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Independent Auditors' Report

To  
The Members,  
RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (Including other comprehensive income), the Statement of Changes in Equity, and the Statement Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matter in the Notes to the Ind AS financial statements:

We draw attention to the note.38 of the financial statements, which describes the uncertainties and the impact of Covid19 on 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 Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

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

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

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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

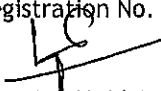
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

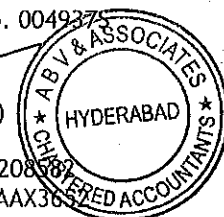
### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure -A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in Equity and the statement of Cash flows and dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) In our opinion, the matter described in the Emphasis of Matter paragraph above may have effect on the functioning of the business of the company.
  - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (h) The company has not paid or provided any managerial remuneration during the year. Hence, with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act is not applicable.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 39 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for A B V & Associates  
Chartered Accountants  
Firm Registration No. 0049375

  
(A.S.Naidu)  
Partner  
Membership No. 208582  
UDIN: 20208582AAAAAX36



Place: Hyderabad  
Date: 12-06-2020

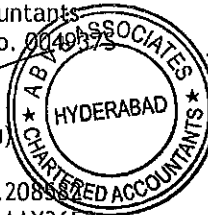
**Annexure- A to the Independent Auditors' Report:**

The Annexure referred to the Independent auditors' report to the members of the company on the financial statements for the year ended 31 March 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us the company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2020 which have not been deposited on account of a dispute.
- viii. In our opinion and according to the information and explanations given to us , the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any loans from Government and outstanding debentures during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for A B V & Associates  
Chartered Accountants  
Firm Registration No. 004987  
(A.S.Naidu)  
Partner  
Membership No. 208582  
UDIN: 20208582AAAAAX3652



Place: Hyderabad  
Date : 12-06-2020

## **Annexure- B to the Independent Auditors' Report:**

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

We have audited the internal financial controls over financial reporting of RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED ("the Company") as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

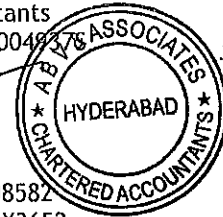
## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 A B V & Associates  
Chartered Accountants  
Firm Registration No. 0048278

  
(A.S. Naidu)  
Partner

Membership No. 208582  
UDIN: 20208582AAAAAX3652



Place: Hyderabad  
Date: 12-06-2020



(Rs in Millions)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	0.53	0.54
Financial assets			
Loans	5	1,016.10	-
Other financial assets	6	1,024.14	1,292.49
Other non-current assets	7	11.54	12.38
<b>Total non-current assets</b>		<b>2,052.31</b>	<b>1,305.41</b>
<b>Current assets</b>			
Inventories	8	0.73	1.38
Financial assets			
Cash and cash equivalents	9A	0.29	2.50
Bank balances other than above	9B	20.91	86.24
Other financial assets	10	1,003.77	946.91
Other current assets	11	1.99	14.62
<b>Total current assets</b>		<b>1,027.69</b>	<b>1,051.65</b>
<b>Total assets</b>		<b>3,080.00</b>	<b>2,357.06</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	200.00	200.00
Other equity	13		
Retained earnings		369.35	355.36
Equity component of compound financial instruments		30.41	30.41
<b>Total equity</b>		<b>599.76</b>	<b>585.77</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	2,071.11	1,006.93
Other financial liabilities	15	6.44	37.59
Provisions	16	0.97	-
Deferred tax liabilities, net	17	53.86	66.85
<b>Total non-current liabilities</b>		<b>2,132.38</b>	<b>1,111.37</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade and other payables			
i) Total outstanding dues to micro and small enterprises		-	-
ii) Outstanding dues to creditors other than micro and small enterprises	18	40.68	95.00
Other financial liabilities	19	305.11	551.41
Provisions	20	0.09	11.64
Other current liabilities	21	1.98	1.87
<b>Total current liabilities</b>		<b>347.86</b>	<b>659.92</b>
<b>Total liabilities</b>		<b>2,480.24</b>	<b>1,771.29</b>
<b>Total equity and liabilities</b>		<b>3,080.00</b>	<b>2,357.06</b>

The notes 1 to 39 are an integral part of these financial statements.

In terms of our report attached.

For A B V &amp; Associates

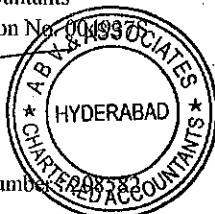
Chartered Accountants

Firm Registration No. 0049376

A.S.Naidu

Partner

Membership Number 0008782



For and on behalf of the Board

Ramky Elsamex Hyderabad Ring Road Limited

Y.R. Nagaraja

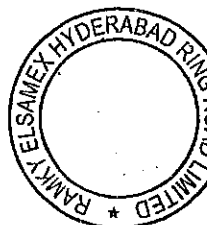
Director

DIN: 00009810

P. Ravi Prasad

Director

DIN: 07872103



Ankush Lahoti

Company Secretary

D. Krishna Reddy

Chief Financial Officer

Place : Hyderabad

Date : 12-06-2020

Ramky Elsamex Hyderabad Ring Road Limited  
 CIN:U45203TG2007PLC054825  
 Statement of Profit and Loss for the Year ended 31 March 2020

(Rs in Millions)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue</b>			
Revenue from contracts with customers	22	227.12	233.13
Other income	23	204.41	259.18
<b>Total income</b>		<b>431.53</b>	<b>492.31</b>
<b>Expenses</b>			
Employee benefits expense	24	8.98	0.18
Finance costs	25	197.69	184.84
Depreciation expense	4	0.01	0.01
Other expenses	26	215.71	230.46
<b>Total expenses</b>		<b>422.39</b>	<b>415.49</b>
<b>Profit Before Tax</b>		<b>9.14</b>	<b>76.82</b>
Current Tax	27	-	-
Deferred Tax expense/(income)		(4.85)	23.58
<b>Tax Expense</b>		<b>(4.85)</b>	<b>23.58</b>
<b>Profit for the year</b>		<b>13.99</b>	<b>53.24</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>13.99</b>	<b>53.24</b>
<b>Earnings per share (Face value of Rs.10/- each)</b>			
Basic earnings per share Rs.		0.70	2.66
Diluted earnings per share Rs.		0.31	1.18

The notes 1 to 39 are an integral part of these financial statements.

In terms of our report attached.

For A B V & Associates

Chartered Accountants

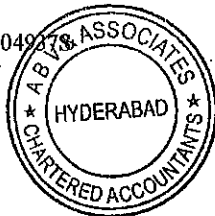
Firm Registration No. 0049378



A.S.Naidu

Partner

Membership Number : 208582



For and on behalf of the Board

Ramky Elsamex Hyderabad Ring Road Limited



Y R Nagaraja

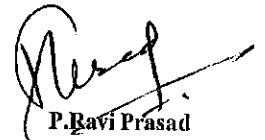
Director

DIN: 00009810



Ankush Lahoti

Company Secretary



P. Ravi Prasad

Director

DIN:07872103



D Krishna Reddy

Chief Financial Officer

Place : Hyderabad

Date : 12-06-2020

Ramky Elsamex Hyderabad Ring Road Limited  
 CIN:U45203TG2007PLC054825  
 Statement of Cash Flows for the Year ended 31 March 2020

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	9.14	76.82
Adjustments for:		
Depreciation and amortisation expense	0.01	0.01
Interest expense	197.69	184.84
Interest income	(68.27)	(3.28)
Liabilities no longer required	-	(18.77)
	<b>138.57</b>	<b>239.62</b>
<b>Working capital adjustments:</b>		
Increase in Loans	(1,016.10)	-
Decrease in Other financial assets	211.50	240.71
Increase in Other current assets	78.61	4.51
(Decrease) / increase in Other financial liabilities	(121.32)	9.33
Decrease in Provisions	1.06	(25.69)
(Decrease) / increase in Trade payables	(54.32)	3.31
Increase / (decrease) in Other current liabilities	0.11	(3.64)
Cash generated from operating activities	(761.89)	468.15
Income tax (paid) /refund (net)	(18.95)	11.70
<b>Net cash from operating activities (A)</b>	<b>(780.84)</b>	<b>479.85</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	-
Interest received	68.27	3.28
<b>Net cash from investing activities (B)</b>	<b>68.27</b>	<b>3.28</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(743.60)	(486.51)
Proceeds from long term borrowings	1,650.00	-
Interest paid	(196.05)	(178.27)
<b>Net cash flow used in financing activities (C)</b>	<b>710.36</b>	<b>(664.78)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(2.21)</b>	<b>(181.65)</b>
Cash and cash equivalents at the beginning of the year	2.50	184.15
<b>Cash and cash equivalents at the end of the year</b>	<b>0.29</b>	<b>2.50</b>

The notes 1 to 39 are an integral part of these financial statements.

In terms of our report attached.

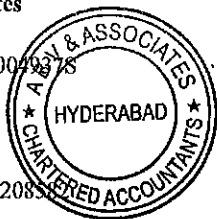
For A B V & Associates

Chartered Accountants

Firm Registration No. 004921/S

A.S.Naidu

Membership Number : 20856



For and on behalf of the Board

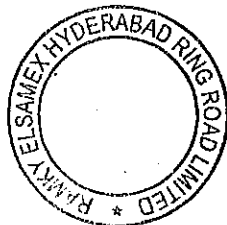
Ramky Elsamex Hyderabad Ring Road Limited

Y.R. Nagaraja

Y R Nagaraja  
 Director  
 DIN: 00009810

P.Ravi Prasad

P.Ravi Prasad  
 Director  
 DIN:07872103



Ankush Lahoti  
 Company Secretary

D Krishna Reddy  
 Chief Financial Officer

Place : Hyderabad

Date : 12-06-2020

**Ramky Elsamex Hyderabad Ring Road Limited**  
**Statement of changes in equity**  
**Statement of Cash Flows for the Year ended 31 March 2020**

**a. Equity share capital**

	(Rs in Millions)
	<b>Amount</b>
Balance as at 1 April 2018	200.00
Changes in equity share capital during 2018-19	-
<b>Balance as at the 31 March 2019</b>	<b>200.00</b>
Changes in equity share capital during 2019-20	-
<b>Balance as at the 31 March 2020</b>	<b>200.00</b>

**b. Other equity**

	(Rs in Millions)		Total
	Reserves and surplus	Equity component of compound financial instruments	
	Retained earnings		
Balance at 1 April 2018	302.12	30.41	332.53
<b>Total comprehensive income for the year ended 31 March 2019</b>			
Profit or loss	53.24	-	53.24
Others	-	-	-
<b>Total comprehensive income</b>	<b>53.24</b>	<b>-</b>	<b>53.24</b>
Transactions with owners, recorded directly in equity	-	-	-
<b>Balance at 31 March 2019</b>	<b>355.36</b>	<b>30.41</b>	<b>385.77</b>
<b>Total comprehensive income for the year ended 31 March 2020</b>			
Profit or loss	13.99	-	13.99
Others	-	-	-
<b>Total comprehensive income</b>	<b>13.99</b>	<b>-</b>	<b>13.99</b>
Transactions with owners, recorded directly in equity	-	-	-
<b>Balance at 31 March 2020</b>	<b>369.35</b>	<b>30.41</b>	<b>399.75</b>

The notes 1 to 39 are an integral part of these financial statements.

In terms of our report attached.

For A B V & Associates

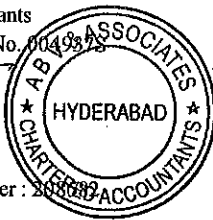
Chartered Accountants

Firm Registration No. 004934

A.S.Naidu

Partner

Membership Number : 20500



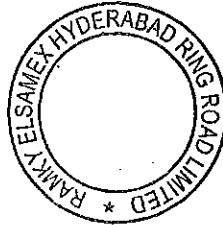
For and on behalf of the Board

Ramky Elsamex Hyderabad Ring Road Limited

*Y.R. Nagaraja* *R. Ravi Prasad*

Y R Nagaraja  
 Director  
 DIN: 00009810

R Ravi Prasad  
 Director  
 DIN:07872103



Ankush Lahoti  
 Company Secretary

*D Krishna Reddy*  
 D Krishna Reddy  
 Chief Financial Officer

Place : Hyderabad

Date : 12-06-2020

## **1. Reporting entity**

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

The Company has entered into a Service Concession Arrangement("SCA") with Hyderabad Metropolitan Development Authority (HMDA)for design, construction, development, finance, operation and maintenance of eight lane access controlled expressway under Phase-IIA programme as an extension of Phase-I of ORR to Hyderabad City, in the state of Telangana, for the package from Tukuguda to Shamshabad on Build, Operate and Transfer (BOT) (Annuity) Basis for a period of fifteen (15) years from commencement date i.e. 27 November 2007 including construction period of two years and six months. The construction activities were completed on 26 November 2009.

## **2. Basis of preparation**

### **A. Statement of compliance**

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

The financial statements were authorized for issue by the Company's Board of Directors on 12-06-2020.

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

### **B. Functional and presentation currency**

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

### **C. Basis of measurement**

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

<b>Items</b>	<b>Measurement Basis</b>
Certain financial assets and liabilities	Fair value

### **D. Use of estimates and judgment**

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

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

#### **Judgments**

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

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

### ***Assumptions and estimation uncertainties***

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

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

### **E. Measurement of fair values**

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

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

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

Note 3(a) – financial instruments;

### **3. Significant accounting policies**

#### **a. Financial instruments**

##### ***Non-derivative financial instruments***

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

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

***Non- derivative financial assets***

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

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

**Non-derivative financial assets – service concession arrangements**

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

***Non-derivative financial liabilities***

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

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

***Offsetting***

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

**b. Property, plant and equipment**

***i. Recognition and measurement***

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

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to measure its property, plant and equipment at its fair value as per Ind AS, and use that fair value as the deemed cost of such property, plant and equipment.

**iii. Subsequent expenditure**

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

**iv. Depreciation**

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

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

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

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

**c. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**d. Impairment**

**i. Impairment of financial instruments**

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

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

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



**Measurement of expected credit losses**

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

**Presentation of allowance for expected credit losses in the Balance Sheet**

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

**Write-off**

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

**ii. Impairment of non-financial assets**

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**e. Employee benefits**

**Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**f. Provisions (other than employee benefits)**

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

### ***Provision for major maintenance***

Provisions are taken for contractual obligations to maintain the condition of infrastructure under concession, principally to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels etc. Provision for major maintenance is determined by discounting the expected maintenance expense spanning several years at a pre-tax rate that reflects the current market assessment of the time value and the risks specific to the liability and is updated annually. Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructure.

### **g. Revenue recognition**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

#### Accounting of service concession arrangement:

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 financial asset model is applicable to the agreement as the Company is entitled to receive fixed annuity from the grantor.

Construction contract revenue arises from construction of road as per the agreement with HMDA.

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

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

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion where the performance obligations are satisfied over time. Operation or service revenue is recognised in the period in which the services are provided by the Company.

### **h. Government grants**

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

**i. Recognition of interest income or expense**

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

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

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

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

**j. Income tax**

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

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

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

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

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

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

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

#### k. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### l. Segment reporting

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

#### m. 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). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

##### ii) Lease liabilities

At the commencement date of the lease, the Company 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 in substance 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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.

##### 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 (i.e., below Rs. 3,00,000). 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.

**n. Earnings per share**

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

**o. Changes in accounting policy 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.

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 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).

There is no material impact of adopting Ind AS 116 on Balance Sheet, Statement of Profit and Loss, OCI or the Company's operating, investing and financing cash flows as on 1 April 2019 and 31 March 2020.

## 4 Property, plant and equipment

## Reconciliation of carrying amount

(Rs in Millions)

	Land	Electrical equipment	Vehicles	Office equipment	Total
<b>Deemed cost (gross carrying amount)</b>					
Balance at 1 April 2018	0.41	0.04	0.55	0.12	1.12
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>0.41</b>	<b>0.04</b>	<b>0.55</b>	<b>0.12</b>	<b>1.12</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>0.41</b>	<b>0.04</b>	<b>0.55</b>	<b>0.12</b>	<b>1.12</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 1 April 2018	-	-	0.55	0.03	0.58
Depreciation for the year	-	-	-	0.01	0.01
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>0.55</b>	<b>0.04</b>	<b>0.59</b>
Depreciation for the year	-	-	-	0.01	0.01
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>0.55</b>	<b>0.05</b>	<b>0.60</b>
<b>Carrying amounts (net)</b>					
Balance at 31 March 2019	0.41	0.04	-	0.09	0.54
Balance at 31 March 2020	0.41	0.04	-	0.08	0.53

## 5 Non-current loans and advances

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, considered good</b>		
Inter corporate deposit to related parties	1,016.10	-
	<b>1,016.10</b>	<b>-</b>

Inter corporate deposit to carries a interest rate of 8% p.a.

## 6 Other non-current financial assets

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, considered good</b>		
Receivable from grantor	1,023.62	1,291.97
Security deposits	0.52	0.52
	<b>1,024.14</b>	<b>1,292.49</b>

## 7. Other non-current assets

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
Advance tax	11.54	12.38
	<b>11.54</b>	<b>12.38</b>

## 8. Inventories

(Valued at lower of cost or NRV)

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
Stores and spares	0.73	1.38
	<b>0.73</b>	<b>1.38</b>

## 9. Cash and cash equivalents

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
<b>A. Cash and cash equivalents</b>		
Cash on hand		-
Balances with banks:		
- in current accounts	0.29	2.50
- deposits with maturity is less than 3 months	-	-
	<b>0.29</b>	<b>2.50</b>
<b>B. Bank balances other than above</b>		
- deposits with maturity more than 3 months but less than 12 months*	20.91	86.24
	<b>20.91</b>	<b>86.24</b>
	<b>21.20</b>	<b>88.74</b>

\* The deposits maintained by the company with banks comprise of time deposits, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

## 10. Other current financial assets

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
Other receivables	1.91	1.91
Interest receivable	56.86	-
Bonus annuity receivable	315.00	315.00
Receivable from grantor	630.00	630.00
	<b>1,003.77</b>	<b>946.91</b>

## 11. Other current assets

(Rs in Millions)

	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	1.89	14.55
Advances for expenses	0.10	0.07
	<b>1.99</b>	<b>14.62</b>

12. Share capital

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
Equity shares of Rs.10/- each	200.00	200.00
10% Cumulative, Redeemable, Optionally Convertible Preference shares of Rs.10/- each	250.00	250.00
	<b>450.00</b>	<b>450.00</b>
<b>Issued, subscribed and paid-up</b>		
Equity shares of Rs. 10/- each	200.00	200.00
	<b>200.00</b>	<b>200.00</b>

10% Cumulative, Redeemable, Optionally Convertible Preference shares of Rs. 10/- each have been issued and are classified as financial liability (see Note 14).

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

	(Rs in Millions)			
	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
At the commencement of the year	20.00	200.00	20.00	200.00
Shares issued for cash	-	-	-	-
<b>At the end of the year</b>	<b>20.00</b>	<b>200.00</b>	<b>20.00</b>	<b>200.00</b>

B. Rights, preferences and restrictions attached to equity shares

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

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

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

	(Rs in Millions)			
	As at 31 March 2020		As at 31 March 2019	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited	20.00	100%	14.80	74%
Elsamex S.A.	-	0%	5.20	26%
	<b>20.00</b>	<b>100%</b>	<b>20.00</b>	<b>100%</b>

D. Details of shareholding by Holding Company

	(Rs in Millions)			
	As at 31 March 2020		As at 31 March 2019	
	Number	% Holding	Number	% Holding
Ramky Infrastructure Limited - Equity shares	20.00	100%	14.80	74%

13. Other equity

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	355.36	302.12
Add: (Loss)/ Profit for the year	13.99	53.24
Add: Transfer from reserves	-	-
Balance at the end of the year	<b>369.35</b>	<b>355.36</b>
<b>Equity component of compound financial instruments</b>		
Balance at the beginning of the year	30.41	30.41
Additions during the year	-	-
Balance at the end of the year	<b>30.41</b>	<b>30.41</b>
	<b>399.76</b>	<b>385.77</b>



**14. Non-current borrowings**

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
Term Loans		
- From banks	193.99	437.31
- From others	-	-
<b>Unsecured</b>		
Inter corporate deposit from related party	1,650.00	346.01
10% Cumulative, Redeemable, Optional, Convertible Preference Shares of Rs.10/- each	227.12	223.61
	<b>2,071.11</b>	<b>1,006.93</b>

**A. Security:**

Term loans from banks are secured by :

a) The above loans are secured by First charge on pari- passu basis on all the movable, immovable , tangible and intangible assets of the Company, letter of credit issued by the HUDA, all the revenues and receivables, charge on the escrow cum trust and retention account.

b) Pledge of 2,00,00,000 equity shares of the company held by Ramky Infrastructure Limited and pledge of 29,50,000 Cumulative, Redeemable, Optional, Convertible Preference shares of the Company held by Ramky Infrastructure Limited.

**B. Repayment schedule**

The following are the repayment conditions for the above loans:

	IDBI	HFCL	ICICI
No.of installments	42	32	19
Period	Quarterly	Quarterly	Half yearly
Start date	Jan, 2011	June, 2012	Aug, 2012
End date	April, 2021	March, 2020	Feb, 2022
Interest rate p.a.	12.75%	11.65%	12.05%

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

The Company issued 19,165,700 (September-2008) and 5,834,300 (March-2009) 10% Cumulative, Redeemable, Optionally Convertible Preference Shares of Rs.10/- each at par. These shares are redeemable either at the end of 15 years unless and otherwise converted into equity shares anytime before redemption. The holder of the preference shares has an option to convert these shares into equity at any time during the tenure of the preference shares at a price and terms mutually agreed between the parties.

The preference shares issued are analysed as a compound financial instrument and are separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible instrument. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss. The carrying amount of the conversion option as reflected in the equity is not re-measured in subsequent periods

D. Inter corporate deposit from related parties carries a interest rate of 8%p.a.

**15. Other non-current financial liabilities**

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Security deposits	6.44	37.59
	<b>6.44</b>	<b>37.59</b>

16. Provisions

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Provision for Gratuity	0.62	-
Leave encashment	0.35	-
	<b>0.97</b>	-

17. Deferred tax liabilities, net

A. Movement in temporary differences

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax assets</b>		
MAT Credit Entitlement	81.18	73.04
<b>Deferred tax liabilities</b>	81.18	73.04
Receivables under Service Concession Arrangement and others	135.04	139.89
	<b>135.04</b>	<b>139.89</b>
	<b>53.86</b>	<b>66.85</b>

B. Reconciliation of effective tax rate

	(Rs in Millions)			
	31 March 2020		31 March 2019	
Profit before tax		9.14		76.82
Tax using the Company's domestic tax rate	29.12%	2.66	29.12%	22.37
Effect of:				
Non-deductible expenses	0.00%	0.00	1.57%	1.21
Tax on exempt income	-82.22%	(7.51)	0.00%	0.00
<b>Effective tax rate</b>	<b>-53.10%</b>	<b>(4.85)</b>	<b>30.69%</b>	<b>23.58</b>

18. Trade payables

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Creditors for operations and maintenance expense	10.24	40.33
Creditors for construction work	22.71	45.84
Creditors for expenses	7.73	8.83
	<b>40.68</b>	<b>95.00</b>

19. Other current financial liabilities

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debts:		
- Term loans	217.23	369.72
Interest accrued and due on borrowings	-	3.64
Interest accrued but not due on borrowings	87.88	178.05
	<b>305.11</b>	<b>551.41</b>

20. Current provisions

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Provision for income tax (net)	-	11.64
Provision for Gratuity	0.02	-
Leave encashment	0.07	-
	<b>0.09</b>	<b>11.64</b>

21. Other current liabilities

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Statutory liabilities	1.98	1.87
	<b>1.98</b>	<b>1.87</b>

**22. Revenue from contracts with customers**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
Rendering of services		
Construction income	-	-
Operating income	227.12	233.13
	<b>227.12</b>	<b>233.13</b>

**23. Other income**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income	68.27	13.29
Interest under Service Concession Arrangement (SCA)	134.53	226.41
Insurance claim	1.21	0.71
Miscellaneous income	0.40	-
Liabilities no longer required written back	-	18.77
	<b>204.41</b>	<b>259.18</b>

**24. Employee benefits expense**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	7.74	0.18
Gratuity and Leave encashment	1.05	-
Contribution to Provident fund	0.19	-
	<b>8.98</b>	<b>0.18</b>

**25. Finance costs**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense	197.69	184.84
Other borrowing costs	-	-
	<b>197.69</b>	<b>184.84</b>

**26. Other expenses**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
Operations and maintenance expenditure	202.56	209.09
Professional consultancy charges	5.17	5.21
Client recoveries	0.62	8.20
Insurance	1.67	1.45
Rates and taxes	0.23	0.01
Auditor fee (Refer (i) below)	0.18	0.18
Travelling and conveyance	0.07	0.06
Office Maintenance	0.09	0.07
CSR expenditure and donations	1.80	1.20
Electricity charges	3.32	4.99
	<b>215.71</b>	<b>230.46</b>

**(i) Payments to auditors**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
As Auditor		
- Statutory audit	0.18	0.18
	<b>0.18</b>	<b>0.18</b>

**27. Current tax**

(Rs in Millions)

	Year ended 31 March 2020	Year ended 31 March 2019
Current Tax (MAT)	8.14	24.57
Less: MAT Credit Entitlement	(8.14)	(24.57)
	-	-

**28. Capital management**

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

The Company's adjusted net debt to equity ratio at 31 March 2020 was as follows:

	(Rs in Millions)	
	As at 31 March 2020	As at 31 March 2019
Total liabilities	2,480.24	1,771.29
Less: cash and cash equivalents	(0.29)	(2.50)
<b>Adjusted net debt</b>	<b>2,479.95</b>	<b>1,768.79</b>
Total equity	599.76	585.77
<b>Adjusted equity</b>	<b>599.76</b>	<b>585.77</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>4.13</b>	<b>3.02</b>

**29. Earnings per share**

Basic earnings per share is calculated by dividing:

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

	(Rs in Millions)	
	Year ended 31 March 2020	Year ended 31 March 2019
i. Profit (loss) attributable to equity shareholders(basic)	13.99	53.24
ii. Weighted average number of equity shares (basic)	20.00	20.00
<b>Basic EPS</b>	<b>0.70</b>	<b>2.66</b>
i. Profit (loss) attributable to equity shareholders(diluted)	13.99	53.24
ii. Weighted average number of equity shares (diluted)*	45.00	45.00
<b>Diluted EPS</b>	<b>0.31</b>	<b>1.18</b>

\*25,000,000 10% Cumulative, Redeemable, Optionally Convertible Preference shares of Rs. 10/- each, can potentially dilute the basic earnings per share in future.

**30. Financial instruments - Fair values and risk management****A. Accounting classifications and fair values**

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

31 March 2020		(Rs in Millions)	
	Carrying amount		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount
<b>Financial assets not measured at fair value</b>			
Loans	1,016.10	-	1,016.10
Receivables from grantor under SCA	1,968.62	-	1,968.62
Security deposits	0.52	-	0.52
Other financial assets	58.77	-	58.77
Cash and cash equivalents	21.20	-	21.20
	<b>2,049.11</b>	<b>-</b>	<b>2,049.11</b>
<b>Financial liabilities not measured at fair value</b>			
Secured bank loans	-	193.99	193.99
Loans from related parties	-	1,650.00	1,650.00
Optionally convertible preference shares	-	227.12	227.12
Security deposits	-	6.44	6.44
Trade payables	-	40.68	40.68
Other financial liabilities	-	305.11	305.11
	<b>-</b>	<b>2,423.34</b>	<b>2,423.34</b>

## 30. Financial instruments - Fair values and risk management (continued)

## A. Accounting classifications and fair values

31 March 2019

(Rs in Millions)

	Carrying amount		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount
<b>Financial assets not measured at fair value</b>			
Receivables from grantor under SCA	2,238.88	-	2,238.88
Security deposits	0.52	-	0.52
Cash and cash equivalents	88.74	-	88.74
	<b>2,328.14</b>	<b>-</b>	<b>2,328.14</b>
<b>Financial liabilities not measured at fair value</b>			
Secured bank loans	-	437.31	437.31
Secured loans from others	-	-	-
Loans from related parties	-	346.01	346.01
Optionally convertible preference shares	-	223.61	223.61
Security deposits	-	37.59	37.59
Trade payables	-	95.00	95.00
Other financial liabilities	-	551.41	551.41
	<b>-</b>	<b>1,690.94</b>	<b>1,690.94</b>

## B. Financial risk management

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

- credit risk
- liquidity risk
- market risk

## i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

30. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities

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

Trade receivables and loans

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

Cash and cash equivalents

The Company holds cash and cash equivalents of INR 0.29 millions at 31 March 2020 (31 March 2019: INR 2.50 millions). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

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

31 March 2020

(Rs in Millions)

	Carrying Amount	Contractual Cash flows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	193.99	193.99	-	-	193.99	-	-
Loans from related parties	1,650.00	1,650.00	-	-	-	-	1,650.00
Optionally convertible preference shares	227.12	227.12	-	-	-	-	227.12
Security deposits	6.44	6.44	6.44	-	-	-	-
Trade payables	40.68	40.68	40.68	-	-	-	-
Other financial liabilities	305.11	305.11	104.03	113.20	-	-	87.88
	<b>2,423.34</b>	<b>2,423.34</b>	<b>151.15</b>	<b>113.20</b>	<b>193.99</b>	<b>-</b>	<b>1,965.00</b>

31 March 2019

(Rs in Millions)

	Carrying Amount	Contractual Cash flows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	437.31	437.31	-	-	232.03	205.28	-
Secured loans from others	-	-	-	-	-	-	-
Loans from related parties	346.01	346.01	-	-	-	-	346.01
Optionally convertible preference shares	223.61	223.61	-	-	-	-	223.61
Security deposits	37.59	37.59	37.59	-	-	-	-
Trade payables	94.99	94.99	94.99	-	-	-	-
Other financial liabilities	551.41	551.41	181.35	192.01	-	-	178.05
	<b>1,690.93</b>	<b>1,690.92</b>	<b>313.93</b>	<b>192.01</b>	<b>232.03</b>	<b>205.28</b>	<b>747.67</b>

iv) Market risk

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

Interest rate risk

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

Exposure to interest rate risk

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

(Rs in Millions)

	31 March 2020	31 March 2019
<b>Fixed rate instruments</b>		
Financial assets	1,037.01	85.00
Financial liabilities	2,061.22	1,153.05

Fair value sensitivity analysis for fixed-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased profit or loss by Rs. 6.27 Millions (2018-19: INR 12.88 Millions). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

**31. Assets and liabilities relating to employee benefits**

For details about the related employee benefit expenses, see Note 24.

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

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

**A. Funding**

The gratuity plan is unfunded.

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

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

*Reconciliation of present value of defined benefit obligation*

	(Rs in Millions)
	31 March 2020
<b>Liability</b>	
Balance at the beginning of the year	-
Benefits paid	-
Current service cost	0.10
Past service cost	0.53
Actuarial (gains) losses recognised in other comprehensive income	
- changes in demographic assumptions	-
- changes in financial assumptions	-
- experience adjustments	-
<b>Balance at the end of the year</b>	<b>0.63</b>

**Expense recognised in profit or loss**

	(Rs in Millions)
	31 March 2020
Current service cost	0.10
Past service cost	0.53
Interest income	-
	<b>0.63</b>

**Remeasurements recognised in other comprehensive income**

	(Rs in Millions)
	31 March 2020
Actuarial (gain) loss on defined benefit obligation	-
Return on plan assets excluding interest income	-
	-

**C. Defined benefit obligation***i. Actuarial assumptions*

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

	31 March 2020
Discount rate	6.78%
Future salary growth	4.00%
Withdrawal Rate	2.00%
Mortality table (as % of IALM(2006-08)(Mod.) Ult. Mortality Table)	100.00%

*ii. Sensitivity analysis*

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

	(Rs in Millions)	
	31 March 2020	
	Increase	Decrease
Discount rate (1% movement)	0.56	0.71
Future salary growth (1% movement)	0.72	0.56
Withdrawal rate (1% movement)	0.65	0.61

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

Liability for Leave encashment as on 31 March 2020 is Rs. 0.41 Millions (previous year: Rs. Nil). Cost of Leave encashment liability is a non funded liability.

32. Related parties

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	Ramky Infrastructure Limited	Holding Company
2	Elsamex SA	Enterprise where KMP have significant influence
3	Ramky Elsamex JV	Enterprise where KMP have significant influence
4	Ramky Estates and Farms Limited	Group company

B. Transactions with related parties during the year ended

(Rs in Millions)

S. No.	Name of the related party	Nature of transactions	31 March 2020	31 March 2019
1	Ramky Infrastructure Limited	Unsecured loan taken	-	40.41
		Unsecured loan repaid	346.01	-
		Unsecured loan given	1,016.10	-
		Operation and maintenance expenses	18.96	16.11
		Security deposit	(4.76)	9.33
		Interest expenses	10.48	43.76
		Interest payable repaid	178.05	-
		Interest income	64.14	-
		Major Maintenance work	162.37	186.64
		Mobilization Advance Paid / (Recovered)	(13.13)	(4.87)
2	Ramky Elsamex JV	Security deposit paid	26.39	-
3	Ramky Estates and Farms Limited	Unsecured loan taken	1,650.00	-
		Interest expense	104.15	-

C. Balances outstanding

(Rs in Millions)

S. No.	Name of the related party	Nature of transactions	31 March 2020	31 March 2019
1	Ramky Infrastructure Limited	Equity share capital	200.00	148.00
		Preference share capital	250.00	250.00
		Creditors for O&M expenses	10.24	40.32
		Creditors for construction	7.18	30.32
		Security Deposit Received	6.44	11.20
		Mobilization Advance Paid	-	13.13
		Unsecured loan taken	-	346.01
		Unsecured loan given	1,016.10	-
		Interest payable	-	178.05
		Interest receivable	56.86	-
2	Ramky Elsamex JV	Security deposit received	-	26.39
3	Elsamex S.A	Equity share capital	-	52.00
		Trade payables	15.52	15.52
4	Ramky Estates and Farms Limited	Unsecured loan taken	1,650.00	-
		Interest payable	87.88	-



**33. Service concession arrangement**

The Company has entered into a service concession arrangement with Hyderabad Metropolitan Development Authority (HMDA) for design, construction, development, finance, operation and maintenance of eight lane access controlled expressway under Phase-IIA programme as an extension of Phase-I of ORR to Hyderabad City, in the state of Andhra Pradesh, for the package from Tukuguda to Shamshabad from Km 121.00 to Km 133.63 on Build, Operate and Transfer (BOT) (Annuity) Basis for a period of fifteen (15) years from commencement date i.e. 27 November 2007 including construction period of two years and six months. The construction activities were completed on 26 November 2009. The SCA does not provide for any renewal of this arrangement.

The Company has received cash support by way of grant for a sum of INR 665.02 Millions (20% of the total project cost). The Company has right to receive an annuity payment of INR 315.00 Millions on half yearly basis from the grantor. Accordingly, the Company has recognised a financial asset. The Company is also entitled to receive bonus for early completion of the project or incur reduction in annuity for delayed completion of the project, as the case may be. At the end of the concession period the toll road will become the property of the grantor and the Company will have no further involvement in its operation or maintenance.

During the year, the Company has recorded revenue of Rs.227.12 Millions as operational income. Financial asset of Rs. 1,653.62 Millions and bonus annuity receivable of Rs. 315.00 Millions has been recognised as at 31st March 2020.

34. As the Company is not in the possession of information regarding dues to the Micro, Small and Medium Enterprises, the same has not been furnished herewith.

35. Balances in respect of Creditors, receivables and various Advances are subject to confirmation from the respective parties.

36. Previous figures have been regrouped / rearranged where ever necessary to confirm the current year classification.

**37. Expenditure towards Corporate Social Responsibility (CSR) activities:**

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

Particulars	(INR in Millions)	
	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year:	1.06	0.83
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.80	1.20

**38. Note on COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Financial Statements has used internal and external sources of information including credit reports and related information, economic forecasts and estimates on the expected future performance of the Company.

The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these Financial Statements and the Company will continue to closely monitor any material changes to future economic conditions.

39. The Company had executed the Project for Hyderabad Metropolitan Development Authority (HMDA). As at 31st March 2020, the trade receivables includes the following amounts from HMDA towards various retentions:

Particulars	(Rs. in Millions)	
	Amount	
1. Bonus Annuity	315.00	
2. Retention in First annuity	197.75	
3. Retention in Fourth annuity	161.63	
4. Retention in Eighth annuity	29.60	

During the year 2013-14 the Company had sent Arbitration Notice to HMDA for recovery of the receivables and both the company and HMDA appointed Arbitrators. Arbitral Award pronounced on 18.06.2018 in favour of the company. HMDA filed application before District Commercial court under section 34 & 36 of A & C Act seeking set aside of the award pronounced by Arbitral tribunal and for a stay on the Award respectively. The company filed reply for the same and argued on their application seeking stay on the Award. Hon'ble court was convinced with the Arguments of the company and allowed the application and granted conditional stay on the Award subject to HMDA depositing 50% of the Award Value in the Court with in 60 days from the date of the order i.e., 18.03.2019. HMDA did not deposit the sum as ordered and instead preferred to challenge the Order of the District court by filing an appeal in the Hon'ble High Court. Now the matter is pending before Hon'ble High Court for the state of Telangana, Hyderabad.

The notes 1 to 39 are an integral part of these financial statements.

In terms of our report attached.

For A B V & Associates

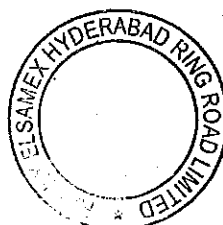
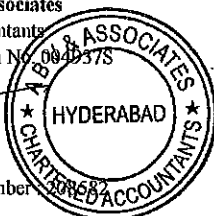
Chartered Accountants

Firm Registration No. 0040375

A.S.Naidu

Partner

Membership Number 208582



For and on behalf of the Board

Ramky Elsamex Hyderabad Ring Road Limited

Y R Nagaraja  
Director  
DIN: 00009810

Ankush Lahoti  
Company Secretary

P.Ravi Prasad  
Director  
DIN:07872103

D.Krishna Reddy  
Chief Financial Officer

Place : Hyderabad

Date: 12-06-2020