 2019 - 2,948,393 Units) Aditya Birla Sun Life Liquid Fund | 5.26 | 8,858.04 |
| Nil units (31 March 2019 - 19,780 Units) Kotak Liquid Fund Direct Growth | - | 748.56 |
| Nil units (31 March 2019 - 75,626 units) SBI Liquid Fund Growth Direct | - | 2,214.76 |
| Nil units (31 March 2019 - 155,301 units) SBI Liquid Fund Growth Direct | - | 4,548.10 |
| Nil units (31 March 2019 - 3,128,302 units) Aditya Birla SL Liquid Fund Growth Direct | - | 9,398.55 |
| 83,732 units (31 March 2019: Nil units) IDFC Cash fund - Growth - Direct Plan | 2,011.10 | - |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| 51,513.68 units (31 March 2019: Nil units) HDFC Liquid Fund Direct Plan | 2,012.45 | - |
| | **4,028.81** | **25,768.01** |
| Aggregate value of unquoted investments | 4,028.81 | 25,768.01 |
| Aggregate amount of impairment in value of investments | - | - |

## 6B. Loans (Unsecured and considered good unless otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Current** | | |
| Inter Corporate Deposits to related party | | |
| Inter corporate deposits to related parties (refer note 35) | 2,613.09 | 3,390.55 |
| Inter corporate deposit to others | 4,188.39 | 4,705.28 |
| | **6,801.48** | **8,095.82** |

## 6C. Other financial asset (Unsecured and considered good unless otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| (i) Security deposits | 973.48 | 844.67 |
| (ii) Earnest money deposit | 25.76 | 133.07 |
| (iii) Receivable from service concession arrangement | 9,353.75 | 9,212.01 |
| | | |
| **Unsecured, considered doubtful** | | |
| Earnest money deposits | 66.33 | 66.33 |
| Less: Provision for earnest money deposits | (66.33) | (66.33) |
| | **10,352.99** | **10,189.75** |
| **Current** | | |
| (i) Security deposits | 1,095.40 | 780.56 |
| (ii) Retention money receivable | 100.30 | 12.43 |
| (iii) Earnest money deposit | 780.08 | 413.02 |
| (iv) Receivable from service concession arrangement | 1,481.19 | - |
| (iv) Interest accrued | 395.68 | 275.45 |
| | **3,852.65** | **1,481.46** |

## 6D. Trade receivables

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Trade receivables | 12,271.73 | 8,434.60 |
| Less: Allowance for doubtful debts | (9,480.93) | (6,715.80) |
| | **2,790.80** | **1,718.80** |
| **Current** | | |
| Trade Receivables from related parties | 3,657.74 | 2,565.24 |
| Trade receivables | 65,646.07 | 56,837.28 |
| Less: Allowance for doubtful debts | (9,228.21) | (9,462.12) |
| | **60,075.60** | **49,940.40** |

*Note: 6D-1 There are no trade receivables due from private companies/ partnership firm in which group's director is a director/partner.*
*Note: 6D-2 Trade receivables are non-interest bearing and are generally receivable on terms mutually agreed with the customers.*

*Note: 6D-3 For trade receivables from related party refer note 35.*

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 6E. Cash and cash equivalents

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Cash on hand | 54.97 | 74.04 |
| Balances with banks: | | |
| On current account | 12,769.27 | 15,664.37 |
| On Cash credit account | 168.97 | 7.10 |
| Deposit with original maturity of less than 3 months | 8,346.65 | - |
| | **21,339.86** | **15,745.51** |

## 6F. Bank balance other than cash and cash equivalent

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non-current** | | |
| On current accounts (escrow accounts)** | 1,547.13 | 1,209.85 |
| Deposit with remaining maturity more than 12 months * | 9,396.34 | 2,564.60 |
| | **10,943.47** | **3,774.45** |
| **Current** | | |
| Other Bank Balances | | |
| Deposit with remaining maturity less than 12 months* | 7,679.81 | 8,614.18 |
| | **7,679.81** | **8,614.18** |

** Represents balances with banks held as margin money or security deposit against guarantees and other commitments.*

*** Represents current account balances that will be released during maintenance/post closure period of land fills.*

### Changes in liabilities arising from financing activities

| PARTICULARS | 1 April, 2018 | Cash Flow | Others | 31 March, 2020 |
|---|---|---|---|---|
| Current borrowings | 4,691.61 | (1,431.66) | (802.58) | 2,457.37 |
| Non- current borrowings | 56,257.15 | (5,006.95) | (672.21) | 50,577.99 |
| **Total liabilities from financing activities** | **60,948.76** | **(6,438.61)** | **(1,474.79)** | **53,035.36** |

| PARTICULARS | 1 April, 2018 | Cash Flow | Others | 31 March 2019 |
|---|---|---|---|---|
| Current borrowings | 1,388.39 | 3,303.22 | - | 4,691.61 |
| Non- current borrowings (including current maturities) | 77,294.41 | (21,037.26) | - | 56,257.15 |
| **Total liabilities from financing activities** | **78,682.80** | **(17,734.04)** | **-** | **60,948.76** |

### Break up of financial assets carried at amortised cost

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Inter Corporate Deposits (Current) (Note No. 6B) | 6,801.48 | 8,095.82 |
| Trade receivables (Current) (Note No. 6D) | 60,075.60 | 49,940.40 |
| Trade receivables (non current) (Note No. 6D) | 2,790.80 | 1,718.80 |
| Cash and cash equivalent (Note No. 6E) | 21,339.86 | 15,745.51 |
| Bank balances other than cash and cash equivalents (Current) (Note No. 6F) | 7,679.81 | 8,614.18 |
| Bank balances other than cash and cash equivalents (non current) (Note No. 6F) | 10,943.47 | 3,774.45 |
| Other Financial asset (current) (Note No. 6C) | 3,852.65 | 1,481.46 |
| Other Financial asset (non current) (Note No. 6C) | 10,352.99 | 10,189.75 |
| Total financial assets carried at amortised cost | **1,23,836.66** | **99,560.37** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 7. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Raw materials, tools and spares | 3,362.50 | 2,735.03 |
| Finished goods | 201.13 | 79.49 |
| | **3,563.63** | **2,814.52** |

## 8. DEFERRED TAX ASSETS (NET)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Deferred tax asset (net) | 13,986.09 | 13,409.56 |
| | **13,986.09** | **13,409.56** |

## 9. NON-CURRENT TAX ASSETS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Advance income tax ( net of provision for income tax) | 4,546.37 | 3,134.97 |
| | **4,546.37** | **3,134.97** |

## 10. OTHER ASSETS (UNSECURED AND CONSIDERED GOOD UNLESS OTHERWISE STATED)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non-current** | | |
| Capital advances | 4,651.16 | 5,436.91 |
| Contract Assets | | |
| Retention Money receivable | | |
| Considered good – unsecured | 9,986.68 | 8,045.20 |
| Unsecured - considered doubtful | 50.18 | 40.79 |
| Impairment allowance Doubtful asset | (50.18) | (40.79) |
| Balances with government authority | 614.98 | 1,670.04 |
| Prepayments | 124.63 | 219.18 |
| | **15,377.45** | **15,371.33** |
| **Current** | | |
| Advances to supplier and service providers | 2,066.88 | 3,866.76 |
| Less: Provision for advances to supplier and service provider | (53.85) | (212.26) |
| | 2,013.03 | 3,654.50 |
| Contract assets | | |
| Retention Money receivable | | |
| Considered good – unsecured | 2,872.19 | 1,133.91 |
| Unsecured - considered doubtful | 30.58 | 417.57 |
| Impairment allowance Doubtful receivable | (30.58) | (417.57) |
| | 2,872.19 | 1,133.91 |
| Contract assets | | |
| Unbilled Revenue | | |
| Considered good – unsecured | 6,030.32 | 6,951.31 |
| Unsecured - considered doubtful | 50.78 | 220.00 |
| Impairment allowance Doubtful asset | (50.78) | (220.00) |
| | 6,030.32 | 6,951.31 |
| Balances with government authority | 1,816.16 | 1,263.14 |
| Prepayments | 837.08 | 1,499.06 |
| Advance to related parties | - | 300.82 |
| Advance to employees | 103.59 | 121.85 |
| Other advances | 721.21 | 539.88 |
| | **14,393.58** | **15,464.47** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 11. SHARE CAPITAL

### (i) Authorised share capital

| PARTICULARS | Class A - Equity Shares Face value of ₹10 each | | Class B - Equity Shares Face value of ₹10 each | | 0.001% Compulsory Convertible Preference Shares Face value of 100 | | 0.001% Optionally convertible redeemable preference shares Face value of ₹15 each | | Redeemable preference shares Face value of ₹100 each | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of shares in Lakhs | INR Lakhs | Number of shares in lakhs* | INR lakhs | Number of shares in lakhs | INR lakhs | Number of shares in lakhs | INR lakhs | Number of shares in lakhs | INR lakhs |
| **As at 1 April 2018** | **259.99** | **2,599.99** | **0.00** | **0.01** | **100** | **100.00** | **-** | **-** | **-** | **-** |
| Increase/ (decrease) during the year ** | 1,765.23 | 17,652.26 | - | - | - | - | 13.44 | 201.60 | 0.71 | 71.15 |
| **As at 31 March 2019** | **2,025.22** | **20,252.25** | **0.00** | **0.01** | **1.00** | **100.00** | **13.44** | **201.60** | **0.71** | **71.15** |
| Increase/ (decrease) during the year ** | - | - | - | - | - | - | - | - | - | - |
| **As at 31 March 2020** | **2,025.22** | **20,252.25** | **0.00** | **0.01** | **1.00** | **100.00** | **13.44** | **201.60** | **0.71** | **71.15** |

| **ii) Issued equity share capital** | | | | | | |
|---|---|---|---|---|---|---|
| **As at 1 April 2018** | **41.77** | **417.74** | **0.00** | **0.01** | **0.71** | **71.15** |
| Issued during the year | - | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | (0.71) | (71.15) |
| **As at 31 March 2019** | **41.77** | **417.74** | **0.00** | **0.01** | - | - |
| Issued during the year | - | - | - | - | - | - |
| Redeemed/ transferred during the year | - | - | - | - | - | - |
| **As at 31 March 2020** | **41.77** | **417.74** | **0.00** | **0.01** | - | - |

* *Nil due to rounding off to nearest lakhs*

** *Consequent to the merger of Bhubaneshwar Industrial Waste management Private Limited, the authorised share capital of the merged entity is inculded in the authroised share capital of the Company (refer note 49)*

### (iii) Terms/ rights attached to equity shares

The Company has two classes of equity shares, i.e. Class A and Class B, having par value of ₹ 10/- each. Each equity shareholder is entitled to one vote per equity share held.Both Classes of equity shares have same voting rights. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all prefential amounts. The distribution will be in proportion to thenumber of equity shared held by the shareholders.

### (iv) Terms/ rights attached to preference shares

**a. Compulsory Convertible Preference shares and Redeemable Preference Shares :**

Compulsory convertible preference shares are convertible in to equity shares are entitled to 0.001% dividend. The terms of these preference shares have been amended and converted in to redeemable preference shares. These shares were redeemed on 08 february 2019 but were extinguished from the records subsequent to the balance sheet.

**b. Optionally convertible redeemable preference shares**

The face value of each OCRPS is ₹ 15 each and carries dividend of 0.00001% which is cumulative and participative based on the formula specified in the Share Subscription and Share Purchase Agreement (SSPA).

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

OCRPS shall be redeemed for cash on the twentieth anniversary of their issuance, unless converted or redeemed earlier.

The existing shareholders have agreed to indemnify the investor / the Company along with its subsidiaries on the happening of certain events specified the SSPA. It also specifies the nature of indemnity along with indemnified amount and period of such indemnity after closing date.

These preference shares are convertible into equity shares or redeemed based on agreed indemnity events and mechanism specified in SSPA.

The Company shall automatically convert all OCRPS that have not been converted or redeemed into equity shares representing 0.5% of the closing date equity shareholding. (Refer note 51 for details)

**(v) The details of shares held by shareholder holding more than 5% of the aggregate shares in the Company:**

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares in lakhs | % of holding | Number of shares in lakhs* | % of holding |
| **Class A equity shares:** | | | | |
| A Ayodhya Rami Reddy | 16.08 | 38.50% | 16.08 | 38.50% |
| Metropolis Investments Holdings Pte Limited | 24.85 | 59.50% | 24.85 | 59.50% |
| **Class B equity shares:** | | | | |
| Metropolis Investments Holdings Pte Limited* | - | 100% | - | 100% |
| **Optionally Convertible Redeemable Preference Shares:** | | | | |
| Metropolis Investments Holdings Pte Limited | 13.44 | 100% | 13.44 | 100% |

** Nil due to rounding off to nearest lakhs*

## 12. OTHER EQUITY

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Capital reserve** | | |
| Opening balance | 4,655.10 | 4,655.10 |
| Add: Received / (transfer) during the year | - | - |
| | **4,655.10** | **4,655.10** |
| **Securities premium** | | |
| Opening Balance | - | 17,946.05 |
| Add: Premium on redemption of preference shares (refer note 51) | - | (17,946.05) |
| | **-** | **-** |
| **General reserve** | | |
| Opening balance | 87.00 | 87.00 |
| Add: Received / (transfer) during the year | - | - |
| | **87.00** | **87.00** |
| **Foreign currency translation reserve** | | |
| Opening balance | 1,535.93 | 402.12 |
| Add: Received/(transfer) during the year | 463.31 | 1,133.81 |
| | **1,999.24** | **1,535.93** |
| **Equity component of compound financial instruments** | | |
| Opening Balance | 71,162.17 | - |
| Add: On issue of Optionally Convertible Redeemable Preference Shares (refer note 51) | - | 1,15,616.30 |
| Less: Premium on redemption of preference shares (refer note 51) | - | (44,454.13) |
| | **71,162.17** | **71,162.17** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Retained earnings** | | |
| Opening Balance | 85,002.47 | 96,651.50 |
| Effect of adaption of new accounting standard (refer no.2.4) | - | (33.69) |
| Add: Profit for the year | 25,340.74 | 16,202.81 |
| Less: Interim dividend and tax there on for the year | - | (27,818.15) |
| | **1,10,343.21** | **85,002.47** |
| **Other comprehensive income** | | |
| Opening Balance | (116.36) | (50.61) |
| Add: Increase/ (decrease) during the year | (371.90) | (65.75) |
| | **(488.26)** | **(116.36)** |
| | **1,09,854.95** | **84,886.11** |
| **Share-based Payment Reserve** | | |
| Opening | - | - |
| Additions duirng the year | 1,581.17 | - |
| Closing | **1,581.17** | **-** |
| | **1,89,339.63** | **1,62,326.31** |

## Nature and purpose of reserves

### Capital Reserve

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the group's own equity instruments to capital reserve.

### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013. During the previous year, the amount was utilised for redemption of existing preference shares.

### General reserve

General reserves are the reserves accumulated to meet contingencies.

### Foreign currency translation reserve

Gains/ losses on account of foreign currency translation are accumulated in this reserve.

### Equity component of compound financial instruments

The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) during the year ended 31 March 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of OCRPS with the instrument. The difference between the issue amount of the OCRPS and the liability so computed has been treated as the "Equity component of compound financial instruments" and grouped under other equity.

### Share-based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

### Retained earnings

Retained earnings are the profits/Losses (net of appropriations) of the company earned till date, including items of other comprehensive income.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 13. FINANCIAL LIABILITIES

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Non Current | Current* | Non Current | Current |
| **Non-current borrowings** | | | | |
| **Secured (at amortized cost)** | | | | |
| Term loans | | | | |
| - from banks | 18,281.59 | 2,505.30 | 18,421.06 | 3,153.50 |
| - from others | 23,834.25 | 1,922.16 | 25,770.13 | 2,955.30 |
| Equipment and vehicle loans | | | | |
| - From banks | 712.47 | 1,380.73 | 2,219.74 | 813.16 |
| - From others | 1,104.18 | 837.31 | 2,209.97 | 714.29 |
| | **43,932.49** | **6,645.50** | **48,620.90** | **7,636.25** |

** Amount disclosed under the other current financial liabilities (Note no. 13C)*

### Lease liabilities

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non-current** | | |
| Finance lease liability (refer note 36) | 4,531.26 | - |
| | **4,531.26** | **-** |
| **Current** | | |
| Finance lease liability (refer note 36) | 93.12 | - |
| | **93.12** | **-** |

### Current borrowings

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Secured (at amortized cost)** | | |
| Secured loans from banks: | | |
| - Cash credit | 2,419.64 | 3,851.30 |
| **Unsecured** | | |
| Loan from group companies | 37.73 | 840.31 |
| | **2,457.37** | **4,691.61** |

*Refer note 54 for interest and security details and terms of repayment.*

## 13B. Trade payables

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| - Total outstanding dues to micro enterprises and small enterprises; | 1,107.95 | 725.58 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises. | 22,506.71 | 22,108.17 |
| - Dues to related parties | 626.61 | 305.43 |
| | **24,241.27** | **23,139.18** |

### Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within credit terms.

- For explanations on the Company's credit risk management processes, refer note 44.

- For trade payables to related party refer note 35.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 13C.Other financial liabilities

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non Current** | | |
| **At amortised cost** | | |
| Security deposit payable | 7,367.73 | 5,794.23 |
| Retention money payable | 6.16 | 31.31 |
| **At fair value through profit and loss** | | |
| Optionally convertible preference shares (refer note 11) | 11,479.54 | 11,855.00 |
| | **18,853.43** | **17,680.54** |
| **Current** | | |
| Current maturities of long term borrowings | 6,645.50 | 7,636.25 |
| Current maturities of 0.00001% Optionally convertible redeemable preference shares | 375.46 | - |
| Capital creditors | 5,098.66 | 1,882.71 |
| Security deposit payable | 1,124.08 | 626.94 |
| Interest accrued and due | 4.22 | 3.15 |
| Interest accrued but not due | 165.01 | 183.70 |
| Retention money payable | 1,204.98 | 1,040.89 |
| Reimbursement expenses | 39.33 | 33.65 |
| Employees dues payable | 4,227.29 | 3,681.74 |
| Other financial liabilities | 29.18 | 1,214.95 |
| | **18,913.71** | **16,303.98** |

### Break up of financial liabilities carried at amortised cost

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Borrowings (Non current) (Note No. 13A) | 43,932.49 | 48,620.90 |
| Borrowings (Current) (Note No. 13A) | 2,457.37 | 4,691.61 |
| Trade payables (Note No. 13B) | 24,241.27 | 23,139.18 |
| Other financial liabilities (non current) (Note No. 13C) | 18,853.43 | 17,680.54 |
| Other financial liabilities (current) (Note No. 13C) | 18,913.71 | 16,303.98 |
| **Total of financial liabilities carried at amortized cost** | **1,08,398.27** | **1,10,436.21** |

## 14. DEFERRED TAX LIABILITIES (NET)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Deferred tax liabilities (net) | 519.09 | 1,979.05 |
| | **519.09** | **1,979.05** |

## 15. LIABILITIES FOR CURRENT TAX (NET)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Provision for taxes (net of advance tax) | 4,786.92 | 3,874.28 |
| | **4,786.92** | **3,874.28** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 16. PROVISIONS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| Provision for employee benefits | | |
| - Gratuity (Refer note 32 for Ind AS 19 disclosure) | 1,087.38 | 783.88 |
| - Compensated absences | 202.95 | 64.36 |
| Other provisions | | |
| - Provision for replacement of assets under service concession (refer note 38) | 26,796.10 | 21,875.55 |
| - Provision for capping (refer note 38) | 1,909.28 | 3,061.72 |
| - Provision for post closure (refer note 38) | 2,573.72 | 1,979.26 |
| | **32,569.43** | **27,764.77** |
| **Current** | | |
| Provision for employee benefits | | |
| - Gratuity (Refer note 32 for Ind AS19 disclosure) | 1,134.14 | 367.14 |
| - Compensated absences | 1,044.33 | 557.71 |
| Other provisions | | |
| - Provision for capping obligation (refer note 38) | 6,166.42 | 2,478.12 |
| - Provision for incineration (refer note 38) | 579.07 | 423.72 |
| - Provision for replacement of assets under SCA (refer note 38) | 5,012.99 | 4,165.87 |
| | **13,936.95** | **7,992.56** |

## 17. GOVERNMENT GRANTS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Non current** | | |
| **Opening balance** | 1,554.09 | 1,697.44 |
| Received during the year | 1,481.19 | - |
| Released to the statement of profit and loss | (140.39) | (143.35) |
| **Closing balance** | **2,894.89** | **1,554.09** |

## 18. OTHER LIABILITIES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Current | | |
| Contract Liability | | |
| - Advances from customers | 5,148.66 | 3,326.77 |
| - Deferred income | 1.71 | 156.45 |
| - Unearned revenue | 339.74 | 902.56 |
| Statutory dues payables | 3,062.37 | 2,848.58 |
| Other liabilities | 2,188.57 | 2,766.15 |
| | **10,741.04** | **10,000.50** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 19. REVENUE FROM OPERATIONS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Rendering of services** | | |
| - Revenue from waste disposal activities | 1,37,090.67 | 1,14,830.79 |
| - Revenue from commercial and conservancy services | 35,321.33 | 39,027.52 |
| - Revenue from consultancy and other services | 11,625.38 | 11,747.73 |
| - Revenue from service concession activity | 34,972.60 | 28,520.45 |
| - Revenue from turnkey contracts | 18,218.03 | 16,335.12 |
| **Sale of goods** | | |
| - Revenue from power generation | 8,506.23 | 7,855.78 |
| - Revenue from sale of goods | 445.68 | 1,388.38 |
| - Revenue from trading of recyclable materials | - | 284.95 |
| **Other operating revenues** | | |
| - Other operating revenues | 659.30 | 1,138.40 |
| | **2,46,839.22** | **2,21,129.12** |

## 20. OTHER INCOME

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Interest income on | | |
| - Inter Coporate Deposits to related party | 95.47 | 1,603.67 |
| - Bank and other deposits | 987.03 | 542.95 |
| - Interest income (using the effective interest method) | 1,818.35 | 1,978.56 |
| - Others | 207.35 | 344.64 |
| Apportionment of government grants | 140.39 | 143.35 |
| Net gain on sale of property, plant and equipment | - | 836.37 |
| Government grants received | 35.09 | - |
| Liabilities no longer required written back | 1,642.49 | 196.38 |
| Foreign exchange gain (net) | 198.29 | 3.27 |
| Gain on sale of Investments | 708.70 | 344.41 |
| Other non-operating income | 325.51 | 1,333.42 |
| Insurance claims | 192.55 | - |
| | **6,351.22** | **7,327.02** |

## 21. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Opening stock at the beginning of the year | | |
| Add: purchases | | |
| Inventory at the beginning of the year | 2,735.03 | 2,169.63 |
| Add: Purchases | 23,935.07 | 19,612.90 |
| Less: inventory at the end of the year | (3,362.50) | (2,735.03) |
| **Cost of raw material and components consumed** | **23,307.60** | **19,047.50** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 22. CONSTRUCTION EXPENSES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Construction cost on service concession activity | 32,791.20 | 27,942.58 |
| | **32,791.20** | **27,942.58** |

## 23. EMPLOYEE BENEFIT EXPENSE

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Salaries, allowances and wages | 23,957.80 | 19,006.52 |
| Contribution to provident fund and other funds | 2,151.65 | 1,617.73 |
| Gratuity expense | 563.37 | 360.95 |
| Staff welfare expenses | 1,261.99 | 1,072.11 |
| Share-based Payment expense (refer note 33) | 1,581.17 | - |
| | **29,515.98** | **22,057.31** |

## 24. FINANCE COSTS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Interest on debt and borrowings | 6,162.15 | 7,967.27 |
| Interest expenses (using the effective interest method) | 6,480.10 | 4,040.00 |
| Interest others | 240.01 | 1,027.11 |
| Other borrowing cost | 334.97 | 834.21 |
| | **13,217.23** | **13,868.59** |

## 25. DEPRECIATION AND AMORTIZATION EXPENSE

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Depreciation of property plant and equipment (note 3A) | 6,672.84 | 10,182.07 |
| Amortization of intangible assets (note 5B) | 8,857.21 | 8,375.71 |
| Depreciation of Right-of-use assets (note 36) | 2,038.53 | - |
| | **17,568.58** | **18,557.78** |

## 26. OTHER EXPENSES

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Consumption of stores and spares | | |
| Sub contract expenses | 6,221.74 | 7,992.05 |
| Labour contract charges | 37,020.63 | 31,734.12 |
| Lab Maintenance Expenses | 1.55 | - |
| Development of waste disposal facilities | 119.12 | - |
| Licence fees | 4,033.88 | 4,914.28 |
| Power and fuel | 11,014.71 | 10,996.39 |
| Vehicle maintenance | 452.17 | - |
| Transport charges | 8,092.66 | 8,165.54 |
| Repairs and maintenance | | |
| - Plant and machinery | 2,905.67 | 4,383.00 |
| - Vehicle | 1,266.70 | 1,556.98 |
| - Others | 1,361.44 | 1,364.95 |
| Revenue sharing expenses | 288.42 | 248.10 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Analysis Charges | 121.44 | 357.81 |
| Royalty | 40.51 | - |
| Hire charges | 5,676.55 | 5,745.85 |
| Capping for land fill (refer note no. 38) | 1,532.41 | 1,521.25 |
| Incineration expenses (refer note 38) | 1,678.14 | 1,060.64 |
| Post closure maintenance expenses (refer note 38) | 337.13 | 370.83 |
| Security charges | 1,305.33 | 940.98 |
| Legal and professional charges | 3,259.13 | 7,933.47 |
| Payment to auditors (refer details below) | 210.94 | 316.33 |
| Travelling and conveyance | 1,373.41 | 1,080.91 |
| Rent | 482.49 | 1,209.61 |
| Rates and taxes | 1,224.40 | 1,414.60 |
| Insurance | 1,456.96 | 646.48 |
| Donations | 4.66 | 9.16 |
| Advertisement and business promotion | 223.40 | 230.71 |
| Communication expenses | 471.85 | 206.22 |
| Printing and stationary | 173.91 | 157.21 |
| Office maintenance | 253.46 | 315.51 |
| Tender documents and charges | 5.22 | - |
| Bad debts / advances written off | 134.35 | 98.44 |
| Foreign exchange gain/loss net | 208.93 | 722.22 |
| Loss on sale of fixed assets (net) | 9.81 | - |
| Provision for doubtful trade receivables and advances | 4,027.82 | 3,995.64 |
| CSR Expenditure | 578.67 | 486.70 |
| Miscellaneous expenses | 1,252.23 | 825.45 |
| Customer recoveries | 79.97 | - |
| | **98,901.81** | **1,01,001.43** |

### Payment to auditors (including indirect taxes as applicable)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **As auditor:** | | |
| Statutory audit fee | 209.00 | 314.55 |
| Reimbursement of expenses | 1.94 | 1.78 |
| | **210.94** | **316.33** |

### Details of CSR expenditure

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| a) Gross amount required to be spent by the company during the year | 583.33 | 404.10 |
| b) Amount spent during the year ending on March 31, 2020 | | |
| i) Construction/ acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 583.33 | 486.70 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 27. COMPONENTS OF OTHER COMPREHENSIVE INCOME

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

### During the year ended 31 March 2020

| | Retained earnings | Total |
|---|---|---|
| **Items that will not be reclassified to profit or loss** | | |
| Re-measurement gains/ (losses) on defined benefit plans | (504.48) | (504.48) |
| Reclassified to statement of profit or loss | | |
| Foreign exchange translation difference | | |
| Deferred tax on remeasured gain/(loss) | 132.58 | 132.58 |
| | **(371.90)** | **(371.90)** |

### During the year ended 31 March 2019

| | Retained earnings | Total |
|---|---|---|
| Items that may be reclassified to profit or loss | | |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | (1.33) | (1.33) |
| Income tax effect | 0.27 | 0.27 |
| **Items that will not be reclassified to profit or loss** | | |
| Re-measurement gains/ (losses) on defined benefit plans | (89.68) | (89.68) |
| Deferred tax on remeasured gain/(loss) | 24.99 | 24.99 |
| | **(65.75)** | **(65.75)** |

## 28. EXCEPTIONAL ITEMS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Advances written off | - | 1,177.12 |
| Retention money and Earnest money written off | - | 702.52 |
| Goodwill Written off | - | 510.00 |
| CWIP provided/reversal of provision | - | (215.00) |
| Loss on sale of assets held for sale (refer note 48) | - | 3,631.73 |
| Liabilities no longer required written back | - | (223.48) |
| Amount paid under LDRS scheme | 6,299.93 | - |
| | **6,299.93** | **5,582.89** |

During the previous year, management had performed the assessment of recoverability and had made the requried write offs/provision as stated above.

Pursuant to Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) notified by Government of India, the Company decided to settle all ongoing disputes relating to the erstwhile Service Tax and Central Excise Acts. Accordingly, the Company has paid an amount of ₹ 6,299.93 and discharged tax as per the scheme and settled all pending matters under service tax. This has been disclosed as an exceptional item.

## 29. INCOME TAX

The major components of income tax expenses for the year ended 31 March 2020 and 31 March 2019 are as follows:

### Profit or loss section

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Current tax expense | 8,218.96 | 10,220.35 |
| Adjustments in respect of current income tax of previous year | (143.74) | 1,069.77 |
| Deferred tax: | (1,899.91) | (6,198.33) |
| **Income tax expense reported in the statement of profit or loss** | **6,175.31** | **5,091.79** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### Profit or loss section

**Deferred tax related to items recognised in OCI during in the year:**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Net (gain) on remeasurement of defined benefit plans | 132.58 | 24.99 |
| Share of associates and joint ventures accounted for using the equity method | - | 0.27 |
| **Income tax charged to OCI** | **132.58** | **25.26** |

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Accounting profit before tax | 31,225.46 | 20,599.67 |
| At India's statutory income tax rate of 29.12% (31 March 2019: 34.94%) | 9,092.85 | 7,197.52 |
| Adjustments in respect of current income tax of previous years | (143.74) | 1,069.77 |
| Items which are not tax deductible for computing taxable income | 425.06 | 3,657.95 |
| Effect of changes in tax rate | 396.98 | (224.45) |
| Interest on Income tax | 10.63 | 22.74 |
| Items which are not tax taxable for computing taxable income | (3,140.75) | (5,863.80) |
| MAT credit entitlement | (10.98) | (153.33) |
| Tax on current year losses carried forwarded to future years | - | (3.61) |
| Deferred tax liability written off | 15.99 | - |
| Deduction allowed under Income tax - Depreciation | - | (266.06) |
| Impact of government grant | 4.16 | 484.86 |
| Effect of defered tax relating to previous periods | 267.89 | (910.93) |
| Others | (742.78) | 81.13 |
| **Income tax expense reported in the statement of profit and loss** | **6,175.31** | **5,091.79** |

### Deferred tax

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Deferred tax assets (net) | 13,986.09 | 13,409.56 |
| Deferred tax liability (net) | (519.09) | (1,979.05) |
| **Net Deferred tax assets** | **13,467.00** | **11,430.51** |

**Deferred tax (liabilities) /assets in relation to:**

| 2019-20 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | MAT Credit entitlement /(utilisation) | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax (liabilities) /assets in relation to:** | | | | | |
| MAT Credit | 5,223.64 | - | - | 1,793.46 | 7,017.10 |
| Disallowances under Income Tax Act, 1961, allowed on payment basis | 525.16 | (40.37) | 122.48 | - | 607.27 |
| Unabsorbed depreciation and carried forward losses | 253.28 | 1,627.81 | - | - | 1,881.09 |
| Provision for replacment | 1,792.76 | 238.28 | - | - | 2,031.04 |
| Provision for capping and post closure | (1,379.76) | (728.80) | - | - | (2,108.56) |
| Provision for doubtful debts and advances | 1,885.78 | 806.19 | - | - | 2,691.97 |
| Property, plant and equipment and intangible assets | 3,714.44 | (1,936.05) | - | - | 1,778.39 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| 2019-20 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | MAT Credit entitlement /(utilisation) | Closing balance |
|---|---|---|---|---|---|
| Financial assets at FVTPL | (951.02) | (346.48) | - | - | (1,297.50) |
| Processing charges amortisation | (70.59) | 16.43 | - | - | (54.16) |
| Deferred Tax on unrealised profits- Associate/ Joint venture | (259.58) | - | - | - | (259.58) |
| Deferred tax on compulsory convertible debentures and cumulative convertible redeemable preference shares | 148.77 | 192.54 | - | - | 341.31 |
| Interest Unwinding on Security Deposits Payable/investment in debenture | 285.80 | 44.93 | - | - | 330.73 |
| Others | 265.84 | 231.98 | 10.10 | - | 507.92 |
| | **11,434.52** | **106.45** | **132.58** | **1,793.46** | **13,467.00** |

### Deferred tax (liabilities) /assets in relation to:

| 2018-19 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income" | MAT Credit entitlement / (utilisation) | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax (liabilities) /assets in relation to:** | | | | | |
| MAT Credit | 3,973.40 | - | - | 1,250.24 | 5,223.64 |
| Disallowances under Income Tax Act, 1961, allowed on payment basis | 444.83 | 67.98 | 12.35 | - | 525.16 |
| Unabsorbed depreciation and carried forward losses | (467.91) | 721.19 | - | - | 253.28 |
| Provision for replacment | 4,580.58 | (2,787.82) | - | - | 1,792.76 |
| Provision for capping and post closure | (504.38) | (875.38) | - | - | (1,379.76) |
| Provision for doubtful debts and advances | 953.44 | 932.34 | - | - | 1,885.78 |
| Property, plant and equipment and intangible assets | (3,017.10) | 6,731.54 | - | - | 3,714.44 |
| Financial assets at FVTPL | (377.15) | (573.87) | - | - | (951.02) |
| Processing charges amortisation | (52.63) | (17.96) | - | - | (70.59) |
| Deferred Tax on unrealised profits- Associate/ Joint venture | (259.85) | - | 0.27 | | (259.58) |
| Deferred tax on compulsory convertible debentures and cumulative convertible redeemable preference shares | - | 148.77 | - | - | 148.77 |
| Interest Unwinding on Security Deposits Payable/investment in debenture | - | 285.80 | - | - | 285.80 |
| Others | 12.40 | 315.50 | 12.64 | (74.70) | 265.84 |
| | **5,285.63** | **4,948.09** | **25.26** | **1,175.54** | **11,434.52** |

## 30. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Profit attributable to the equity holders of the parent (before exceptional items) | 29,806.13 | 19,835.04 |
| Profit attributable to the equity holders of the parent (after exceptional items) | 25,340.74 | 16,202.81 |
| Weighted average number of equity shares in calculating basic EPS (lakhs) | 41.77 | 41.77 |
| Weighted average number of equity shares in calculating diluted EPS (lakhs) | 62.33 | 44.65 |
| Earnings per equity share computed on the basis of profit before exceptional items attributable to equity holders of the parent | | |
| Basic earnings per share | 713.50 | 474.81 |
| Diluted earnings per share | 478.20 | 444.28 |
| Earnings per equity share computed on the basis of profit after exceptional items attributable to equity holders of the parent | | |
| Basic earnings per share | 606.61 | 387.86 |
| Diluted earnings per share | 406.56 | 362.92 |

## 31. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

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

### Judgements

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

**a. Revenue from contracts with customers**

The company provides waste management services to its customers and has certain performance obligations attached to their services such as capping and post closure obligations. The company believes that these obligations are not separate performance obligations as they are required to be perfomed due to laws governing waste management and are not capable of being distinct from the most management service.

**b. Recognition of Concession Agreement as an Intangible Asset and Financial Asset**

**i) Basis of accounting for the service concession**

Management has assessed the applicability of Appendix C to Ind AS 115 Service Concession Arrangements to the concession agreement and hence has applied it in accounting for the concession.

As per the agreement with the municipal authorities, the construction and operations of facility shall be recovered by the Company in form of tipping fees received from municipal authorities (Intangible asset).

Disclosures for Service Concession Arrangement as prescribed under Appendix D to Ind AS 115. Disclosure have been incorporated into the financial statements.

**ii) Significant assumptions in accounting for the intangible asset**

The Group has recognised intangible asset with a construction margin based on sensitivity analysis of companies with business in similar construction activities.

**c. Leases (Ind AS 116)**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of building with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 36 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

(i) Provision for capping and post closure

Provision for capping requires an evaluation of the cost of protective capping of the active landfills in which waste is dumped. The provision recorded in the statement of financial statement at year-end is derived on the basis of estimated cost for capping the landfill, proportionate to the capacity of landfill utilised till the end of the year. The significant estimates involved include capping cost in respect of the total expected waste capacity of the landfill that requires, the time period during which these cost would actually be paid, inflation rate and the discount rate applied.

Further, to ensure that there is no negative impact on the environment due to waste disposal, the Group is required to perform certain post closure monitoring activities for a period ranging from 15-30 years after the estimated operating period (10-25 years). The provision for post closure monitoring at the end of each year is calculated based on the estimated aggregate costs to be incurred during the post closure period proportionate to the capacity of site utilized till the end of the year. The significant estimates involved include post monitoring cost in respect of the total expected waste during the operating period, the time period during which these cost would actually be paid, inflation rate and the discount rate applied.

The estimates for projected capping and post closure monitoring are developed using inputs from the Group's engineers, accountants and are reviewed by management at regular intervals.

(ii) Provision for incinerations:

Provision for incinerations recorded in the balance sheet as at the year-end is derived on the basis of estimated cost of treating the incinerable waste in the facility. Such an estimate is made on the basis of average actual per tonne cost incurred by the Group.

(iii) Provision for replacements

Provision for replacements recorded in the balance sheet. Such an estimate is made on the basis of cost to be incurred by the Group.

(iv) Estimates related to service concession arrangement

The Group has recognised applicable construction margin on intangible assets under service concession arrangement. Management has estimated such margin based on sensitivity analysis of similar construction contracts.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(v) Estimates of outcomes of indemnity events

The Group has estimated the outcomes of each of the indemnity events specified in SSPA (refer note 51) taking into account the probability of their occurrence and underlying factors.

(vi) Taxes

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

(vii) Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

(viii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(ix) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(x) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses Black Scholes Option valuation model for time based options and Binomial option model for performance based options.The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 32. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

### (a) Defined contribution plan

The following amount recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Contribution to provident fund and other funds recognised as expense in the statement of profit and loss | 2,151.65 | 1,617.73 |

### (b) Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The following table's summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

**Statement of profit and loss**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Net employee benefit expense recognised in the employee cost** | | |
| Current service cost | 454.32 | 293.41 |
| Past service cost | 27.76 | 4.75 |
| Interest cost on defined benefit obligation | 120.90 | 100.15 |
| Interest income on plan asset | (39.61) | (37.36) |
| **Net benefit expense** | **563.37** | **360.95** |
| **Re measurement during the period/year due to :** | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 38.82 | 62.13 |
| Actuarial loss / (gain) arising from change in demographic assumptions | 61.07 | (81.35) |
| Actuarial loss / (gain) arising on account of experience changes | 403.02 | 98.91 |
| Return on plan assets excluding interest income | 1.57 | 9.99 |
| **Amount recognised in OCI outside profit and loss statement** | **504.48** | **89.68** |
| **Balance Sheet:** | | |
| **Reconciliation of net liability / asset** | | |
| Closing Present Value of Defined Benefit Obligation | 2,755.59 | 1,691.05 |
| Closing Fair Value of Plan Assets | 534.07 | 540.03 |
| **Closing net defined benefit liability** | **2,221.52** | **1,151.02** |
| **Changes in the present value of the defined benefit obligation are as follows:** | | |
| Opening defined benefit obligation | 1,691.05 | 1,285.46 |
| Current service cost | 458.88 | 293.41 |
| Interest cost | 120.94 | 100.15 |
| Past service cost | 46.73 | 4.75 |
| Increase /(Decrease) due to effect of any business combination | 22.96 | - |
| Re measurement during the period due to : | | |
| Actuarial loss/(gain) arising from change in financial Assumptions | 38.61 | 62.13 |
| Actuarial loss/(gain) arising from change in demographic Assumptions | 61.80 | (81.35) |
| Actuarial loss/(gain) arising on account of experience Changes | 410.33 | 98.91 |
| Benefits paid | (95.72) | (72.41) |
| **Closing defined benefit obligation** | **2,755.59** | **1,691.05** |
| **Net liability is bifurcated as follows :** | | |
| Current | 1,134.14 | 367.14 |
| Non-current | 1,087.38 | 783.88 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Net liability (net of plan assets) | **2,221.52** | **1,151.02** |
| **Changes in Fair Value of Plan Assets** | | |
| Opening Fair Value of Plan Assets | 540.03 | 474.37 |
| Interest income on Plan Assets | 39.61 | 37.36 |
| Employer Contributions | 1.76 | 97.80 |
| Benefits paid | (46.67) | (59.51) |
| Remeasurements - Return on Assets (Excluding Interest Income) | 1.68 | (9.99) |
| Others( employee contributions, taxes and expenses) | (2.34) | - |
| **Closing Fair Value of Plan Assets** | **534.07** | **540.03** |

**The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Discount rate (p.a.) | 6.76% | 7.60% |
| Salary escalation rate (p.a.) | 8.00% | 8.72% |
| Mortality Rate (as % of IALM (2006-08) (Mod.) Ult. Mortality Table) | 100.00% | 100.00% |
| Disability Rate | 0.00% | 0.22% |
| With drawl rate | 17.28% | 22.40% |
| Normal Retirement age | 60 Years | 60 Years |
| Adjutsed Average future service | 25.74 | 25.72 |
| **A quantitative analysis for significant assumptions is as shown below:** | | |
| **Assumptions - Discount rate** | | |
| Sensitivity Level (a hypothetical increase/(decrease) by) | | |
| Impact of Increase in 100 bps on defined benefit obligation | 2,647.12 | 1,612.41 |
| Impact of Decrease in 100 bps on defined benefit obligation | 2,876.93 | 1,794.87 |
| **Assumptions - Salary Escalation rate** | | |
| Sensitivity Level | | |
| Impact on defined benefit obligation | | |
| Impact of Increase in 100 bps on defined benefit obligation | 2,844.76 | 1,797.40 |
| Impact of Decrease in 100 bps on defined benefit obligation | 2,674.94 | 1,608.12 |
| **Assumptions - Withdrawl rates** | | |
| Sensitivity Level (a hypothetical increase/(decrease) by) | | |
| Impact of Increase in 100 bps on defined benefit obligation | 2,741.42 | 1,682.51 |
| Impact of Decrease in 100 bps on defined benefit obligation | 2,771.12 | 1,702.84 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**The following payments are expected contributions to the defined benefit plan in future years:**

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Estimated future contribution | 582.33 | 535.00 |
| **Expected future benefit payments** | | |
| Within the next 12 months (next annual reporting period) | 1,134.14 | 317.95 |
| Between 2 and 5 years | 907.79 | 753.06 |
| Between 6 and 10 years | 761.92 | 615.01 |
| **Total expected payments** | **2,803.85** | **1,686.02** |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period (based on discounted cash flows) is 9.38 years

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 33. SHARE-BASED PAYMENTS

### Share Option Plan for Key Employees

Under the 2019 Share Option Plan for Key employees , the management has authorised the Nomination and Remuneration Committee to grant share options to directors and certain identified eligible employees of the Company and its subsidiaries. This scheme is further divided into Plan I and Plan II.

**The vesting of the share options under Plan I and Plan II is based on below:**

**Plan I**

a. Time based vesting for 40% of the total options with 20% options vesting each year for 5 years - on May 1, 2020 (for the first tranche 20% of the time options), and subsequently, on April 1st each year, for the remaining four tranches of 20% of the time options.

b. Performance based vesting for 60% of the total options and 20% of such options vest each year (over 5 years) on achievement of agreed Profit Before Tax ('PBT') performance of the Company, on a consolidated basis, with opportunity to catch up in 2 (two) subsequent years, if the performance target is not met in any given year. In all cases, no option will vest prior to (i) the first anniversary of the grant date or (ii) May 1, 2020, whichever is later.

**Plan II**

The share options under Plan II shall vest on the completion of 1 (one) Year from the Grant Date.

The fair value of share options granted is estimated at the date of grant date using Black Scholes Option valuation model for time based options and Binomial option model for performance based options, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Exercise price per Share of an option under Plan II shall mean the face value of the Shares on the Grant Date.

The contractual term of the share options is five years and there are no cash settlement alternatives for the employees.

The expense recognised for employee services received during the year is shown in the following table:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 1,581.17 | - |
| **Total** | **1,581.17** | **-** |

There were no cancellations or modifications to the awards in year ending 31 March 2020.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

**Plan I**

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number | WAEP | Number | WAEP |
| Outstanding at 01 April 2019 | - | - | - | - |
| Granted during the year | 66,255 | 0.14 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at 31 March 2020 | 66,255 | 0.14 | - | - |
| Exercisable at 31 March 2020 | **-** | **-** | **-** | **-** |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Plan II**

| PARTICULARS | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Number | WAEP* | Number | WAEP |
| Outstanding at 01 April 2019 | - | - | - | - |
| Granted during the year | 4,893 | 0.00 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at 31 March 2020 | 4,893 | 0.00 | - | - |
| Exercisable at 31 March 2020 | - | - | - | - |

** Nil due to rounding off to nearest lakhs*

*The weighted average remaining contractual life for the share options outstanding as at 31 March 2020 was 5 years (31 March 2019: Nil).*

*The weighted average fair value of options granted during the year was ₹0.12 (31 March 2019: INR Nil).*

The following tables list the inputs to the models used for plan I for the years ended 31 March 2020 and 31 March 2019, respectively

| PARTICULARS | 31 March 2020 | | | 31 March 2019 | |
|---|---|---|---|---|---|
| | Plan I (Tranche 1)- Time based | Plan I (Tranche 2)- Time based | Plan I (Performance based) | Plan I | Plan II |
| Dividend yield (%) | - | - | - | - | - |
| Expected volatility (%) | 37.5% | 36.5% | 37.5% | - | - |
| Risk–free interest rate (%) | 7.20% | 6.10% | 7.20% | - | - |
| Expected life of share options/ SARs (years) | 5.00 | 4.50 | 5.00 | - | - |
| Weighted average share price (INR ) | 0.05 | 0.06 | 0.02 | - | - |
| Model used | Black Scholes Option Pricing Model | Black Scholes Option Pricing Model | Binomial option-pricing model | - | - |

The following tables list the inputs to the models used for plan II for the years ended 31 March 2020 and March 31, 2019, respectively

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| | Plan II | Plan II |
| Dividend yield (%) | - | - |
| Expected volatility (%) | 37.5% | - |
| Risk–free interest rate (%) | 7.20% | - |
| Expected life of share options/SARs (years) | 5.00 | - |
| Weighted average share price (INR ) | 0.12 | - |
| Model used | Black-Scholes Option-Pricing Model | - |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 34. GROUP INFORMATION

### Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries, joint controlled entity and associates listed in the table below:

| Name | Country of Incorporation | % equity interest 31 March, 2020 | % equity interest 31 March, 2019 |
|---|---|---|---|
| **Subsidiaries and step down subsidiaries:** | | | |
| Tamilnadu Waste Management Limited | India | 100% | 100% |
| Ramky Reclamation and Recycling Limited | India | 100% | 100% |
| Pro Enviro Recycling Private Limited (Subsidiary of Ramky Reclamation and Recycling Limited) | India | 51% | 51% |
| Deccan Recyclers Private Limited (Subsidiary of Ramky Reclamation and Recycling Limited) | India | 100% | 100% |
| Ramky ARM Recycling Private Limited (Subsidiary of Ramky Reclamation and Recycling Limited) | India | 51% | 51% |
| Ramky MSW Private Limited | India | 100% | 100% |
| Katni MSW Management Private Limited (Subsidiary of Ramky MSW Private Limited) | India | 100% | 100% |
| Saagar MSW Solutions Private Limited (Subsidiary of Ramky MSW Private Limited) | India | 100% | 100% |
| Ramky IWM Private Limited | India | 100% | 100% |
| Hyderabad Integrated MSW Limited | India | 100% | 100% |
| West Bengal Waste Management Limited | India | 97% | 97% |
| Mumbai Waste Management Limited (refer note: a) | India | 100% | 100% |
| Bio Medical Waste Treatment Plant Private Limited (Subsidiary of Mumbai Waste Management Limited) | India | 55% | 55% |
| Delhi MSW Solutions Limited (refer note: b) | India | 100.00% | 100.00% |
| Hyderabad C&D Waste Private Limited (Subsidiary of Delhi MSW Solutions Limited) | India | 100% | 100% |
| Pro Enviro C&D Waste Management Private Limited (refer note. e) (Subsidiary of Delhi MSW Solutions Limited) | India | 49% | 49% |
| Visakha Solvents Limited | India | 51% | 51% |
| Ramky E-waste Management Limited | India | 100% | 100% |
| Ramky International (Singapore) Pte. Ltd | Singapore | 100% | 100% |
| Ramky Cleantech Services Pte. Ltd (Subsidiary to Ramky International (Singapore) Pte. Ltd) | Singapore | 74% | 74% |
| Ramky Cleantech Services (Philippines) Pte. Ltd (Subsidiary to Ramky Cleantech Services Pte Ltd) | Singapore | 100% | 100% |
| Ramky Cleantech Services (China) Pte. Ltd (Subsidiary to Ramky Cleantech Services Pte. Ltd) | Singapore | 100% | 100% |
| Delhi Cleantech Services Private Limited | India | 100% | 100% |
| RVAC Private Limited (Subsidiary to Ramky International (Singapore) Pte. Ltd) | Singapore | 98.56% | 98.56% |
| PT Ramky Indonesia (Subsidiary to Ramky International (Singapore) Pte. Ltd) | Indonesia | 100% | 100% |
| Ramky Environmental Technology (Shenzhen) Co. Ltd (Subsidiary to Ramky International (Singapore) Pte. Ltd) | China | 100% | 100% |
| Ramky International (India) Pte. Ltd (Subsidiary to Ramky International (Singapore) Pte. Ltd) | Singapore | 100% | 100% |
| Medicare Environmental Management Private Limited (refer note: c) (Subsidiary to Ramky International (India) Pte. Ltd) | India | 100% | 100% |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| Name | Country of Incorporation | % equity interest | |
|---|---|---|---|
| | | 31 March, 2020 | 31 March, 2019 |
| Ramky Energy and Environment Limited (Subsidiary to Medicare Environmental Management Private Limited) | India | 100% | 100% |
| Ramky Solutions Pte. Ltd. (Subsidiary to Ramky International (Singapore) Pte. Ltd) | Singapore | 100% | 100% |
| Ramky Enviro Engineers Middle East FZ LLC | UAE | 100% | 100% |
| Hyderabad MSW Energy Solutions Private Limited | India | 100% | 100% |
| Pithampur Industrial Waste Management Private Limited | India | 100% | 100% |
| Ramky Enviro Services Private Limited | India | 100% | 100% |
| Maridi Bio Industries Private Limited | India | 100% | 100% |
| B & G Solar Private Limited | India | 51% | 51% |
| Ramky Al-Turki Environmental Services (Limited Liability Company) (formerly known as Ramky RISAL Environmental Services) (refer note f) | Saudi Arabia | 0% | 70% |
| Chennai MSW Private Limited | India | 100% | 100% |
| Jodhpur MSW Private Limited | India | 100% | 100% |
| Dehradun Waste Management Private Limited | India | 100% | 100% |
| Chhattisgarh Energy Consortium (India) Private Limited (refer note 48) | India | 51% | 51% |
| Adityapur Waste Management Private Limited | India | 100% | 100% |
| REWA MSW Holdings Limited (refer note.d) | India | 100% | 100% |
| REWA MSW Management Solutions Limited (Subsidiary of REWA MSW Holdings Limited) | India | 100% | 100% |
| REWA Waste 2 Energy Projects Limited (Subsidiary of REWA MSW Holdings Limited) | India | 100% | 100% |
| Ramky-Royal Building Maintenance and Services Inc (Subsidiary of Ramky Cleantech Services (Philippines) Pte. Ltd) | Philippines | 51% | 51% |
| Dhanbad Integrated MSW Limited (subsidiary of Delhi MSW Solutions Limited) | India | 100% | 100% |
| Dhanbad Integrated Waste 2 Energy Private Limited (Subsidiary of REWA MSW Holdings Limited) | India | 100% | 100% |
| | | | |
| Jointly Controlled Entities | | | |
| Al Ahlia Environmental Services Co LLC | Oman | 50% | 50% |
| Associate: | | | |
| Al Ahlia Waste Treatment LLC | UAE | 49% | 49% |
| Ramky Al-Turki Environmental Services (Limited Liability Company) (formerly known as Ramky RISAL Environmental Services) (refer note f) | Saudi Arabia | 49% | 0% |
| Vilholi Waste Management System Private Limited | India | 26% | 26% |
| FARZ LLC | India | 25% | 25% |

*Notes:*

*a) Including 26% held by Ramky IWM Private Limited, a wholly owned subsidiary of Ramky Enviro Engineers Limited.*

*b) Including 49% held by Mumbai Waste Management Limited.*

*c) Including 49% held by Ramky IWM Private Limited and 51% by Ramky International (India) Pte. Ltd.*

*d) 51%, 26% and 23% held by Chennai MSW Private Limited, Delhi MSW Solutions Limited and Mumbai Waste Management Limited respectively.*

*e) The group has control over its relevant activites and hence classified as a subsidiary.*

*f) During the year, company had sold 21% of its stake.*

*Entity with control over the Group*

*Metropolis Investments Holdings Pte Ltd owns 59.50% of the equity shares in Ramky Enviro Engineers Limited (31 March 2019: 59.50%).*

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 35. RELATED PARTY TRANSACTIONS

### (a) Nature of relationship and names of related parties

| Nature of relationship | Name of related parties |
|---|---|
| i) Jointly Controlled Entity | Al Ahlia Environmental Services Co. LLC |
| | Al Ahlia Waste Treatment LLC |
| | Oman Maritime Waste Treatment Saoc |
| ii) Associates | Regecy Yamuna Energy Limited (till 29.01.2019) |
| | Vilholi Waste Management System Private Limited |
| | Maridi Eco Industries Private Limited (till 29.01.2019) |
| | FARZ LLC |
| | Ramky Al-Turki Environmental Services |
| iii) Entities controlled by persons having control/significant influence over Group | Ramky Infrastructure Limited |
| | Ramky Estates and Farms Limited |
| | Ramky Pharma City (India) Limited |
| | Ramky Towers Limited |
| | Ramky Foundation |
| | Smilax Laboratories Limited |
| | Frank Lloyd Tech Management Services Limited |
| | Oxford Ayyappa Consulting Services (India) Pvt Ltd |
| | Abhiram Infra Projects Private Limited |
| | KKR Capstone India Operations Advisory Private Limited |
| iv) Group Companies and Companies/ Firms/Other concerns in which Key management personal are interested | Ramky Integrated Township Limited |
| | Ramky Signature One Private Limited |
| | Ramky Sriram Properties Pvt Limited |
| | Ramky Engineering and Consulting Services (FZC) |
| | Ramky Elsamex Hyderabad Ring Road Limited |
| | Madhya Pradesh waste Management Private Limited (from 29 January 2019) |
| (v) Promoter/relatives of promoters | Alla Ayodhya Rami Reddy |
| | Alla Dakshani |
| | Alla Dasaratha Rami Reddy |
| | Alla Veeraraghavamma |
| | Alla Sharan |
| | Alla Ishaan |
| | Oxford Ayyappa Consulting Services (India) Private Limited |
| | R.K. Ventures |
| vi) Key Managerial Person | |
| Managing director | M Goutham Reddy |
| Joint Managing Director & CFO | Anil Khandelwal |
| Joint Managing Director | Masood Alam Mallick |
| Company secretary | Govind Singh |

### (b) Transactions with the related parties during the year

| | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---:|---:|
| i) Ramky Infrastructure Limited | Contract revenue | - | - |
| | Material Purchases | 38.90 | - |
| | Revenue from waste disposal | 1,118.23 | 903.15 |
| | Service Income | - | 0.05 |
| | Operational expenses | 66.51 | 73.92 |
| | Development costs | 319.08 | 376.96 |
| | Mobilisation advance given | - | 493.88 |
| | Inter corporate deposit given | - | 4,700.00 |
| | Inter corporate deposit received back | - | 4,871.00 |
| | Interest Income of ICD | - | 190.44 |
| | Expenses incurred on behalf of the group | - | 2.19 |
| | Equity share purchase(Delhi MSW) | - | 0.50 |
| | Capital Advance given | 510.20 | - |
| | Capital Advance received back | 1,937.69 | - |
| | Equity Investment | - | 1.35 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(b) Transactions with the related parties during the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| ii) | Ramky Estates and Farms Limited | Consultancy Income | 22.33 | - |
| | | Intercorporate deposit refunded | - | 1,284.67 |
| | | Rent paid | - | 15.15 |
| | | Operational income | 34.03 | 57.14 |
| | | Interest Income | - | 117.40 |
| | | Rental Income | - | 30.24 |
| | | Interest income on capital advance | - | 98.32 |
| | | Receipts against assets held for sale | - | 436.21 |
| iii) | Ramky Pharma City (India) Limited | Operational expenses | 233.60 | 234.88 |
| | | Purchase of Material | 9.39 | 2.44 |
| | | Lease rentals | 11.09 | 4.22 |
| iv) | Ramky Towers Limited | Intercorporate Deposit granted received back | - | 7,383.86 |
| | | Interest Income received | - | 790.44 |
| | | Contract Revenue | - | 391.56 |
| | | Refund of retention money | - | 1.01 |
| vi) | Ramky Foundation | Donation | 565.77 | 460.68 |
| vii) | Ramky Al-Turki Environmental Services | Investment | 336.14 | - |
| | | Advance given | 39.36 | - |
| viii) | Smilax Laboratories Limited | Purchase of Equity investments | - | 400.00 |
| | | Sale of Equity investments | - | 5,791.74 |
| | | Revenue from waste disposal | 45.69 | 43.19 |
| | | Operational expenses | 46.93 | 17.88 |
| ix) | KKR Capstone India Operations Advisory Private Limited | Consultancy Fee | 502.66 | - |
| x) | Ramky Integrated Township Limited | Consultancy Income | 21.00 | 14.70 |
| xi) | Ramky Elsamex Hyderabad Ring Road Limited | Interest Income received | - | 37.68 |
| | | Intercorporate deposit refunded | - | 367.98 |
| xii) | Frank Lloyd Tech Management Services Limited | Consultancy charges | 176.99 | 168.56 |
| xiii) | Abhiram Infra Projects Private Limited | Intercorporate Deposit repaid | 555.29 | 455.73 |
| | | Interest paid | 24.04 | 91.60 |
| | | Performance guarantees given / (cancelled) | (1,787.60) | (543.90) |
| xiv) | Maridi Eco Industries Private Limited | Revenue from waste disposal | - | 21.67 |
| | | Inter corporate deposit taken | - | 293.84 |
| | | Inter corporate deposit repaid | - | 35.00 |
| | | Interest expense | - | 21.19 |
| | | Inter corporate deposit granted | - | 765.51 |
| | | Inter corporate deposit granted received back | - | 419.62 |
| | | Interest Income received | - | 89.06 |
| xv) | Vilholi Waste Management System Private Limited | Inter corporate deposit given | 46.01 | 43.09 |
| | | Inter corporate deposit received back | - | 13.00 |
| | | Interest Income received | - | 28.37 |
| xvi) | Madhya Pradesh waste Management Private Limited | Inter corporate deposit given | - | 6,528.77 |
| | | Inter corporate deposit received back | - | 6,849.75 |
| | | Interest Income received | - | 356.64 |
| | | Interest expense | - | 1.51 |
| | | Rental Expenses | 77.03 | 12.60 |
| | | Maintenance Expenses | 46.83 | 7.98 |
| | | Advance from customers | - | 614.00 |
| | | Sale of Regency Yamuna Energy Limited equity shares | - | 700.00 |
| | | Sale of Frank Lloyd Tech Management Services Limited equity shares | - | 1.20 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### (b) Transactions with the related parties during the year

| | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| | Sale of Frank Lloyd Tech Management Services Limited preference shares | - | 407.20 |
| | Sale of Limited Maridi Eco Industries Equity shares | - | 403.46 |
| | Sale of Smilax Laboratories Limited Equity shares | - | 5,791.74 |
| | Transfer of Madhucon inter corporate deposit to Madhya Pradesh Waste Management Private Limited | - | 818.15 |
| | Sale of Property, plant and equipment | - | 6,332.92 |
| xvii) Ramky Signature One Private Limited | Revenue from Consultancy services | - | 7.50 |
| xviii) Ramky Srisairam Properties Pvt Limited | Revenue from Consultancy services | 6.15 | 2.25 |
| xix) Oxford Ayyappa Consulting Services (India) Private Limited | Sale of Madhya Pradesh Waste Management Private Limited equity shares | - | 1.00 |
| xx) Evergreen Cleantech Facilities Management India Pvt Limited | Revenue from Sale of goods | 1.13 | - |
| | Development costs | 50.31 | - |
| xxi) FARZ LLC, UAE | Contract revenue | 3,166.21 | 10,119.14 |
| | Intercorporate deposits given | - | 927.75 |
| | Investment | 1,786.45 | - |
| xxii) Al Ahlia Environmental Services Co. LLC, Oman | Contract revenue | 701.29 | - |
| | Interest income on ICD | 22.14 | - |
| | Intercorporate deposits given | 1,138.93 | 568.87 |
| xxiii) Al Ahlia Waste Treatment L.L.C, UAE | Contract revenue | 6,010.37 | 5,524.25 |
| | Intercorporate deposits given | - | 412.72 |
| | Investment | 1,307.10 | - |
| | Advances from customers | 379.45 | 45.29 |
| xxiv) Oma Maritime Waste Treatment, Oman | Contract revenue | 1,166.96 | - |
| xxv) Alla Dakshayanai | Rental Expenses | 169.03 | 74.61 |
| xxvi) Farz LLC | Intercorporate deposits given | - | 471.09 |
| xxvii) Govind Singh | Remuneration* | 12.87 | 12.45 |
| xxviii) M Goutham Reddy | Remuneration* | 281.07 | 143.58 |
| xxix) Anil K Khandelwal | Remuneration* | 243.39 | 124.36 |
| xxx) Masood Alam Mallick | Remuneration* | 873.31 | 55.20 |

** The above remuneration does not include the provision made for ESOP, Gratutity and leave benefits, as they are determined on valuation basis for the Company as a whole.*

### (C) Balance outstanding at the end of the year

| | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| i) Ramky Infrastructure Limited | Trade receivables | 1,383.31 | 156.31 |
| | Advances received from Customers | 12.97 | 0.35 |
| | Mobilisation advance given | - | 686.48 |
| | Development costs payable | - | 62.32 |
| | Trade payables | 38.44 | 21.05 |
| | Capital Advance | - | 1,383.80 |
| | Payable on account of purchase of shares (Delhi MSW) | 0.50 | 0.50 |
| ii) Ramky Estates and Farms Limited | Trade receivables | 65.23 | 16.29 |
| | Advance to supplier | 17.57 | 17.57 |
| | Advances received from Customers | 19.95 | 19.95 |
| iii) Ramky Pharmacity India Limited | Trade payable | 385.40 | 115.81 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(C) Balance outstanding at the end of the year**

| | | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|
| iv) | Evergreen Cleantech Facilities Mgt Pvt Limited | Trade receivables | 1.13 | - |
| | | Capital Advance given | 28.75 | - |
| v) | Smilax Laboratories Limited | Trade receivables | 31.54 | 16.85 |
| | | Trade payables | - | 2.41 |
| | | Advances received from Customers | 0.02 | 0.02 |
| | | Security Deposit received | 5.03 | 5.03 |
| vi) | KKR Capstone India Operations Advisory Private Limited | Trade payables | 148.06 | - |
| vii) | Ramky Integrated Township Limited | Trade receivables | 8.91 | - |
| viii) | Frank Lloyd Tech Management Services Limited | Advance for supply of software or advances given for expenses | - | 69.33 |
| | | Trade payables | 16.33 | 10.17 |
| ix) | Abhiram Infra Projects Private Limited | Intercorporate deposit taken | - | 533.66 |
| | | Performance guarantees given | - | 1,787.60 |
| x) | Maridi Eco Industries Private Limited | Trade receivables | - | 22.79 |
| | | Intercorporate deposit given | - | 554.79 |
| | | Intercorporate deposit taken | - | 293.18 |
| xi) | Vilholi Waste Management System Private Limited | Trade receivables | 71.05 | 71.05 |
| | | Equity investments | 0.26 | 0.26 |
| | | Intercorporate deposit given | 351.32 | 271.96 |
| xii) | Ramky Wavoo Developers Private Limited | Trade receivables | - | 1.52 |
| xiii) | Madhya Pradesh Waste Management Private Limited | Intercorporate deposit taken | 13.48 | 13.48 |
| | | Trade payables | 38.38 | 155.98 |
| | | Advances received from customers | - | 614.00 |
| xiv) | Ramky Signature One Private Limited | Trade receivables | - | 8.10 |
| xv) | Ramky Sriram Properties Private Limited | Trade receivables | 2.19 | 2.43 |
| xvi) | FARZ LLC, UAE | Trade receivables | 471.09 | 1,195.16 |
| | | Retention receivable | 626.42 | - |
| | | Advances received from customers | (18.24) | (1,000.94) |
| | | Contract Assets | 70.29 | 1,587.11 |
| | | Intercorporate deposit given | - | 1,451.06 |
| | | Investments in Associates | 1,817.74 | 31.30 |
| xvii) | Al Ahlia Environmental Services Co. LLC, Oman | Trade receivables | 376.47 | 1,074.74 |
| | | Interest income on ICD | | |
| | | Intercorporate deposit given | 1,953.94 | 727.76 |
| | | Retention receivable | 293.98 | - |
| xviii) | Al Ahlia Waste Treatment L.L.C, UAE | Trade receivables | 1,246.81 | - |
| | | Retention receivable | 299.04 | - |
| | | Investment | 1,307.10 | - |
| | | Other payables | 97.88 | - |
| | | Contract Assets | 1,001.59 | 547.54 |
| | | Advance received from customers | (33.81) | 45.29 |
| | | Intercorporate deposit given | 307.83 | 384.98 |
| xix) | Oma Maritime Waste Treatment, Oman | Contract Assets | 490.11 | - |
| | | Advance from customers | (220.72) | - |
| xx) | Alla Dakshayani | Rent payable | - | 59.58 |
| xxi) | Govind Singh | Remuneration payable | 0.51 | - |
| xxii) | M Goutham Reddy | Remuneration payable | 4.32 | - |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**(C) Balance outstanding at the end of the year**

| | Nature of Transaction | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| xxiii) Anil K Khandelwal | Remuneration payable | 1.61 | - |
| xxiv) Masood Alam Mallick | Remuneration payable | 9.35 | - |
| xxv) Ramky Al-Turki Environmental Services | Investment in Associates | 336.14 | - |
| | Advance given | 39.36 | - |

## 36 LEASES

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

| Particulars | Right-of-use assets | Lease Liabilities |
|---|---|---|
| **As at April 01, 2019** | 4,832.34 | 4,673.69 |
| Additions | 2,003.86 | 2,003.86 |
| Depreciation expense | (2,038.53) | - |
| Interest expense | - | 284.64 |
| Payments | - | (2,289.46) |
| Exchange differences | (46.16) | (48.36) |
| As at March 31, 2020 | 4,751.51 | 4,624.38 |
| Non-current | 4,751.51 | 4,531.26 |
| Currnet | - | 93.12 |

The following are the amounts recognised in profit or loss:

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Depreciation expense of right-of-use assets | 2,038.53 | - |
| Interest expense on lease liabilities | 284.64 | - |
| Rent expense - short-term leases | 482.49 | - |
| **Total amounts recognised in profit or loss** | **2,805.66** | **-** |

## 37. CONTINGENT LIABILITIES AND COMMITMENTS

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **i. Commitments** | | |
| - Commitment towards investment in companies (net of share application money) | - | - |
| - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 8,104.41 | 21,944.89 |
| **ii. Contingent liabilities:** | | |
| Performance Guarantees issued by banks: | | |
| -On behalf of the subsidiaries, step-down subsidiaries and an associate | - | - |
| -On behalf of others | - | 1,787.60 |
| Corporate guarantees to banks against credit facilities extended to: | | |
| - Subsidiaries, step-down subsidiary and jointly controlled entity | 4,606.34 | 2,649.32 |
| **iii. Claims against the Group not acknowledged as debts in respect of:*** | | |
| a) Sales tax matters | 543.2982 | 583.73 |
| b) Service tax matters | - | 23,710.72 |
| c) Income tax matters | 900.78 | 946.78 |
| d) other matters | 1753.38 | 1,439.43 |

**Excluding interest not ascertainable from the date of order, if any.*

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are numerous interpretative issues relating to this judgement. However, during the current year the Group has complied with the aforesaid Supreme court's judgement. The Group will evaluate the same and update its provision, if any on receiving further clarity on the subject.

## 38. MOVEMENT IN PROVISION

### Movement in provisions for the year ended 31 March 2020:

| Particulars | Replacement | Capping | Post closure | Incineration |
|---|---|---|---|---|
| At the beginning of the year | 26,041.42 | 5,539.84 | 1,979.26 | 423.72 |
| Add: Provision made during the year | 3,450.74 | 1,532.41 | 337.13 | 1,678.14 |
| Add: Finance cost on liability component | 3,222.29 | 1,085.71 | 257.33 | - |
| Less: Provision reversed/utilized during the year | (905.36) | (82.26) | - | (1,522.79) |
| At the end of the year | **31,809.09** | **8,075.70** | **2,573.72** | **579.07** |
| Current provision | 5,012.99 | 6,166.42 | - | - |
| Non Current provision | 26,796.10 | 1,909.28 | 2,573.72 | 579.07 |

### Movement in provisions for the year ended 31 March 2019:

| Particulars | Replacement | Capping | Post closure | Incineration |
|---|---|---|---|---|
| At the beginning of the year | 21,365.41 | 4,588.73 | 1,510.17 | 369.21 |
| Add: Provision made during the year | 2,895 | 1,521.25 | 370.83 | 1,060.64 |
| Add: Finance cost on liability component | 1,981.92 | 370.82 | 172.15 | - |
| Less: Provision reversed/utilized during the year | (200.83) | (940.96) | (73.89) | (1,006.13) |
| At the end of the year | **26,041.42** | **5,539.84** | **1,979.26** | **423.72** |
| Current provision | 4,165.87 | 2,478.12 | - | 423.72 |
| Non Current provision | 21,875.55 | 3,061.72 | 1,979.26 | - |

## 39. MATERIAL PARTLY OWNED SUBSIDIARY

Financial information of subsidiaries that have material non-controlling interests is provided below:

### Proportion of equity interest held by non-controlling interests:

| Name | Country of Incorporation | 31 March, 2020 | 31 March, 2019 |
|---|---|---|---|
| Ramky Cleantech Services Pte. Ltd (Subsidiary to Ramky International (Singapore) Pte. Ltd) (RCSPL) | Singapore | 74% | 74% |

### Information regarding non-controlling interest

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Accumulated balances of material non-controlling interest:** | | |
| Ramky Cleantech Services Pte. Ltd (Subsidiary to Ramky International (Singapore) Pte. Ltd) | 2,768.95 | 3,021.96 |
| **Profit/(loss) allocated to material non-controlling interest:** | | |
| Ramky Cleantech Services Pte. Ltd (Subsidiary to Ramky International (Singapore) Pte. Ltd) | (277.22) | 626.46 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The summarised financial information of this subsidiary is provided below.

**Summarised statement of profit and loss:**

| PARTICULARS | RCSPL | |
|---|---|---|
| | 31 March, 2020 | 31 March, 2019 |
| Revenue | 36,262.57 | 40,060.24 |
| Cost of Sales | 3,524.42 | 34,955.82 |
| Other expenses | 33,633.93 | 1,999.57 |
| Finance costs | 193.08 | 122.48 |
| **Profit before tax** | **(1,088.86)** | **2,982.37** |
| Income tax | (22.63) | 572.91 |
| **Total comprehensive income** | **(1,066.23)** | **2,409.46** |
| Attributable to non-controlling interests | (277.22) | 626.46 |

**Summarised balance sheet:**

| PARTICULARS | RCSPL | |
|---|---|---|
| | 31 March, 2020 | 31 March, 2019 |
| Inventories, trade receivables, cash & cash equivalents and other current assets (current) | 17,686.91 | 20,605.01 |
| Property, plant and equipment and other non-current financial assets (non-current) | 4,841.53 | 2,330.22 |
| Trade and other payable (current) | 7,433.76 | 11,055.56 |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current) | 4,444.87 | 256.76 |
| **Total equity** | **10,649.81** | **11,622.91** |
| **Attributable to:** | | |
| Equity holders of parent | 7,880.86 | 8,600.95 |
| Non-controlling interest | 2,768.95 | 3,021.96 |

**Summarised cash flow information:**

| PARTICULARS | RCSPL | |
|---|---|---|
| | 31 March, 2020 | 31 March, 2019 |
| Operating | (1,144.56) | 5,585.11 |
| Investing | 54.35 | 2,315.92 |
| Financing | 1,772.96 | (9,582.92) |
| **Net increase/(decrease) in cash and cash equivalents** | **682.76** | **(1,681.89)** |

## 40. INTEREST IN JOINT VENTURE

| Name of Joint Venture | Share | Assets | Liabilities | Group's investment | Income | Expenditure | Tax | OCI | Total comprehensive income | Group's Share of TCI |
|---|---|---|---|---|---|---|---|---|---|---|
| **Al Ahlia Environmental Services Co LLC** | | | | | | | | | | |
| 31 March 2020 | 50% | 9,486.72 | 6,811.60 | 1,337.56 | 6,437.82 | 6,075.83 | - | - | 361.99 | 180.99 |
| 31 March 2019 | 50% | 8,487.68 | 5,858.92 | 1,314.38 | 12,503.22 | 12,388.73 | - | - | 114.49 | 57.24 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 41. INTEREST IN ASSOCIATES

| Name of Associates | Share | Assets | Liabilities | Group's investment | Income | Expenditure | Tax | OCI | Total comprehensive income | Group's Share of TCI |
|---|---|---|---|---|---|---|---|---|---|---|
| **Vilholi Waste Management System Private Limited** | | | | | | | | | | |
| 31 March 2020 | 26.00% | 1,134.26 | 1,243.97 | - | - | 79.16 | - | - | (79.16) | (20.58) |
| 31 March 2019 | 26.00% | 805.35 | 1,155.15 | - | 6.16 | 86.46 | - | - | (80.29) | (20.88) |
| **Al Ahlia Waste Treatment LLC** | | | | | | | | | | |
| 31 March 2020 | 49% | 4,483.33 | 1,815.78 | 1,307.10 | - | 204.92 | - | - | (204.92) | (100.41) |
| 31 March 2019 | 49% | 1,269.69 | 1,298.22 | - | - | 85.90 | - | - | (85.90) | (42.09) |
| **FARZ LLC** | | | | | | | | | | |
| 31 March 2020 | 25% | 16,991.75 | 9,720.78 | 1,817.74 | - | 82.16 | - | - | (82.16) | (20.54) |
| 31 March 2019 | 25% | 14,585.82 | 14,460.64 | 31.30 | - | 46.19 | - | - | (46.19) | (11.55) |
| **Ramky Al-Turki Environmental Services** | | | | | | | | | | |
| 31 March 2020 | 49% | 1,608.92 | 922.92 | 336.14 | - | 564.40 | - | - | (564.40) | (276.55) |

## 42. SEGMENT REPORTING

### Operating Segments

The Group has only one segment i.e. carrying on the business of Integrated waste management solutions, construction of waste treatment facilities, consultancy, emerging technologies, car park, cleaning, conservancy services. The conditions prevailing in activities involved by the group are not being uniform, hence business segments forms the primary segment of the Group.

**Year ended 31 March 2020**

| Particulars | Waste management division | Turnkey Projects Division | Car Park, Cleaning and Conservancy Service | Consultancy and Others | Unallocable | adjustment/ Eliminations | Total |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| External customers | 1,81,674.47 | 18,218.03 | 35,321.33 | 11,625.38 | - | - | 2,46,839.22 |
| Inter-segment | 2,456.11 | - | - | 234.42 | - | (2,690.53) | - |
| **Total revenue** | **1,84,130.58** | **18,218.03** | **35,321.33** | **11,859.80** | **-** | **(2,690.53)** | **2,46,839.22** |
| **Income / (Expenses)** | | | | | | | |
| Depreciation and amortisation | 13,060.81 | 1.17 | 4,043.53 | 202.28 | 260.78 | - | 17,568.58 |
| **Segment profit** | **33,753.85** | **14,077.56** | **(9,983.26)** | **4,655.39** | **2,297.71** | **-** | **44,801.25** |
| Add: Interest Income | - | - | - | - | 3,108.20 | - | 3,108.20 |
| Add: Other Income | - | - | - | - | 3,243.02 | - | 3,243.02 |
| Less: Finance Charges | - | - | - | - | (13,217.23) | - | (13,217.23) |
| Less: other expenses | - | - | - | - | | - | - |
| **Profit before share of profit of associates and a joint venture, exceptional items and tax** | **-** | **-** | **-** | **-** | **-** | **-** | **37,935.24** |
| Add: Share of profit of an associate and a joint venture | - | - | - | - | (409.85) | - | (409.85) |
| **Profit before tax and exceptional item** | **-** | **-** | **-** | **-** | **-** | **-** | **37,525.39** |
| Less: Exceptional item | - | - | - | - | (6,299.93) | - | (6,299.93) |
| **Profit before tax** | **-** | **-** | **-** | **-** | **-** | **-** | **31,225.46** |
| Less: Tax expenses | - | - | - | - | (6,175.31) | - | (6,175.31) |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### Year ended 31 March 2020

| Particulars | Waste management division | Turnkey Projects Division | Car Park, Cleaning and Conservancy Service | Consultancy and Others | Unallocable | adjustment/ Eliminations | Total |
|---|---|---|---|---|---|---|---|
| **Profit after tax** | | | | | | | **25,050.15** |
| **Total assets** | 2,23,908.76 | 16,995.99 | 33,119.63 | 2,563.90 | 95,867.32 | - | 3,72,455.60 |
| **Total liabilities** | 78,390.37 | 10,992.76 | 17,136.37 | 3,834.30 | 68,116.57 | - | 1,78,470.37 |
| **Other disclosures** | - | - | - | - | - | - | - |
| Investments in an associate and a joint venture | - | - | - | - | 4,798.54 | - | 4,798.54 |
| Capital expenditure | 40,823.69 | 2.39 | 5,209.55 | 43.90 | 166.59 | - | 46,246.12 |

### Year ended 31 March 2019

| Particulars | Waste management division | Turnkey Projects Division | Car Park, Cleaning and Conservancy Service | Consultancy and Others | Unallocable | adjustment/ Eliminations | Total |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| External customers | 1,53,504.21 | 16,335.11 | 39,027.52 | 12,262.28 | - | | 2,21,129.12 |
| Inter-segment | 680.94 | - | 91.65 | 1,133.20 | - | (1,905.79) | - |
| **Total revenue** | **1,54,185.15** | **16,335.11** | **39,119.17** | **13,395.48** | **-** | **(1,905.79)** | **2,21,129.12** |
| **Income / (Expenses)** | | | | | | | |
| Depreciation and amortisation | 16,267.05 | 21.66 | 2,012.72 | 173.17 | 83.17 | - | 18,557.77 |
| **Segment profit** | **36,839.51** | **1,361.54** | **1,952.11** | **414.49** | **(1,661.85)** | **-** | **38,905.80** |
| Add: Interest Income | - | - | - | - | 4,469.82 | - | 4,469.82 |
| Add: Other Income | - | - | - | - | 2,857.20 | - | 2,857.20 |
| Less: Finance Charges | - | - | - | - | (13,868.59) | - | (13,868.59) |
| Less: other expenses | - | - | - | - | (6,199.26) | - | (6,199.26) |
| **Profit before share of profit of associates and a joint venture, exceptional items and tax** | **-** | **-** | **-** | **-** | **-** | **-** | **26,164.97** |
| Add: Share of profit of an associate and a joint venture | - | - | - | - | 17.59 | - | 17.59 |
| **Profit before tax and exceptional item** | **-** | **-** | **-** | **-** | **-** | **-** | **26,182.55** |
| Less: Exceptional item | - | - | - | - | (5,582.89) | - | (5,582.89) |
| **Profit before tax** | **-** | **-** | **-** | **-** | **-** | **-** | **20,599.66** |
| Less: Tax expenses | - | - | - | - | (5,091.79) | - | (5,091.79) |
| **Profit after tax** | | | | | | | **15,507.87** |
| **Total assets** | **2,59,326.85** | **11,773.87** | **26,370.88** | **3,073.65** | **29,479.11** | **-** | **3,30,024.36** |
| **Total liabilities** | **1,23,335.46** | **7,176.27** | **10,240.80** | **3,381.98** | **19,466.95** | **-** | **1,63,601.46** |
| Other disclosures | - | - | - | - | - | - | - |
| Investments in an associate and a joint venture | - | - | - | - | 1,345.68 | - | 1,345.68 |
| Capital expenditure | 45,126.78 | 1.87 | 783.63 | 323.90 | 149.16 | - | 46,385.34 |

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Adjustments and eliminations**

Interest income, Other income, finance cost, other expenses, share of profit of an associates and a joint venture, exceptional item and tax expenses are not allocated to individual segments as the same are managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including movement of capital work in progress.

## 43. FAIR VALUES

The management assessed that loans, trade receivables, cash and cash equivalents, other balances with banks, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts as fair value except for investment in mututal funds.

The fair value for investments in mutual funds (FVTPL) are valued using Level 1: Unquoted (unadjusted) market prices in active markets for identical assets or liabilities.

The fair value of Optionally convertible preference shares (refer note 51) are valued using Level 3: Valuation techniques for which the input that is significant to the fair value measurement is unobservable.

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's risk management policies are established to identify and analyse the risks faced by the group, 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 Group's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Market Risk, Credit risk and Liquidity risk.

### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the value of financials instrument may result from changes in interest rates, credit worthiness, liquidity and other market changes. The Group exposure to market risk is primarily on account of interest rate risk. Financial instruments affected by market risk inculdes Loans, borrowings and deposits.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. This risk is set off partially due to investments in Mutual Funds.

#### Interest rate sensitivity

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

**Liabilities (Long Term Borrowings)**

| | Increase / decrease in basis points | Effect on profit before tax |
|---|---|---|
| **31 March 2020** | | |
| INR | +100 | (226.17) |
| INR | -100 | 226.17 |
| **31 March 2019** | | |
| INR | +100 | (254.26) |
| INR | -100 | 254.26 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

### a) Trade receivables

Credit risk with respect to trade receivables is limited, based on our historical experience of collecting receivables, supported by the level of default.

### b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's top management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## iii) Foreign Currency risk

The year end foreign currency exposure that have not been hedged by a derivative instrument or other wise are as under

| PARTICULARS | Currency | In foreign currency | | In Rupees | |
|---|---|---|---|---|---|
| | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Capital creditors | USD | 18.93 | 13.60 | 1,426.92 | 942.50 |
| | | 18.93 | 13.60 | 1,426.92 | 942.50 |

### Foreign Currency Sensitivity

The following table demonstrate the senstivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Change in USD rate** | | |
| - 5% Increase | (71.35) | (47.13) |
| - 5% decrease | 71.35 | 47.13 |

## iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner. The Group invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

The table below analyses derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

| | Carrying Value | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years |
|---|---|---|---|---|---|---|
| **As at 31 March 2020** | | | | | | |
| Borrowings (including current maturities) | 53,035.36 | 2,419.64 | 1,974.48 | 7,773.45 | 36,807.64 | 4,060.14 |
| Trade payables | 24,241.27 | - | 21,068.58 | 3,018.49 | 154.20 | - |
| Other financial liabilities | 31,121.64 | - | 21,580.36 | 3,662.69 | 4,803.45 | 1,075.14 |

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

| | Carrying Value | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years |
|---|---|---|---|---|---|---|
| **As at 31 March 2019** | | | | | | |
| Borrowings (including current maturities) | 60,948.76 | 4,691.61 | 5,514.42 | 4,933.35 | 23,075.31 | 22,734.07 |
| Trade payables | 23,139.18 | - | 20,110.73 | 2,881.26 | 147.19 | - |
| Other financial liabilities | 26,348.27 | - | 18,270.41 | 3,100.92 | 4,066.70 | 910.24 |

At present, the Group does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

## 45. CAPITAL MANAGEMENT

The group endeavors to maintain sufficient levels of working capital, current assets and current liabilities which helps the company to meet its expense obligations while also maintaining sufficient cash flow. The capital structure of the group consists of net debt (borrowings offset by cash and bank balances) and equity of the group (comprising issued capital, reserves and retained earnings). The capital structure of the Company is reviewed by the management on a periodic basis.

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **Gearing ratio** | | |
| Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due) | 57,893.00 | 61,135.61 |
| Less: Cash and cash equivalents (including mutual funds, balances at bank other than cash and cash equivalents and margin money deposits with banks) | (36,312.14) | (45,287.97) |
| **Net debt (A)** | **21,580.86** | **15,847.64** |
| Equity (refer note 11 and 12) (B) | 1,89,757.38 | 1,62,744.06 |
| **Total Capital and Debt (C)** | **2,11,338.24** | **1,78,591.70** |
| **Gearing ratio (%) (A/C)** | **10.21%** | **8.87%** |

### Gearing ratio:

The group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The group's policy is to keep the gearing ratio within 50%.

In order to achieve this overall objective, the group makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company aims to ensure that it meets the financial covenants attached to the interest bearing loans and borrowings that define the capital structure requirements. For more details on financial covenants, refer Note 54.

**46** During earlier years, the management had carried out a detailed evaluation of compliance with Foreign Exchange Management ODI regulations and had identified certain non compliances therein.

REEL had filed the compounding application with the Reserve Bank of India (RBI) on 28 December 2018, which had directed REEL to file the same with Authorised Dealer (AD) and post addressing the observations is in process of filing the revised compounding applications with the AD. Based on legal advice obtained and other documentary evidences available with REEL, the management is of the view that there would be no material impact on the financial statements and accordingly, no adjustments for the possible effect of such non-compliance have been made to the standalone financial statements of REEL.

**47** In relation to REEL and its subsidiary MWML, the income tax department has conducted survey operation on REEL's registered office on 17 May 2019. No order consequent to such operation has been received by REEL. Management believes that there would be no implication of the aforesaid survey operations on the consolidated financial statements of the Group.

**48** In the earlier years, REEL had entered into a Share Purchase Agreement with the other shareholder of Chhattisgarh Energy Consortium India Private Limited (CECIPL) and purchased 51% stake in CECIPL and entered into an agreement to sell its investment in CECIPL to one of the promoter's entity (buyer) and had received advance of ₹ 614 for such sale

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

from the buyer. During the current year, the Beneficial Ownership of the said subsidiary had been transferred to the buyer. However, the control over the subsidiary could not be transferred on account of dispute between the shareholders of CECIPL and hence REEL has continued to disclose the assets of the subsidiary of ₹ 614 as Asset Held for Sale. The Financial Statement of CECIPL have not been audited after the year ending 31 March 2014 till current year. Pending transfer of control as on balance sheet date, REEL has continued to consolidate CECIPL based on financial statements certified by management.

Further, in the earlier years, the Company had filed for an arbitration with the other shareholder of CECIPL with respect to alleged failure of the performance obligations by the other shareholder as required in the share purchase agreement between the Company and the other shareholder. During the previous year, pursuant to arbitration being set aside by arbitration tribunal, the Company had made a provision for impairment of ₹2,689.71 on capital work in progress in subsidiary, which had been disclosed as an exceptional item. The management of the Company does not currently envisage any further loss related to the subsidiary.

## 49 SCHEME OF AMALGAMATION UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013

(i) During the current year, five subsidiaries of REEL, namely Ramky Reclamation and Recycling Limited ("RRRL"), Deccan Recyclers Private Limited ("DRPL"), Delhi Cleantech Services Private Limited ("DCSPL"), Ramky E-Waste Management Limited ("REWML") and Jodhpur MSW Private Limited ("JMPL") have proposed a Scheme of Arrangement and Amalgamation ("Scheme") for the purpose of consolidation of Recycling Segment. The Scheme provides for merger of RRRL, DRPL, DCSPL and REWML into JMPL. Further, the scheme provides for renaming JMPL as 'Ramky Reclamation and Recycling Limited'. The Scheme has been approved by the Board of Directors and shareholders in their respective meetings held during the year. Pending approval of this scheme by National Company Law Tribunal, no effect of the scheme has been given in these financial statements

(ii) During previous year, pursuant to the scheme of Amalgamation ("the scheme") sanctioned by the Hyderabad bench of National Company Law Tribunal ("NCLT") vide its order dated 14 March 2019, Bhubaneswar Industrial Waste Management (Orissa) Private Limited ("transferor company"), a subsidiary of REEL, merged with REEL with effect from 1 April 2018 ("the appointed date"). The scheme was filed with the Registrar of the Companies on 25 March 2019 and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of the transferor company have been transferred to and vested in REEL with effect from appointed date.

In accordance with the scheme, the investments held in the transferor company by REEL and its subsidiaries namely Chennai MSW Private Limited, Medicare Environmental Management Private Limited, Mumbai Waste Management Limited and Tamil Nadu Waste Management Limited ("the consideration") have been cancelled and no new equity shares were allotted for such shareholding.

The transferor company was engaged in the business of collection and treatment of industrial and commercial waste. The amalgamation with REEL is a non-cash transaction.

The amalgamation qualifies as a common control business combination and is accounted under pooling of interest method specified in Ind AS 103 Business Combinations notified under section 133 of the Companies Act 2013 and the rules made thereunder, as follows:

- All the assets and liabilities (including contingent liabilities), reserves, duties and obligations of the transferor company have been recorded in the books of account of REEL at their existing carrying amounts and the same form.
- Intercompany balances are cancelled
- The carrying amount of investments in the shares of the transferor company shall stand cancelled in the books of REEL.
- The difference between the value of net assets of the transferor company taken over by REEL and the consideration is transferred to capital reserve.

The authorised share capital of REEL increased by ₹17652.26 on account of scheme of amalgamation.

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**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 50 PENDING DISPUTES AND ARBITRATION DETAILS:

### Ramky Energy And Environment Limited

i) During the previous years, New Delhi Municipal Council has Terminated the concession agreement pertaining to collection and Transportation of MSW by mentioning the material breach of O&M requirements by the Company. the Company has challenged the same before applicable court and an arbitral tribunal of sole arbitrator was constituted for settlement of claim under The Arbitration and Conciliation Act, 1996. During the arbitral proceedings, claim and counter claim petitions were submitted by both the parties.

ii) During the previous years, the Company had sent a termination notice to the Kottayam Municipality, client for the project "Construction and operation of Municipal Solid Waste Treatment Plant in Kottayam", for non payment of dues and failure to address the issues of the project at various forums. the Company had filed a writ petition before the honorable High Court of Kerala at Ernakulam. During the previous year, the honorable High Court directed the client to consider the Company's claim and pass the appropriate orders, as there was no response from the client the Company decided to appoint its arbitrator with a request to the client to nominate their arbitrator so that in turn both nominated arbitrators may nominate presiding arbitrator thus forming Arbitral Tribunal for settlement of claim under The Arbitration and Conciliation Act, 1996. Having complied due process, Tribunal commenced its hearing. During the arbitral proceedings, Ld. Arbitrator appointed by Hon'ble High Court on behalf of Respondent had resigned. Client nominated its replacement arbitrator for which the Company objected stating that client can't nominate its arbitrator. Meanwhile, the Company filed application before Hon'ble High Court for replacement of arbitrator while challenging appointment of arbitrator by Kottayam Municipality. Unfortunately, the case was dismissed and the Company has approached Hon'ble Supreme Court as Special Leave Petition (SLP) against the dismissal of company application. Currently, the hearing is postponed. Next hearing date yet to be notified.

iii) During the previous years, The Bruhat Bangalore Mahanagara Palike, the client for the project Integrated Municipal Solid Waste Processing and Engineering Sanitary Land fill at Bangalore sent a termination notice by mentioning the non fulfilment of conditions in the agreement. It was challenged by the Company in the Court which led to constitution of Arbitral Tribunal of sole arbitrator. The Arbitration tribunal constituted on mutual consent and sole arbitrator was appointed as to settle the dispute. Arbitral Tribunal while dismissing counter claim, passed the award in company's favour. the Company has received the arbitration award for an amount of ₹400 lakhs as lump-sum against company claim of ₹10,844 lakhs and the Company filed an appeal against the arbitral award before the honorable High Court of Karnataka. Instead of replying to Bruhat Bangalore Mahanagara Palike petitions and filing execution petition for ₹400 lakhs lumpsum award, the Company has filed a memo before commercial court for arguments as both parties are contending that award. The proceedings are under process.

Management believes that though the amounts receivable from the above projects are long outstanding, these are good and recoverable. However, as as a matter of abundant caution, the management has provided an amount of ₹ 1949.32 lakhs towards impairment of assets in the above units.

### Delhi Cleantech Services Private Limited

On 24th October 2013 the South Delhi Municipal Corporation ("the client") served a Speaking order for Termination of the project against the Company. The Company has challenged the order before the Honourable High Court of Delhi. On 06 December 2013 the Honourable High Court of Delhi directed that the Termination order served by the client be treated as show cause notice and the Company has a liberty to file a response to the said. As per the Honourable court direction the Company has filed a reply on 03 January 2014 to the client. Based on the Company's reply, the client treated the speaking order as show cause notice. But, the client has not taken any steps in this regard, hence the Company has filed a Petition under Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of an Arbitrator before Honourable High Court of Delhi on 09 May 2016. However, the Company has done the process of filing representation before Arbitration Tribunal. In the absence of certainty of recovery, the management has provided for balance recoverable from the client.

### Jodhpur MSW Private Limited

During the year 2014-15 the Company has sent a termination notice to the Jodhpur Nagar Nigam ("the client") because of significant delay in collection of amounts from the client. Later the client served a show cause notice

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**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

for termination of contract. the Company has filed an appeal before the Honourable High Court of Judicature for Rajasthan at Jodhpur for appointment of independent arbitrator under section 11 of the Arbitration and Conciliation Act, 1996. During the previous year the Honourable High Court of Rajasthan accepted the Company's contention and appointed sole arbitrator to resolve the dispute. Now the Company has filed the representation before the Arbitration Tribunal, the case is under proceeding of Arbitration Tribunal. In absence of certainity of recovery, the management has provided for balance recoverable from the client.

### Hyderabad Integrated MSW Limited

In F.Y.2017-18, the Company had filed a petition in High Court of Andhra Pradesh and Telangana against one of its customers the Greater Hyderabad Municipal Corporation("GHMC") towards non-certification / payment of escalation on tipping fee, deduction of performance penalty and non-deposit of withhold towards post closure obligations in escrow account along with interest, as applicable. The Court had directed the Company to settle the matters through arbitration process. In the previous year, on conclusion of arbitration process, the arbitrator passed an order on 10 March 2018 stating that the Company is not entitled to escalations and the customer is not entitled to deduct any amount towards performance penalty. Further it directed the customer to deposit amounts withhold towards post closure obligations in escrow account. On 15 June 2018 the Company has filed petition at City Civil Court , Hyderabad challenging the arbitration award towards escalation, on 28 August 2018 the aforesaid customer also filed petition at City Civil Court , Hyderabad challenging the arbitration award towards performance penalty. The matter is pending before the City Civil Court. As at 31 March 2020, the Company has trade receivables of ₹ 1,268.67 (March 2019 - ₹ 1,718.80) (net of provision of ₹ 2,978.69 (March 31, 2019 - ₹1,471.52)) towards performance penalty deducted. Management is confident of recovering these balances and does not currently envisage any losses/ liability in this regard.

### Delhi MSW Solutions Limited

The Company in the earlier years had filed an arbitration claim against one of its customers, North Delhi Municipal Corporation (NDMC), majorly to settle disputes related to rate escalation, recovery of amount withheld on account of non- disposal of refused derived fuel (RDF) along, revenue share on sale of electricity along with certain other claims under the concession agreement with NDMC. The total amount of such disputed amounts in the books of as at 31 March 2020 is ₹ 5244.48 (31 March 2019: ₹ 5244.48). The Company has provided for these amounts in the books of accounts in the earlier year. During the current year, the Company has received a favourable arbitration award towards the aforesaid amounts.

Further, the award also stated that the Company is liable to share 3.86% of revenue generated from the sale of electricity with NDMC as against the 3% being currently shared the Company pursuant to an interim direction passed by the National Green Tribunal (NGT) in the year 2016. The arbitration award was challenged by both the parties and the Delhi High Court vide its order dated 09.01.2020 has put a stay on the award, requiring the Company to continue to share the revenue at 3% until the matter is resolved. In accordance with such order, the Company has continued to share a 3% revenue from the generated from the sale of electricity with NDMC during the current year. Based on the internal assessment, the Company believes that no additional provision for the differential revenue share is required in this regard.

**51** During the previous year, pursuant to Share Subscription and Share Purchase Agreement (SSPA) entered by the Company on 20 August 2018 (as amended pursuant to first amendment agreement dated 08 February 2019), with Metropolis Investment Holdings Pte Ltd (the investor) and its promoters, the following transactions (collectively, 'the transaction') were performed on 08 February 2019:

- The investor acquired 2,485,488 class A equity shares of ₹ 10 each and 100 class B equity shares of ₹ 10 each representing 59.5% of the shareholding of REEL from the promoters.
- REEL had issued 1,343,431 0.00001% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 15 per OCRPS (₹ 201.51) to the investor at a premium of ₹ 9,468.18 per OCRPS (₹ 127,198.47), totalling to ₹ 127,399.98. Based on the external valuation, REEL has determined the liability component of OCRPS to ₹ 11,855.00 which is disclosed as financial liability under Other Non Current Financial Liabilities and balance of ₹ 115,544.98 is classified as Equity component of compound financial instruments under Other equity. Refer note 11(b) for terms of OCRPS

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- REEL had modified the terms of 71,145 0.001% Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 per CCPS (₹ 71.15) and redeemed the same at a premium of ₹ 87,608.20 per CCPS (₹ 62,328.85), totalling to ₹ 62,400.00. In accordance with the provisions of Companies Act, 2013, REEL has utilised the existing securities premium to the tune of ₹ 17,946.05 and balance of ₹ 44,382.80 from the fresh issue proceeds of OCRPS to redeem the existing CCPS.

- REEL along with its subsidiaries has sold certain investments, inter-corporate loans, buildings and advances which were not core to the business of REEL to its promoters for ₹ 28,000 of which ₹ 4,929.19 was from REEL and ₹ 23,070.59 was from its subsidiaries. Accordingly, REEL has recognised profit of ₹ 535.53 and loss of ₹ 4,167.26 on sale of such assets and disclosed the same under Exceptional items.

  - REEL had declared a dividend of ₹ 23,226.11 (excluding dividend distribution tax of ₹ 4,592.02) to the promoters.

  - REEL had incurred transaction related expense of ₹ 4,862.18 which has been charged off in the statement of profit and loss.

  - During current year, the REEL has obtained an updated external valuation and recognized an amount of ₹ 375.46 and ₹11,479.54 as current and non-current portion respectively (refer note 13C).

## 52 SERVICE CONCESSION ARRANGEMENTS

The following Companies of the group ("concessionaries") have entered into a services concession arrangement (s) with various authorities ("the Grantor") for Design, Construction, Development, Finance, Operation and Maintenance of Integrated Municipal Solid Waste Management Projects on Build, Operate and Transfer (BOT) basis. Following is the description of such arrangements:

### Delhi MSW Solutions Limited (DMSWSL)

DMSWSL has entered into the Service Concession Agreements ('the agreement' or 'SCA') with respective municipal authorities of Delhi, Bilaspur and Raipur, namely, North Delhi Municipal Corporation (NDMC), Bilaspur Municipal Corporation (BMC) and Raipur Municipal Corporation (RMC) respectively for development of Integrated Municipal Solid Waste Management Project ("the project") in these cities. These agreements have granted a concession period of 15 to 20 years (active landfill period) including construction period, along with an option with municipal authorities to extend the contract. the Company also has an obligation to maintain the project for 15 years (post closure maintenance period) after the expiry of active landfill period as per agreed contractual terms. the Company is entitled to collect tipping fees from the respective municipal authorities towards waste disposed. the Company shall transfer the project to the respective municipal authorities in accordance with the agreement on the completion of the concession period.

### Hyderabad Integrated MSW Solutions Limited (HIMSWL) and Hyderabad MSW Energy Solutions Pvt Ltd (HMSWESPL):

HIMSWL has entered into a Concession Agreement ("the agreement") with Greater Hyderabad Municipal Corporation (GHMC) on 21 February 2009 for development of Integrated Municipal Solid Waste Management Project for the city of Hyderabad. The agreement has granted a concession period of 25 years (active landfill period) including construction period, along with an option with GHMC to renew or extend it for a further period of 20 to 25 years on terms which are to be mutually agreed upon. HIMSWL also has an obligation to maintain the project for 15 years (post closure maintenance period) after the expiry of active landfill period. HIMSWL is entitled to grant and is entitled to collect tipping fees from GHMC towards waste disposed. the Company shall transfer the project to GHMC in accordance with the agreement on the completion of the concession period.

As part of the agreement, the group has set up HMSWESPL as SPC for setting up and operation and maintenance of Waste to Energy facility with a condition that all such facilities set up and maintained by the SPC (Hyderabad MSW Energy Solutions Pvt Ltd) shall be handed over to GHMC under same terms and conditions of Concession Agreement with HIMSW.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### Chennai MSW Private Limited

The Company has entered into a Concession Agreement ("the agreement") with the Nagar Nigam Dehradun Government of Uttarakhand ("NND") on 06 September 2018 for implementation of Door to door collection, Secondary storage and Transportation of Waste (C&T) solid waste management under Rehabilitate, Upgrade, Operate, Manage and Transfer (RUOMT) mode. The agreement has granted a concession period of 10 years along with an otion to renew or extend with the mutual consent of the both the parties.The Company is entitled to grant and is entitled to collect tipping fees from NND towards waste collected. The Company shall transfer the project to NND in accordance with the agreement on the completion of the concession period.

### Saagar MSW Solutions Private Limited

The Company has entered into a concession agreement with Nagar Palik Nigam on 27 March 2015 for development of Integrated Municipal Solid Waste Management Project ("the project") for the city of Saagar on Design, Build, Finance, Operate and Transfer (DBFOT) basis ("the project").

### Katni MSW Management Private Limited

The Company has entered into a concession agreement with Nagar Palik Nigam, Katni on 7 May 2015 for development of Integrated Municipal Solid Waste Management Project (the project) for the city of Katni on Design, Build, Finance, Operate and Transfer (DBFOT) basis ("the project").

### B & G Solar Private Limited

The Company has entered into a power purchase agreement with Tamilnadu Electricity Board on 13 August 2010 for setting up of 1MW Solar Power Plant ("the project").

### Dehradun Waste Management Private Limited

The Company has entered into a concession agreement with Nagar Nigam Dehradun on 18 June 2007 for solid waste processing, composting and scientific landfill system ("the project") for the city of Dehradun on Build, Operate and Transfer (BOT) basis (the project).

### Pro Enviro C&D Waste Management Pvt Ltd (PECDWMPL)

PECDWMPL has entered into Service Concession Agreements with below metnioned municipal corporations for Collection, Transportation, Processing and Management , Maintenance and Operation of Construction & Demolition (C&D) waste in respect to waste material emerged from building in the respective municipalities area including Designing , Construction, Operation and Maintenance of C&D Waste Management. The Concession here by granted for 20 Years including the construction period of 6 months along with an option to extend the Contract for one more year. PECDWMPL is entitled to collect tipping fees from respective municipal corporations towards the collection & transportation of the waste. PECDWMPL shall transfer the projects to respective municiapl corporations in accordance with the agreement on the completion of the concession period.

a) Vijayawada Municipal Corporation (VMC) on 23 November 2017

b) Tirupati Municipal Corporation (TMC) on 06 July 2018

c) Greater Vishakapatnam Municipal Corporation (GVMC) on 30 December 2017

### Rewa MSW Holding Limited (RMSWHL)

RMSWHL has entered in Concession Agreement with the Commissioner Nagar Palik Nigam Regional Integrated Solid Waste Management Project - Rewa (MP) on 28 Feb 2017 for development of Integrated Municipal Solid Waste Management Project for the city of Rewa. The agreement has granted a concession period of 21 years including construction period. the Company is entitled to collect tipping fees from Rewa (MP) towards waste disposed in accordance with the Agreement. the Company shall transfer the project to concessionaire in accordance with the agreement on the completion of the concession period. As per the concession agreement, RMSWHL is supposed to incorporate 2 subsidiaries, one for Collection and Transport and Processiong disposal activities and one for Waste to Energy. Accordingly, RMSWHL had incorporated Rewa MSW Management Solutions Limited (RIMMSL) and REWA Waste 2 Energy Project Limited (RW2EPL) to take up

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

the said activities respectively.

### Ramky Enviro Engineers Limited

The Company has entered into Service Concession Agreements with Belgaum City Corporation on 18 June 2007 and Shimoga City Corporation on 31 August 2007 wrt to Belgaum and Shimoga projects respectively for development of inertisation and landfill facility (the project) for the city of Belgaum on Build, Operate and Transfer (BOT) basis (the project). These agreements have granted for concession period of 20 years (active landfill period) including construction period, along with an option with municipal authorities to extend the contract. the Company also has an obligation to maintain the project for 15 years (post closure maintenance period) after the expiry of active landfill period as per agreed contractual terms. the Company is entitled to collect tipping fees from the respective municipal authorities towards waste disposed. the Company shall transfer the project to the respective municipal authorities in accordance with the agreement on the completion of the concession period.

### Dhanbad Integrated MSW Limited

The Company has entered into a concession agreement with Dhanbad Municipal Corporation on 09 March 2019 for development of Integrated Municipal Solid Waste Management Project (the project) for the city of Dhanbad on collection & Transport of Municipal Solid Waste, setting up of & maintaining the mini transfer station and processing plant. These agreements have granted for concession period of 25 years to construct, operate and maintain the project. The Company also has an obligation to maintain the project for 15 years (post closure maintenance period) after the expiry of concession period. The Company is entitled to collect tipping fees and financial grant from the municipal authorities. The Company shall transfer the project to the respective municipal authorities in accordance with the agreement on the completion of the concession period.

### Details of profit margin and revenue recognized

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| Profit margin recognised on the procurement and construction of infrastructure facilities for the year | 2,181.40 | 577.87 |
| Revenue recognised on development of infrastructure facilities for the year | 34,972.60 | 28,520.45 |

### Carrying value of concession intangibles

| PARTICULARS | 31 March, 2020 | 31 March, 2019 |
|---|---|---|
| **At the beginning of the year** | 1,05,429.44 | 91,213.87 |
| Add: Capitalised during the year | 15,955.40 | 10,864.11 |
| Less: Deletions / adjustments | (536.52) | 3,351.46 |
| **As at year end** | **1,20,848.32** | **1,05,429.44** |
| **Accumulated amortisation:** | | |
| At the beginning of the year | 18,852.42 | 10,480.13 |
| Add: Amortisation for the year | 8,851.85 | 8,372.29 |
| Less: Deletions / adjustments | - | - |
| **As at year end** | **27,704.28** | **18,852.42** |
| **Concession intangibles, net** | **93,144.04** | **86,576.46** |
| **Concession intangibles under development** | **51,986.83** | **31,773.40** |

# Consolidated Notes to financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 53. STATUTORY GROUP INFORMATION

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | | | Share in profit and loss | | | | Share in other Comprehensive income | | | | Share in total Comprehensive income | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 31 March, 2020 | | Balance as at 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | |
| | As % of consoli-dated net assets | INR lakhs | As % of consoli-dated net assets | INR lakhs | As % of consol-idated profit and loss | INR lakhs | As % of consol-idated profit and loss | INR lakhs | As % of consol-idated other Compre-hensive income | INR lakhs | As % of consol-idated other Compre-hensive income | INR lakhs | As % of consol-idated total Compre-hensive income | INR lakhs | As % of consol-idated total Compre-hensive income | INR lakhs |
| **Parent company** | | | | | | | | | | | | | | | | |
| Ramky Enviro Engineers Limited | 66.15% | 128,313.74 | 72.92% | 121,360.86 | 21.81% | 5,463.35 | 94.30% | 14,624.24 | -93.88% | (85.82) | -0.86% | (9.17) | 21.39% | 5,377.53 | 88.17% | 14,615.07 |
| **Subsidiaries companies** | | | | | | | | | | | | | | | | |
| **Indian** | | | | | | | | | | | | | | | | |
| Tamilnadu Waste Management Limited | 2.72% | 5,278.65 | 1.86% | 3,092.10 | 8.74% | 2,188.53 | 4.09% | 634.46 | -4.43% | (4.05) | -0.66% | (7.01) | 8.69% | 2,184.48 | 3.79% | 627.45 |
| Ramky Reclamation and Recycling Limited | 0.86% | 1,669.71 | 0.25% | 408.19 | -0.79% | (199.06) | -1.58% | (244.68) | -4.89% | (4.47) | 0.10% | 1.07 | -0.81% | (203.53) | -1.47% | (243.61) |
| Pro Enviro Recycling Private Limited | -0.14% | (268.72) | -0.14% | (232.93) | -0.14% | (35.79) | -0.50% | (77.37) | 0.00% | - | 0.00% | - | -0.14% | (35.79) | -0.47% | (77.37) |
| Deccan Recyclers Private Limited | 0.02% | 33.77 | -0.00% | (1.30) | 0.14% | 35.07 | -0.09% | (13.64) | 0.00% | - | 0.00% | - | 0.14% | 35.07 | -0.08% | (13.64) |
| Ramky ARM Recycling Private Limited | 0.46% | 897.90 | 0.28% | 460.29 | -0.57% | (143.99) | -0.27% | (42.31) | -0.03% | (0.03) | 0.00% | - | -0.57% | (144.02) | -0.26% | (42.31) |
| Ramky MSW Private Limited | -0.55% | (1,060.27) | -0.59% | (989.30) | -0.28% | (70.97) | -0.30% | (47.01) | 0.00% | - | 0.00% | - | -0.28% | (70.97) | -0.28% | (47.01) |
| Katni MSW Management Private Limited | 0.35% | 679.51 | -0.24% | (396.43) | -1.67% | (419.26) | -0.67% | (103.22) | -5.25% | (4.80) | -0.05% | (0.49) | -1.69% | (424.06) | -0.63% | (103.71) |
| Saagar MSW Solutions Private Limited | 1.01% | 1,953.12 | -0.07% | (118.00) | 0.39% | 98.36 | -0.26% | (40.90) | 1.97% | 1.80 | -0.17% | (1.83) | 0.40% | 100.16 | -0.26% | (42.72) |
| Ramky IWM Private Limited | 0.54% | 1,051.13 | 0.78% | 1,302.96 | -1.01% | (251.83) | -3.41% | (528.60) | 0.00% | - | 0.00% | - | -1.00% | (251.83) | -3.19% | (528.60) |
| Hyderabad Integrated MSW Limited | 13.07% | 25,363.30 | 12.52% | 20,843.29 | 18.00% | 4,509.39 | 17.84% | 2,766.91 | -2.03% | (1.86) | -0.20% | (2.16) | 17.93% | 4,507.53 | 16.68% | 2,764.75 |
| West Bengal Waste Management Limited | 4.21% | 8,169.43 | 3.65% | 6,067.49 | 8.41% | 2,107.05 | -21.53% | (3,339.52) | -5.59% | (5.11) | -0.05% | (0.48) | 8.36% | 2,101.94 | -20.15% | (3,340.00) |
| Mumbai Waste Management Limited | 24.96% | 48,427.36 | 22.73% | 37,828.79 | 42.29% | 10,594.81 | 47.69% | 7,396.26 | -10.05% | (9.19) | -0.49% | (5.25) | 42.10% | 10,585.62 | 44.59% | 7,391.01 |
| Bio Medical Waste Treatment Plant Private Limited | 0.07% | 140.89 | 0.08% | 125.24 | 0.06% | 15.31 | 0.00% | 0.57 | 0.00% | - | 0.00% | - | 0.06% | 15.31 | 0.00% | 0.57 |
| Delhi MSW Solutions Limited | 7.99% | 15,498.84 | -0.23% | (376.39) | -4.48% | (1,121.34) | -29.81% | (4,622.25) | -16.22% | (14.83) | 0.20% | 2.13 | -4.52% | (1,136.17) | -27.87% | (4,620.12) |
| Hyderabad C&D Waste Private Limited | 1.42% | 2,749.22 | -0.09% | (145.72) | 0.34% | 84.50 | -0.69% | (107.22) | -1.70% | (1.55) | 0.00% | - | 0.33% | 82.95 | -0.65% | (107.22) |

# Consolidated Notes to financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 53. STATUTORY GROUP INFORMATION

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | | | Share in profit and loss | | | | Share in other Comprehensive income | | | | Share in total Comprehensive income | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 31 March, 2020 | | Balance as at 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | |
| | As % of consoli-dated net assets | INR lakhs | As % of consoli-dated net assets | INR lakhs | As % of consol-idated profit and loss | INR lakhs | As % of consol-idated profit and loss | INR lakhs | As % of consol-idated other Compre-hensive income | INR lakhs | As % of consol-idated other Compre-hensive income | INR lakhs | As % of consol-idated total Compre-hensive income | INR lakhs | As % of consol-idated total Compre-hensive income | INR lakhs |
| PRO Enviro C&D Waste Management Private Limited | -0.12% | (241.27) | -0.05% | (78.43) | -0.65% | (162.63) | -0.50% | (78.12) | -0.23% | (0.21) | -0.09% | (0.99) | -0.65% | (162.84) | -0.48% | (79.11) |
| Visakha Solvents Limited | 0.47% | 902.63 | 0.46% | 758.06 | 0.57% | 143.75 | 0.36% | 55.62 | 0.90% | 0.82 | -0.04% | (0.46) | 0.58% | 144.57 | 0.33% | 55.15 |
| Ramky E-waste Management Limited | 0.08% | 163.97 | 0.10% | 164.78 | -0.00% | (0.81) | 0.00% | 0.27 | 0.00% | - | 0.00% | - | -0.00% | (0.81) | 0.00% | 0.27 |
| Delhi Cleantech Services Private Limited | -0.76% | (1,480.43) | -0.72% | (1,197.56) | -1.13% | (282.87) | -1.37% | (212.05) | 0.00% | - | 0.00% | - | -1.13% | (282.87) | -1.28% | (212.05) |
| Medicare Environmental Management Private Limited | 4.50% | 8,720.85 | 4.56% | 7,589.36 | 4.48% | 1,121.33 | 8.37% | 1,298.20 | -12.97% | (11.86) | -1.97% | (21.01) | 4.41% | 1,109.47 | 7.71% | 1,277.18 |
| Ramky Energy and Environment Limited | 2.79% | 5,404.92 | 2.78% | 4,624.00 | 3.12% | 782.30 | -8.04% | (1,247.15) | -7.14% | (6.53) | -0.84% | (8.96) | 3.09% | 775.77 | -7.58% | (1,256.11) |
| Hyderabad MSW Energy Solutions Private Limited (Formerly known as East Coast Industries (India) Private Limited ) | 16.14% | 31,307.34 | 0.18% | 299.81 | 4.78% | 1,197.28 | 2.22% | 344.36 | 0.00% | - | 0.00% | - | 4.76% | 1,197.28 | 2.08% | 344.36 |
| Pithampur Industrial Waste Management Private Limited | -0.00% | (1.75) | -0.00% | (0.98) | -0.00% | (0.77) | -0.00% | (0.31) | 0.00% | - | 0.00% | - | -0.00% | (0.77) | -0.00% | (0.31) |
| Ramky Enviro Services Private Limited | 0.37% | 726.38 | 0.22% | 366.59 | 1.45% | 363.37 | 1.79% | 277.31 | -3.93% | (3.59) | -0.01% | (0.08) | 1.43% | 359.78 | 1.67% | 277.23 |
| Maridi Bio Industries Private Limited (Formerly known as Cuttack Solid Waste Management Private Limited) | 0.17% | 334.40 | 0.12% | 201.62 | 0.53% | 132.78 | 0.36% | 55.45 | 0.00% | - | 0.00% | - | 0.53% | 132.78 | 0.33% | 55.45 |
| B & G Solar Private Limited | 0.53% | 1,035.27 | 0.57% | 941.87 | 0.38% | 95.80 | 0.41% | 63.35 | 0.00% | - | 0.00% | - | 0.38% | 95.80 | 0.38% | 63.35 |
| Chennai MSW Private Limited | 0.52% | 1,012.94 | 0.17% | 280.67 | 3.73% | 933.43 | 11.29% | 1,751.49 | -237.06% | (216.70) | -0.77% | (8.26) | 2.85% | 716.73 | 10.52% | 1,743.23 |
| Jodhpur MSW Private Limited | -0.54% | (1,048.00) | -0.59% | (984.38) | -0.25% | (63.62) | -0.60% | (92.78) | 0.00% | - | 0.00% | - | -0.25% | (63.62) | -0.56% | (92.78) |
| Dehradun Waste Management Private Limited | 0.33% | 647.47 | 0.08% | 133.17 | -0.52% | (129.65) | -0.78% | (120.35) | 3.02% | 2.76 | 0.00% | - | -0.50% | (126.89) | -0.73% | (120.35) |

# Consolidated Notes to financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 53. STATUTORY GROUP INFORMATION

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | | | Share in profit and loss | | | | Share in other Comprehensive income | | | | Share in total Comprehensive income | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 31 March, 2020 | | Balance as at 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | |
| | As % of consoli-dated net assets | INR lakhs | As % of consoli-dated net assets | INR lakhs | As % of consol-idated profit and loss | INR lakhs | As % of consol-idated profit and loss | INR lakhs | As % of consol-idated other Compre-hensive income | INR lakhs | As % of consol-idated other Compre-hensive income | INR lakhs | As % of consol-idated total Compre-hensive income | INR lakhs | As % of consol-idated total Compre-hensive income | INR lakhs |
| Chhattisgarh Energy Consortium (India) Private Limited | 0.00% | - | 0.00% | - | 0.00% | - | -7.08% | (1,098) | 0.00% | - | 0.00% | - | 0.00% | - | -6.63% | (1,098.45) |
| Adityapur Waste Management Private Limited | -0.26% | (496.29) | -0.27% | (441.24) | -0.22% | (54.72) | -1.56% | (242.21) | -0.36% | (0.33) | -0.13% | (1.43) | -0.22% | (55.05) | -1.47% | (243.64) |
| REWA MSW Holdings Limited | -0.00% | (0.63) | 0.00% | 0.07 | -0.00% | (0.70) | -0.00% | (0.47) | 0.00% | - | 0.00% | - | -0.00% | (0.70) | -0.00% | (0.47) |
| REWA MSW Management Solutions Limited | 0.17% | 329.81 | -0.66% | (1,101.76) | -2.26% | (565.70) | -6.73% | (1,043.29) | -6.95% | (6.35) | -0.03% | (0.29) | -2.28% | (572.05) | -6.30% | (1,043.58) |
| REWA Waste 2 Energy Projects Limited | 0.02% | 44.30 | 0.00% | 3.27 | 0.16% | 41.03 | 0.02% | 2.48 | 0.00% | - | 0.00% | - | 0.16% | 41.03 | 0.01% | 2.48 |
| Dhanbad Integrated MSW Limited | 0.80% | 1,542.29 | -0.01% | (20.28) | -0.63% | (158.64) | -0.14% | (21) | 0.00% | - | 0.00% | - | -0.63% | (158.64) | -0.13% | (21.28) |
| Dhanbad Integrated Waste 2 Energy Private Limited | | | | | | | | | | - | | | | | | |
| **Foreign** | | | | | | | | | | - | | | | | | |
| Ramky International (Singapore) Pte. Ltd including it's subsidiaries | 7.54% | 14,625.52 | 9.53% | 15,866.45 | -7.79% | (1,950.64) | 11.13% | 1,726.61 | 273.31% | 249.83 | 56.64% | 604.97 | -6.76% | (1,700.81) | 14.07% | 2,331.58 |
| Ramky Cleantech Services Pte. Ltd | 0.00% | - | 0.00% | - | 0.00% | | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Ramky Enviro Engineers Middle East FZ LLC | 2.66% | 5,154.23 | 2.49% | 4,139.62 | 1.56% | 390.72 | 2.66% | 412.16 | 433.18% | 395.97 | 19.86% | 212.13 | 3.13% | 786.69 | 3.77% | 624.29 |
| Ramky Al-Turki Environmental Services* | 0.00% | - | -0.87% | (1,445.13) | 0.00% | - | -2.31% | (359) | 0.00% | - | -5.24% | (55.95) | 0.00% | - | -2.50% | (414.50) |
| Non-controlling interests in all subsidiaries | 2.18% | 4,227.28 | 2.21% | 3,678.84 | -1.16% | (290.59) | -4.49% | (695.99) | 0.00% | - | 0.00% | - | -1.16% | (290.59) | -4.20% | (695.99) |
| **Associate company** | | | | | | | | | | - | | | | | | |
| **Indian** | | | | | | | | | | - | | | | | | |
| Vilholi Waste Management System Private Limited | 0.00% | - | 0.00% | - | -0.08% | (20.58) | -0.13% | (20.88) | 0.00% | - | 0.00% | - | -0.08% | (20.58) | -0.13% | (20.88) |
| **Foreign** | | | | | | | | | | - | | | | | | |
| FARZ LLC | 0.94% | 1,817.74 | 0.02% | 31.30 | -1.19% | (297.10) | -0.07% | (11.55) | 0.00% | - | 0.00% | - | -1.18% | (297.10) | -0.07% | (11.55) |

# Consolidated Notes to financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 53. STATUTORY GROUP INFORMATION

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | | | Share in profit and loss | | | | Share in other Comprehensive income | | | | Share in total Comprehensive income | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 31 March, 2020 | | Balance as at 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | | For the year ended 31 March, 2020 | | For the year ended 31 March, 2019 | |
| | As % of consolidated net assets | INR lakhs | As % of consolidated net assets | INR lakhs | As % of consolidated profit and loss | INR lakhs | As % of consolidated profit and loss | INR lakhs | As % of consolidated other Comprehensive income | INR lakhs | As % of consolidated other Comprehensive income | INR lakhs | As % of consolidated total Comprehensive income | INR lakhs | As % of consolidated total Comprehensive income | INR lakhs |
| Al Ahlia Waste Treatment LLC | 0.67% | 1,307.10 | 0.00% | - | -0.40% | (100.41) | -0.27% | (42.09) | 0.00% | - | 0.00% | - | -0.40% | (100.41) | -0.25% | (42.09) |
| Ramky Al-Turki Environmental Services* | 0.17% | 336.14 | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| **Joint controlled entities** | | | | | | | | | | - | | | | | | |
| **Foreign** | | | | | | | | | | - | | | | | | |
| Al Ahlia Environmental Services Co LLC | 0.69% | 1,337.56 | 0.79% | 1,314.38 | 0.72% | 180.99 | 0.37% | 57.24 | 0.00% | - | 0.00% | - | 0.72% | 180.99 | 0.35% | 57.24 |
| **Consolidation adjustment** | **-63.21%** | **(122,622.74)** | **-34.81%** | **(57,928.52)** | **3.56%** | **892.65** | **-9.72%** | **(1,506.89)** | **-199.64%** | **(182.49)** | **34.79%** | **371.61** | **2.82%** | **710.16** | **-6.85%** | **(1,135.28)** |
| **Total** | **100.00%** | **193,984.63** | **100.00%** | **166,424.70** | **100.00%** | **25,050.15** | **100.00%** | **15,507.87** | **100%** | **91.41** | **100%** | **1,068.06** | **1** | **25,141.56** | **100%** | **16,575.94** |

*During the year, company had sold 21% of its stake and now, the same is recorded as Associate

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## 54. SECURITY DETAILS

### A. Term Loan from Bank

#### (i) Ramky Enviro Engineers Limited:

Term Loan amounting to ₹ nil (31 March 2019: ₹ 512.51) from ICICI Bank is secured by

- First pari passu charge on movable fixed assets of the borrower excluding assets specifically charged to equipment finance lenders.
- Second pari passu charge on current assets of the borrower.
- Pledge of 15% shares of the company
- Pledge of 30% shares, Corporate guarantee and non disposable undertaking (NDA) & Power of attorney (POA) arrangement over 21% shares of Mumbai Waste Management Limited
- An exclusive charge on Escrow and Debt service reserve (DSRA) account.
- During the previous year, ICICI Bank had raised a demand of ₹ 512.51 (including interest of ₹ 11.51) on the Company as default charges for breach of certain financial covenants for earlier years and non-replenishment of Debt Service Reserve Account (DSRA). The same was charged-off in the statement of profit and loss as penal interest under finance cost during FY 2018-19. During FY 2019-20, the bank has revised the charges and the liability has been reversed as liabilities no longer required written back on receipt of such waiver from the bank.

#### ii) Hyderabad Integrated MSW Limited:

Term Loan amounting to ₹ 17546.30 (31 March 2019: ₹ 19448.95) from Axis Bank is secured by

- First Charge by way of hypothecation over all the project's movable and intangible assets of the Company, both present and future (excluding assets for which company raised Vehicle loans).
- Deposit of licence agreement between company and GHMC. First paripassu charge on all the receivables/ revenues, bank accounts of the Company including escrow account. A first charge cum assignment of the receivables / revenues of the Company.
- First charge cum assignment of all receivables / revenues of the borrower from the project to the extent permitted under concession agreement.
- First charge on the Company's bank accounts including, without limitation, the escrow account to established by the Company.
- Pledge on Equity shares held by Ramky Enviro Engineers Limited representing 30 % of the total paid equity share capital of the Company.
- Pledge of preference shares held by Ramky Enviro Engineers Limited and its Group Companies.
- Non disposal undertaking for 21% of the total paid up equity share capital of the Company.
- Unconditional and irrevocable Corporate guarantee of Ramky Enviro Engineers Limited.
- A first charge by way of assignment or creation of security interest on
    - a) all the rights, titles, interests, benefits, claims and demands whatsoever of the Company under concession agreement.
    - b) all the rights, titles, interests, benefits of the Company in licences, permits, approvals and consents.
    - c) on the Company's rights, title and interest to the extent covered by and in accordance with the substitution agreement.
    - d) all the rights, titles, interests, benefits, claims and demands whatsoever of the Company in the insurance contracts/policies procured by the Company or procured by any of its contractors favouring the Company for the project with the escrow bank designated as loss of payee.
    - e) all the rights, titles, interests, benefits, claims and demands whatsoever of the company in any guarantees, liquidated damages, letter of credit or performance bond that may be provided by any counter party under any project contract in favour of the Company.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**Financial covenants**

As per the sanction letter of Axis bank , the Company is required to comply with the following financial covenants at all times (along with other certain other contractual conditions):

i) Debt service coverage ratio (DSCR) of not less than 1.10

ii) Debt to Equity ratio of not more than 3

The Company is in compliance of the above financial covenants.

**Other terms and conditions**

The Company shall create a debt services reserve account (DSRA) to meet the debt service requirements for the ensuring 3 months principal and interest payments due to lender.

The rate of interest for term loans from banks ranges from 10.96 % to 12.08%.

**Financial covenants**

As per the sanction letter of Axis bank , the Company is required to comply with the following financial covenants at all times (along with other certain other contractual conditions):

i) Debt service coverage ratio (DSCR) of not less than 1.10

ii) Debt to Equity ratio of not more than 3

The Company is in compliance of the above financial covenants.

The rate of interest for term loans from banks ranges from 10.40 % p.a to 11% p.a.

## iii) Mumbai Waste Management Limited (MWML)

ICICI bank has raised a demand of ₹585.69 lakhs on the Company in the previous year as default charges for breach of certain financial covenants for earlier years and non-replenishment of Debt Service Reserve Account (DSRA). The same has been charged-off in the statement of profit and loss as penal interest under finance cost in previous year. During the current year, the management on discussion with the banker has obtained waiver of such charges. The same is reversed and shown as Liabilities no longer required written back in Other income during the current year.

ICICI bank has raised a demand of ₹ 585.69 lakhs on the Company in the current year as default charges for breach of certain financial covenants for earlier years and non-replenishment of Debt Service Reserve Account (DSRA). The same has been charged-off in the statement of profit and loss as penal interest under finance cost. The Management is currently in discussion with the bank for waiver of such charges and will reverse the liability in the year of receipt of waiver from the bank.

The term loan from ICICI bank of ₹ 4,683.19 as on 31 March 2018 was completely repaid in the current year. This loan was secured by

- First charge on the moveable fixed assets of the company and first charge on current assets of the company.
- Extension of charge on pledge of shares of 15% shares in Ramky Enviro Engineers Limited held by Mr. A.Ayodhya Rami Reddy and Pledge of 30% shares in the company held by Ramky Enviro Engineers Limited.
- Non disposal undertaking (NDU) and power of attorney arrangement over 21% shares in the company held by Ramky Enviro Engineers Limited.

## iv) B&G Solar Private Limited

Term loan amounting to ₹159.25 ( ₹ 278.41 at March 31, 2019) of B & G Solar Private Limited from Indian Overseas Bank is secured by way of

- first charge on fixed assets, current assets of B &G Solar and corporate guarantee of holding company Ramky Enviro Engineers Limited.

The rate of interest for term loans from banks is 12.50% p.a.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### v) Ramky International Singapore Pte Limited

Term loan amounting to ₹ Nil (31 March 2019: 1,005.79) obtained from Development Bank of Singapore is secured by way of first legal mortgage over the property of RCSPL and a corporate guarantee from Ramky International (Singapore) Pte. Ltd. The rate of interest for term loan from bank is 4.35% p.a.

Term loan amounting to ₹ 773 obtained from Maybank and ₹ 3,091.41 from RHB. These borrowing are secured by way of (i) corporate guarantee from Ramky International (Singapore) Pte. Ltd. and Ramky Enviro Engineers Ltd (ii) Charges over the collection maintained by the bank and all current and fixed assets of the Company corresponding to the loan project (iii) legal assignment over the management fees and incentive payments, from the operation and management.

## B. Term loans from others

### (i) Delhi MSW Solutions Limited

Term loan amounting to ₹ 25,756.41 (31 March 2019 :28,725.44) obtained from Power Finance Corporation Limited (PFC) has been secured by

- first charge on the overall immovable properties, both present and future pertaining to the Waste to Energy project (WTE);
- first charge on the overall movable properties and assets including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures and all other movable assets, both present and future, intangible, goodwill, uncalled capital, present and future relating to WTE of the Company; save and except any hypothecation created or proposed to be created in relation to procurement of vehicles by way of Hire Purchase; The moveable and immoveable properties have been classified as Intangible assets and Intangible assets under development pursuant to Appendix C of Ind AS 115.
- first charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, present and future; and
- first charge on the Debt Service Reserve Account, TRA, any letter of credit and other reserves and any other bank accounts wherever maintained, present & future.

The loan is further secured by way of:

- Corporate Guarantee of Ramky Enviro and Engineers Limited, the holding company; and
- Balance maintained in the bank for DSRA.

**Financial Covenants**

As per the loan agreement with PFC, the Company is required to comply with the following financial covenants at all times (along with other certain other contractual conditions):

i) Debt to Equity Capital ratio of 2 or less and,

ii) Debt Service Coverage Ratio (DSCR) of not less than 1.2

Pursuant to the communication from Power Finance Corporation ("PFC") during the year amending the terms of the borrowing agreement in connection to the term loan, the Company has changed the terms of inter-corporate deposit of ₹ 17,000 taken from holding company to convert the same into Unsecured Perpetual Debt (UPD) with effect from 15 November 2019.

The lender ("Power Finance Corporation") has granted waiver for the non-compliance of the covenant for the year ended 31 March 2019 and also amended the financial covenant requirement. Accordingly, as at 31 March 2019, loan amounting to ₹ 25,770.13 has been classified as Non-current borrowings and ₹ 2,955.30 of current maturities pertaining to these loan balances have been classified under "Current Maturities of Non current Borrowings".

Pursuant to the communication from Power Finance Corporation ("PFC") during the year amending the terms of the borrowing agreement in connection to the term loan, the Company has changed the terms of inter-corporate deposit of ₹ 17,000 taken from holding company to convert the same into Unsecured Perpetual Debt ("UPD") with effect from 15 November 2019.

The rate of interest for term loans from banks is 10.05% p.a.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

## C. Vehicle loans

### (i) Ramky Enviro Engineers Limited:

a) Vehicle loans from ICICI Bank amounting to ₹ 110.74 and Kotak Mahindra Bank Limited amounting to ₹ 45.17 with total of ₹ 155.91 (31 March 2019: ₹ 216.52) are secured by way of hypothecation of the respective vehicles. These loans are repayable in monthly equated instalments beginning from the month subsequent to the month on which loan was drawn. The average interest rate is in the range of 8.58% p.a. to 8.98% p.a.

b) Vehicle loans from Others amounting to ₹ 301.08 (31 March 2019: ₹ 496.54) are secured by way of hypothecation of the respective vehicles. These loans are repayable in monthly equated instalments beginning from the month subsequent to the month on which loan was drawn. The average interest rate is in the rate of 9% p.a. to 10.5% p.a.

### ii) Hyderabad Integrated MSW Limited

a) Vehicle loans amounting to ₹218.08 (31 March 2019: ₹ 298.95) obtained from ICICI bank are secured by hypothecation of respective assets for which loans are availed. The interest rate is 8.99% p.a.

b) Vehicle loans from Others amounting to ₹ 55.82 (31 March 2019: 127.38) are secured by hypothecation of respective assets for which loans are availed. The average interest rate is in the range of 8.09% p.a. to 11.50% p.a.

### iii) Delhi MSW Solutions Limited

a) Vehicle loans amounting to ₹ 509.88 (31 March 2019: ₹ 698.93) obtained from ICICI bank are secured by way of hypothecation of respective assets. The average interest rate is in the range of 8 % p.a. to 11% p.a.

b) Vehicle loans (including finance lease obligations) amounting to ₹ 777.18 (31 March 2019: ₹ 1,164.62) obtained from Others are secured by way of hypothecation of respective assets. The average interest rate is in the range of 8 % p.a. to 11% p.a.

### iv) Mumbai Waste Management Limited

a) Vehicle loans from ICICI bank amounting to ₹79.05 (31 March 2019: ₹ 107.10) are secured by hypothecation of respective assets for which the loans are availed.The average interest rate is in the range of 8.99% p.a. to 9.50% p.a.

b) Vehicle loans from Kotak Mahindra bank amounting to ₹ 199.08 (31 March 2019: ₹ 258.56) are secured by hypothecation of respective assets for which the loans are availed.The average interest rate is in the range of 8.99% p.a. to 9.50% p.a.

c) Vehicle loans from Others amounting to ₹72.54 (31 March 2019: ₹124.51) availed from "Cholamandalam investment and finance company limited" amounting to ₹ 54.38 (31 March 2019: ₹ 80.88), "Daimler Financial Services India Private Limited" amounting to ₹ 18.16 (31 March 2019: ₹ 43.63) are secured by hypothecation of respective assets for which the loans are availed. The average interest rate is in the range of 8.08% p.a. to 9.00% p.a.

### v) Medicare Environmental Management Private Limited

Vehicle loans amounting to ₹ Nil (March 31, 2019 - ₹ 4.22) obtained from HDFC Bank Limited was completely repaid in the current year This loan was secured by way of hypothecation of such assets.

### vi) West Bengal Waste Management Limited

Vehicle loans amounting to ₹153.42 (31 March 2019: ₹ 207.85) obtained from ICICI Bank Limited are secured by way of hypothecation of such assets and are repayable in equated monthly instalments. The interest rate is 8.99 % p.a.

### vii) Katni MSW Management private Limited

a) Vehicle loans amounting to ₹72.81 (31 March 2019: ₹98.58) obtained from ICICI Bank Limited are secured by way of hypothecation of such assets and are repayable in equated monthly instalments. The interest rate is 8.94% p.a.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

b) Vehicle loans from Others amounting to ₹14.31 (31 March 2019: 19.06) are secured by way of hypothecation of such assets repayable in equated monthly instalments. The interest rate is 8.94% p.a.

**viii) Tamilnadu Waste Management Limited**

Vehicle loans amounting to ₹ 44.44 (31 March 2019: ₹ 60.21) obtained from ICICI bank are secured by way of hypothecation of respective assets.. The interest rate is in the range of 9.25% p.a to 13.75 % p.a.

**ix) Saagar MSW Solution Private Limited**

a) Vehicle loans amounting to ₹ 137.45 (31 March 2019: ₹ 166.8) obtained from ICICI bank are secured by way of hypothecation of such assets repayable in equated monthly instalments. The interest rate is 9.49 % p.a.

b) Vehicle loans amounting to ₹ 51.86 (31 March 2019: ₹101.29) obtained from Others are secured by way of hypothecation of such assets repayable in equated monthly instalments. The interest rate is 8.94% p.a.

**x) REWA MSW Management Solutions Limited**

a) Vehicle loans amounting to ₹Nil (31 March 2019: ₹662.60) obtained from ICICI bank are secured by way of hypothecation of such assets repayable in equated monthly instalments. The interest rate is in the range of 8.99% p.a to 9.49 % p.a.

b) Vehicle loans amounting to ₹418.77 (31 March 2019: ₹ 886.64) obtained from Others are secured by way of hypothecation of such assets repayable in equated monthly instalments. The interest rate is of 10.5% p.a.

## D. Cash credit

**(i) Ramky Enviro Engineers Limited:**

Cash credit amounting to ₹ 2369.679 (31 March 2019: ₹ Nil) obtained from State Bank of India is secured by way of

Exclusive first charge on the fixed assets of Ramky Energy and Environment Limited including equitable mortgage of the following

a) 1 Acre 20 cents together with ACC building of super build-up area of 6482 Sq from Edapadi Sangagiri Main Road in Survey NO.10/1A at Thangayur Village, EdappadiTaluk, Salem District, State of Tamil Nadu

b) All that piece and parcel of land situated at Thangayur village, EdappadiTaluk, Salem District with S No. 10/1A land measuring 9 acres 16 cents at Thangayur village, EdappadiTaluk, Salem District, State of Tamil Nadu.

c) All that the land in S No. 136/I admeasuring Acres 0.47 Cents and the land in survey NO. 136/4C ad =measuring acres 1.28 Cents and the land in S No 137/4B admeasuring Acres 3-10 Cents total Land admeasuring 4.85 Cents situated in Undurumikidakutam Village, Mukkulam Mandikutam Panchayat and Narikudi Panchayat Union, Sivagangai District and Subdistrict and Subdistrict of Thiruppuvanam of Tamil Nadu.

d) All that piece and parcel of commercial land together with Undurumikidakutam Village, Thiuruchuli Taluk, Virundhunagar District of Tamil Nadu with S No. 136/3 B admeasuring an extent of 2 acres and 32 cents.

- Second charge on Fixed Assets of Mumbai Waste Management Ltd.
- Second charge on Pari passu basis along with other working capital lenders on the fixed assets of Ramky Enviro Engineers Ltd.
- Pari passu second charge on all chargeable current assets of the company.

**(ii) Visakha Solvents Limited**

Cash credit amounting to ₹ 39.89 (31 March 2019: ₹ 73.91) obtained from Indian Overseas bank is secured by way of hypothecation of stocks and receivables and first charges on entire current assets of the Company and collaterally secured by the extension of charge on fixed assets of the Company. The interest rate is in the range of 13.25% p.a to 13.75 % p.a.

# Consolidated Notes to Financial statements

**for the year ended 31 March, 2020** (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**55** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The waste management services provided by the Group are classified as essential services that are permitted to be provided during lockdown restrictions imposed by the government.

In order to determine the impact of the outbreak, the Group has considered various information as available up to the date of approval of these financial statements including its ability to collect and process waste on account of disruptions to economic activity, impact on future cash flows, recoverability of assets and its ability to continue as going concern. The Group based on current estimates expects that the carrying amount of the assets will be recovered. Accordingly, given the timing of the outbreak and the impact assessment performed by management, COVID-19 did not have a material adverse impact on the financial statements of the Group as at and for the year ended 31 March 2020 as on the date of approval of these financial statements. However, the impact of COVID-19 on the Group's financial statements may differ from that estimated as on the date of approval of these financial statements and the group will continue to closely monitor any material changes to future economic conditions.

As per our report attached of even date

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
**Ramky Enviro Engineers Limited**

per **Darshan Varma**
Partner
Membership No: 212319

**M Goutham Reddy**
Managing Director
DIN: 00251461

**Masood Alam Mallick**
Joint Managing Director
DIN: 01059902

**Anil Khandelwal**
Jt.Managing Director & Chief Financial Officer
DIN: 02552099

**Govind Singh**
Company secretary
Membership No: A41173

Place: Hyderabad
Date: 29th May 2020

Place: Hyderabad
Date: 29th May 2020

RAMKY GROUP
Towards sustainable growth

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Towards sustainable growth

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