G. L. Kothari & Co
CHARTERED ACCOUNTANTS

No. 23, Arihant Complex
3rd Floor, A. M. Road, J. C. Road Cross
Bangalore - 560 002
Phone : +91 80 22236978, 41608884
Mob. : 93412 20928, 98867 01321
e-mail : glk@glkothari.com

INDEPENDENT AUDITOR'S REPORT

To the Members of MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED,

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder 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 audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (Changes in Equity), total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Emphasis of Matters

We draw your attention to the following:

The Company incurred a net loss of Rs. 2,40,62,350/- during the year ended 31st March 2020 and the accumulated losses incurred by the company is Rs. 19,61,13,842/- as on that date. As stated in Note 2.16, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is strongly of the view that the arbitration proceedings would be in favorable to the company's view point, thereafter the company would augment finances and pursue other infrastructure projects in the near to medium term. Hence, the management, in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate.

To note number 5 of the standalone financial statement with regard to the recognition of receivable unilaterally at book value of fixed assets on the date of transfer of possession of project/plant to Madurai City Municipal Corporation. The consideration receivable for handover of the project/plant is subject to the final order of Arbitrator and confirmation of balance from Madurai City Municipal Corporation.

The standalone financial statement with regard to blocking of bank accounts of the company and considering the secured loan as non-performing asset by the lending bank (State Bank of India). Accordingly, the lending bank has not charged the interest on secured loan for the period 31st March 2016 to 31st March 2020. However, on the basis of prudence and accrual principles the company voluntarily accounted the interest amounting to Rs. 8,69,77,630/-.

Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 purpose 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 change in equity and the statement of Cash flows dealt with by this report are in agreement with the books of account.

    d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

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

    f. with respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in Annexure 'A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with 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. As detailed in Note 3 and 7 to the standalone financial statements, the Company in view of material non-compliances and breach of contract by Madurai City Municipal Corporation with respect to the project allotted to the company, the company had filed for mandatory arbitration by nominating the arbitrator. Consequent to this the arbitration proceedings are in progress as on date. The impact of these pending litigations is not ascertainable as on date.

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

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

2. 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 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For G.L.KOTHARI & Co.,
Chartered Accountants
Firm's Registration No.: 001445S

CA G.L.KOTHARI
Proprietor
Membership No.: 025481

Place: Bangalore
Date: 24th July 2020
UDIN: 20025481AAAAAV2829

Annexure - A to the Independent Auditors' Report

(Refer to in Paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED of even date)

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 **MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED** ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 standalone 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 standalone 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 standalone 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 standalone 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 G.L.KOTHARI & Co.,
Chartered Accountants
Firm's Registration No.: 001445S

CA G.L.KOTHARI
Proprietor
Membership No.: 025481

Place: Bangalore
Date: 24th July 2020
UDIN: 20025481AAAAAV2829

Annexure - B to the Independent Auditors' Report

Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements' Section of our report to the members of MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED of even date.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) In respect of company's fixed assets:

(a)The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b)The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory as at the year ending 31st March 2020. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly the provisions of clauses 3(iii)(a) and 3(iii)b of order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

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

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the

Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income tax, Sales tax, Service tax, Value Added Tax, Goods and Service tax, Customs duty, Excise duty Cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they become payable

(c) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation provided to us there are no dues payable to debenture holders. The Company has defaulted in repayment of loans or borrowings from any financial institution i.e State Bank of India amounting to Rs. 21,49,77,630/-(Including Interest of Rs.8,69,77,630/-)

(ix) The Company did not raise 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 order is not applicable.

(x) According to the information and explanation given to us, no material 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) In our opinion, managerial remuneration has been paid (and)/ provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(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 Order 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 standalone financial statements as required by the applicable Indian 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 Order is not applicable.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For G.L.KOTHARI & Co.,
Chartered Accountants
Firm's Registration No.: 001445S

CA G.L.KOTHARI
Proprietor
Membership No.: 025481

Place: Bangalore
Date: 24th July 2020
UDIN: 20025481AAAAAV2829

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(Amount in '000)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	-	238.16
		-	**238.16**
Current assets			
(a) Financial assets			
- Cash and Cash Equivalents	4	470.50	436.85
- Other current financial Assets	5	469,066.85	469,152.02
(c) Current Income tax Receivable (Net)	17	7,189.85	8,252.21
		476,727.20	**477,841.07**
TOTAL ASSETS		**476,727.20**	**478,079.23**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	6	228,270.00	228,270.00
(b) Other Equity	7	(130,546.73)	(106,484.37)
Total equity		**97,723.27**	**121,785.62**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
- Borrowings	8	43,854.50	39,057.76
(b) Deferred tax liabilities (Net)	17	6,561.71	7,768.95
		50,416.21	**46,826.72**
Current liabilities			
(a) Financial liabilities			
- Borrowings	9	19,654.86	8,288.49
- Trade payables	10		
Total outstanding dues of micro enterprise and small enterprise		-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise		93,709.50	105,542.69
- Other current financial liabilities	11	214,977.63	195,422.76
(b) Other current liabilities	12	245.73	212.95
		328,587.72	**309,466.89**
Total liabilities		**379,003.93**	**356,293.61**
TOTAL EQUITY AND LIABILTIES		**476,727.20**	**478,079.23**

The notes are an integral part of these financial statement

Summary of Significant accounting policies	2
Contigencies & Commitments	18 & 19

As per our Report of even date.

For G.L.Kothari & Company
Chartered Accountants
Firm Reg.No.001445S

G L Kothari
Proprietor
Membership No. 25481

Place: Bengaluru
Date: 24th July, 2020

For and on behalf of the board

Deepak Sethi
Director
DIN : 00035756

Kishore Kumar Thakur
Director
DIN : 02043302

Basant Kumar Jain
CFO

Place: Bengaluru
Date: 24th July, 2020

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED

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

(Amount in '000)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Income			
Revenue from Operations		-	-
Other Income	13	11,753.35	534.57
Total Income		**11,753.35**	**534.57**
Expenses			
Finance Cost	14	35,613.21	31,230.45
Depreciation	15	139.89	139.89
Other Expenses	16	1,269.85	5,573.23
Total Expenses		**37,022.95**	**36,943.57**
Profit/(loss) before exceptional items and tax from continuing operations		**(25,269.60)**	**(36,409.00)**
Exceptional Items		-	-
Profit/(loss) before tax from continuing operations		**(25,269.60)**	**(36,409.00)**
Tax Expenses	17		
Current tax		-	-
Deferred tax		(1,207.24)	(1,002.88)
Income Tax Expense		**(1,207.24)**	**(1,002.88)**
Profit for the year from Continuing Operations		**(24,062.35)**	**(35,406.12)**
Other Comprehensive Income (OCI)			
Other comprehensive income not to be reclassified to profit			
Re-Measurement gains on defined benefit plans		-	-
Income Tax effect		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		**(24,062.35)**	**(35,406.12)**
Earnings per share - Basic and Diluted (Nominal value Rs. 10 per share)		(1.05)	(1.55)

The notes are an integral part of these financial statement

Summary of Significant accounting policies 2

As per our Report of even date.

For G.L.Kothari & Company
Chartered Accountants
Firm Reg.No.001445S

G L Kothari
Proprietor
Membership No. 25481

Place: Bengaluru
Date: 24th July, 2020

For and on behalf of the board

Deepak Sethi
Director
DIN: 00035756

Kishore Kumar Thakur
Director
DIN : 02043302

Basant Kumar Jain
CFO

Place: Bengaluru
Date: 24th July, 2020

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Statement of Cash flows for the year ended 31st March 2020

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Cash flow from operating activities		
Profit before tax from Continuing Operations	(25,269.60)	(36,409.00)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation Expenses	139.89	139.89
Liabilities No Longer Required written back	-	(534.57)
Loss on Sale of Asset	64.77	-
Sundry Balance Written -off	161.88	-
Finance Expenses	35,613.21	31,230.45
Interest Received	(49.35)	-
	10,660.80	(5,573.23)
Working capital adjustments:		
(Decrease)/Increase in Other Current financial assets	85.17	(51.21)
(Decrease)/Increase in Trade Payables	(11,833.19)	849.92
(Decrease)/Increase in Other Current liability	32.79	42.70
(Decrease)/Increase in Other Current financial liability	19,392.99	32,065.36
	18,338.55	27,333.54
Income tax paid / (Refund)	1,062.36	(5.68)
Net cash flows from operating activities	19,400.90	27,327.86
Cash flow from investing activities		
Interest Received	49.35	-
Sale of Asset	33.50	-
Net cash flows used in investing activities	82.85	-
Cash flow from financing activities		
Long Term Borrowings	4,796.74	(35,815.24)
Short Term borrowings	11,366.37	8,288.49
Interest Paid	(35,613.21)	534.57
Net cash flows from/(used in) financing activities	(19,450.10)	(26,992.18)
Net increase in cash and cash equivalents	33.65	335.68
Cash and cash equivalents at the beginning of the year	436.85	101.17
Cash and cash equivalents at the end of the year (Refer Note No. 5)	470.50	436.85

Changes in Liability arising from Financing activities for the year ended 31st March 2020

Particulars	1st April 2019	Proceeds	Repayment	Fair Value Changes	31st March 2020
Borrowings - Non Current Including Current Maturities (Refer Note- 8 & 12)	234,480.52	19,554.87	-	4,796.74	258,832.13
Borrowings - Current (Refer Note-9)	8,288.49	11,366.37	-	-	19,654.86
	242,769.01	30,921.24	-	4,796.74	278,486.99

Changes in Liability arising from Financing activities for the year ended 31st March 2019

Particulars	1st April 2018	Proceeds	Repayment	Fair Value Changes	31st March 2019
Borrowings - Non Current Including Current Maturities (Refer Note-8 & 12)	206,999.95	23,295.81	-	4,184.76	234,480.52
Borrowings - Current (Refer Note-9)	-	8,288.49	-	-	8,288.49
	206,999.95	31,584.30	-	4,184.76	242,769.01

As per our Report of even date.

For G.L.Kothari & Company
Chartered Accountants
Firm Reg.No.001445S

G L Kothari
Proprietor
Membership No. 25481

Place: Bengaluru
Date: 24th July, 2020

For and on behalf of the board

Deepak Sethi
Director
DIN: 00035756

Kishore Kumar Thakur
Director
DIN : 02043302

Basant Kumar Jain
CFO

Place: Bengaluru
Date: 24th July, 2020

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity shares of Rs 10 each issued, subscribed and fully paid		
Balance at the beginning of the reporting period	228,270.00	228,270.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**228,270.00**	**228,270.00**

B) Other Equity

For the year ended 31st March 2020

(Amount in '000)

Particulars	Retained Earnings	Equity Component of Preference Shares	Total
Balance as at 1st April 2018	(147,043.93)	40,559.55	(106,484.37)
Profit for the year	(24,062.35)	-	(24,062.35)
Other comprehensive income for the year, net of tax	-	-	-
Additions During the year	-	-	-
Total comprehensive income	**(24,062.35)**	**-**	**(24,062.35)**
Balance as at 31st March 2019	**(171,106.27)**	**40,559.55**	**(130,546.73)**

For the year ended 31st March 2019

(Amount in '000)

Particulars	Retained Earnings	Equity Component of Preference Shares	Total
Balance as at 1st April 2018	(111,637.81)	40,559.55	(71,078.26)
Profit for the year	(35,406.12)	-	(35,406.12)
Other comprehensive income for the year, net of tax	-	-	-
Additions During the year	-	-	-
Total comprehensive income	**(35,406.12)**	**-**	(35,406.12)
Balance as at 31st March 2019	**(147,043.93)**	**40,559.55**	**(106,484.38)**

The notes are an integral part of these financial statement

As per our Report of even date.

For G.L.Kothari & Company
Chartered Accountants
Firm Reg.No.001445S

G L Kothari
Proprietor
Membership No. 25481

Place: Bengaluru
Date: 24th July, 2020

For and on behalf of the board

Deepak Sethi
Director
DIN : 00035756

Kishore Kumar Thakur
Director
DIN : 02043302

Basant Kumar Jain
CFO

Place: Bengaluru
Date: 24th July, 2020

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements as at 31st March 2020

1 Company background

Madurai Municipal Waste Processing Company Private Limited is the Subsidiary Co. of the SPML Utilities Limited. It is incorporated on the 16th March 2008 for providing Waste Management services. The Company's main business primarily include (i) Collection, Segregation, and Processing of Solid Waste (ii) to Dispose of Municipal Dispose (iii) Renovates, Operate, Maintain Garbage Dumping Centers (iv) Land Filling of Remnants.Subsequent to termination of this project on the defaults of civic authorities of Madurai the company looks for arbitration award and new projects.

2 Significant accounting policies

2.01 Basis of preparation and presentation

(a) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:
i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
ii. Defined benefit and other long-term employee benefits.

(c) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make 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 a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(d) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID - 19 on the carrying amounts of assets. 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. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects 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.

(e) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.02 Property, plant and equipment.

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at their carrying value being the cost of acquisition or construction less accumulated depreciation.

The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses relating to the acquisition and installation of the respective assets. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs directly attributable to acquisition or construction of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.
Advance paid towards the acquisition of assets outstanding at each balance sheet are shown under capital advances. The cost of property, plant and equipment not ready for their intended use before such date, are disclosed as capital work in progress.

Depreciation methods, estimated useful lives and residual value:

The method of depreciation adopted and estimated useful life of fixed assets is enumerated below:

Asset Description	Method	Useful life adopted	Useful life as per Schedule II to the Companies Act, 2013
End user devices, such as, desktops, laptops, etc.	SLM	3 years	3 years
Furniture and fittings	SLM	10 years	10 years
Office equipments	SLM	5 years	5 years
Vehicles	SLM	8 Years	8 Years

The management has identified useful life of the assets (tangible), based on the life as prescribed in Schedule II to the Companies Act, 2013. Further the residual value is is estimated to be 5% of cost of asset.

2.03 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets comprising a cash-generating unit may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair alue less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an ppropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.04 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government. Further, The Company uses significant judgments while determining the transaction price allocated to performance obligations .
The specific recognition criteria described below must also be met before revenue is recognised.

Other income

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

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.05 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.06 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial Assets

a) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases 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 trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

c) Subsequent measurement

Financial assets carried at amortised cost: A financial assets is measured at amortised cost if it is held within a business model whose objective is to hold asset in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is accounted in profit or loss using the effective interest rate method. Impairment losses, forex gain / loss and gain / loss on derecognition of financial asset in this category is recognised in profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI, if it is held withing a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.
Debt instruments - Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised. Interest income from these financial assets is included in other income using the effective interest rate method.
Equity instruments - Movements in the carrying amount are taken to OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividend from such investments are recognised in profit or loss.

Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All gains and losses are recognised in profit or loss.

Madurai Municipal Waste Processing Co. Pvt. Ltd.

d) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach specified by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

B Financial liabilities

a) Classification

The company classifies its financial liabilities in the following measurement categories:
- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

b) Initial recognition and measurement

The company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in profit or loss.

c) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
<u>Amortised cost:</u> After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

<u>Financial liabilities at fair value through profit or loss:</u> Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Derecognition of financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Madurai Municipal Waste Processing Co Pvt. Ltd

C Financial guarantee contracts

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the obligations.

(i) as Guarantor

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 and the amount initially recognised less cumulative amortisation, where appropriate.
Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(ii) as Beneficiary

Financial guarantee contracts are recognised as a financial asset at the time the guarantee is taken. The asset is initially measured at fair value and subsequently amortised over the guarantee period.
Where guarantees in relation to loans or other payables are provided by group companies for no compensation, the fair values are accounted for as contributions and recognised as part of equity.

D Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the comapany or the counterparty.

2.07 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.08 Borrowing costs

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

2.09 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
'Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax asset is defined in Ind AS 12 to include the carry forward of unused tax credits. MAT Credits are in the form of unused tax credits that are carried forward by the company for a specified period of time. Accordingly, MAT Credit Entitlement is grouped with Deferred Tax Asset (net) in the Balance Sheet.

Deferred tax

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

'Deferred tax liabilities are recognised for all taxable temporary differences, except:
- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

2.10 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

2.12 Convertible Non cumulative preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.13 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.14 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.15 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company performance and allocates resources based on an analysis of various performance indicators by business segments.

2.16 GOING CONCERN ASSUMPTION

During the financial year 2015-16 the company, in view of material non compliances and breach of contract by Madurai City Municipal Corporation with respect to the project allotted to the company, decided to go for termination of project as per the terms of contract and gone for mandatory arbitration by nominating the arbitrator. Pursuant to this an arbitration pannel has been constituted, before which the company has made a claim for termination of project, recovery of pending receivable etc. After due arbitration proceedings, the company got the award in its favour on 13th March 2019 but the company has filed the appeal before Hon'ble High Court of Judicate at Madras, Chennai, as the award dated 13-03-2019 is required to be set aside on the ground that the Award contains decision on the matters beyond the scope of submissions to arbitration, decissions which are beyond the terms of contract.

The company as detailed above had made a claim for termination of project, recovery of pending receivable, compensation for loss of project etc., In view of that, the management strongly believe that the legal proceedings would be in favourable to the company's view point, thereafter the company would augment finances and pursue other infrastructure projects in the near to medium term. Hence, the management, in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate.

As the company has no commercial operation, the covid 19 as such has no implication on the estimations and financials.

2.17 Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements as at 31st March 2020

3 PROPERTY, PLANT AND EQUIPMENT

(Amount in '000)

Particulars	End user devices, such as, desktops, laptops, etc.	Furniture and fixtures	Office equipments	Vehicles	TOTAL
GROSS BLOCK					
As at April 1, 2018	17.32	31.18	50.15	589.92	688.57
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchenge Differennce	-	-	-	-	-
As at March 31, 2019	17.32	31.18	50.15	589.92	688.57
Additions	-	-	-	-	-
Disposals	17.32	31.18	50.15	589.92	688.57
Exchenge Differennce	-	-	-	-	-
As at March 31, 2020	-	-	-	-	-
ACCUMULATED DEPRECIATION					
As at April 1, 2018	16.06	21.12	26.54	246.80	310.52
Charge for the year	-	3.22	13.27	123.40	139.89
Impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange Differennce	-	-	-	-	-
As at March 31, 2019	16.05	24.35	39.81	370.21	450.42
Charge for the year	-	3.22	13.27	123.40	139.89
Impairment	-	-	-	-	-
Disposals	16.05	27.57	53.08	493.61	590.31
Exchange Differennce	-	-	-	-	-
As at March 31, 2020	-	-	-	-	-
NET BLOCK					
As at March 31, 2019	1.27	6.82	10.34	219.72	238.16
As at March 31, 2020	-	-	-	-	-

Considering there is no operations in the company, all the assets have been disposed off during the year.

Madurai Municipal Waste Processing Co. Pvt. Ltd.

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements as at 31st March 2020

4 CASH AND CASH EQUIVALENTS

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents		
Balances with banks:		
On current accounts	470.27	436.59
Cash on hand	0.23	0.26
Total	470.50	436.85

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

5 OTHER CURRENT FINANCIAL ASSETS

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured considered good unless stated		
Security Deposit	658.06	743.22
Other Receivable *	4,68,408.79	4,68,408.79
Total	4,69,066.85	4,69,152.02

* 'During the financial year 2015-16 the company, in view of material non compliances and breach of contract by Madurai City Municipal Corporation with respect to the project allotted to the company, decided to go for termination of project as per the terms of contract and gone for mandatory arbitration by nominating the arbitrator. Pursuant to this an arbitration pannel has been constituted, before which the company has made a claim for termination of project, recovery of pending receivable etc. After due arbitration proceedings, the company got the award in its favour on 13th March 2019 but the company has filed the appeal before Hon'ble High Court of Judicate at Madras, Chennai, as the award dated 13-03-2019 is required to be set aside on the ground that the Award contains decision on the matters beyond the scope of submissions to arbitration, decissions which are beyond the terms of contract.

Break up of financial assets carried at amortised cost

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents	470.50	436.85
Other current financial assets	4,69,066.85	4,69,152.02
Total financial assets carried at amortised cost	4,69,537.35	4,69,588.87

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements as at 31st March 2020

6 SHARE CAPITAL

(Amount in '000)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs)	Number	Amount (Rs)
Authorised				
Equity shares of Rs.10/- each	2,28,30,000	2,28,300.00	2,28,30,000	2,28,300.00
Non-cumulative Redeemable Preference Shares of Re. 1/- each	3,67,00,000	36,700.00	2,87,51,000	28,751.00
	5,95,30,000	**2,65,000.00**	**5,15,81,000**	**2,57,051.00**
Issued, Subscribed & Paid-up				
Equity shares of Rs.10/- each, fully paid	2,28,27,000	2,28,270.00	2,28,27,000	2,28,270.00
Total	**2,28,27,000**	**2,28,270.00**	**2,28,27,000**	**2,28,270.00**

(a) Reconciliation of number of shares

(Amount in '000)

Particulars	Equity Shares As at 31st March 2020		Equity Shares As at 31st March 2019	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	2,28,27,000	2,28,270.00	2,28,27,000	2,28,270.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,28,27,000	2,28,270.00	2,28,27,000	2,28,270.00

(b) Rights, preferences and restrictions attached to equity shares

Equity Shares: The company has one class of equity shares having paid-up value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held be the Shareholder.

(c) Shares held by holding company and subsidiary of holding companies:

Name of Shareholder and Relationship with the company	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	Amount	No. of Shares held	Amount
Equity Shares				
SPML Infra limited (Ultimate Holding Company)	58,78,000	58,780.00	58,78,000	58,780.00
SPML Utilities Limited (Holding Company) *	1,08,43,600	1,08,436.00	1,08,43,600	1,08,436.00
SPML Infrastructre Limtied (Fellow subsidiary Company)	43,55,400	43,554.00	43,55,400	43,554.00
Total	**2,10,77,000**	**2,10,770.00**	**2,10,77,000**	**2,10,770.00**

* Including Beneficial Interest on 10 shares

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
SPML Infra limited	58,78,000	25.75%	58,78,000	25.75%
SPML Utilities Limited *	1,08,43,600	47.50%	1,08,43,600	47.50%
SPML Infrastructre Limtied	43,55,400	19.08%	43,55,400	19.08%
SPML Industries Limited	17,50,000	7.67%	17,50,000	7.67%

* Including Beneficial Interest on 10 shares

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

(f) There are no unpaid calls from director & officers of the company

(g) There are no buy back of shares during the year by the company.

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements as at 31st March 2020

7 OTHER EQUITY

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity Component of Financial Liability		
Opening balance	40,559.55	40,559.55
Additions	-	-
Deletions	-	-
	40,559.55	**40,559.55**
Retained Earnings		
Opening balance	(1,47,043.93)	(1,11,637.81)
(+) Net Profit/(Net Loss) For the current year	(24,062.35)	(35,406.12)
	(1,71,106.27)	**(1,47,043.93)**
Total - Other equity	**(1,30,546.73)**	**(1,06,484.37)**

Nature and purpose of other reserves:

Equity Component of Financial Liability: The Company had the compound financial instruments (i.e. the Preference shares) which has been fair valued as on trasition date and the same has been classified into the equity component and the financial liability based on the terms of contract with preference share holders. The equity component has been shown under the head other equity.

Retained Earnings: Retained Earnings comprise of the company's accumulated undistributed earnings (losses).

8 BORROWINGS

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term loans		
from banks *	1,28,000.00	1,28,000.00
Less: Amount Disclosed under the head other current liabilities	1,28,000.00	1,28,000.00
	-	-
Unsecured		
Liability component of financialinstrument **	43,854.50	39,057.76
Total	**43,854.50**	**39,057.76**

* Security and repayment terms in respect of term loans from banks

* Primary Security: The above Term Loan is secured by first Hypothecation charge over all the fixed Assets purchased out of bank finance present and future.

As per the interim orders/minutes of arbitral tribunal dated 30th January 2016, all the fixed assets along with project have been handed over to Madurai City Municipal Corporation with effect from 15th February 2016. However legal right in these fixed assets have not been transferred to Madurai City Municipal Corporation. further the consideration for these assets transfer is yet to be finalised by the Arbitrators pannel.

Collateral Security: Assignment of all contract/licenses in connection with project, negative lien on the shares of the company and charge on carbon credit receivable. Second charge on the other fixed assets and collateral security of the company given for Term Loan (first charge for the Term Loan) Personal guarantee of Mr. Sushil Kumar Sethi and Rishabh Sethi. Corporate guarantee of SPML Infra Limited and SPML Utilities Limited.

Total loan amount 2,32,600.00 (Amount in Rs. '000), to be repaid 43 quarterly installment along with interest @ 6.5% p.a., above base rate (vide letter dated 31.3.13 of SBI) starting from June, 2015 (including 12 installment during monotorium period from June 2012 to March 2015).

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED

Notes to financial statements as at 31st March 2020

The company has defaulted in repayment of its principal and interest on loan. The outstanding dues of principal and interest as at 31st March 2020 and 31st March 2019 are as follows:

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest on loan *	86,977.63	90,718.57
Principal portion of loan	1,28,000.00	1,28,000.00
Total outstandings	2,14,977.63	2,18,718.57

* As a part of recovery process, the lender bank [State Bank of India (SBI)] has blocked the company's current account and also classified the loan account as Non-performing asset (NPA) and accordingly there is no interest charged by the bank.

The Company has voluntarily calculated and accounted the interest amounting to Rs. 86,977.63 (PY - Rs. 90,718.57) for the period 1st March 2016 to 31st March 2020.

** 2% and 10% Non-cumulative Redeemable Preference Shares

Particulars	Redeemable at	No of Shares	Amount	Redeemable within maximum of
2% Non-cumulative Redeemable Preference Shares of Re. 1/-each	9	49,51,000	45,549.20	5 years from the date of allotment
10% Non-cumulative Redeemable Preference Shares of Re. 1/-each	1	1,29,00,000	12,900.00	20 years from the date of allotment
10% Non-cumulative Redeemable Preference Shares of Re. 1/-each	1	1,04,00,000	10,400.00	20 years from the date of allotment
10% Non-cumulative Redeemable Preference Shares of Re. 1/-each	1	77,25,000	7,725.00	20 years from the date of allotment
Total		2,82,51,000	76,574.20	

The preference shares are redeemable wholly or partly at the mutual consent of both the allottee as well the Company, within a maximum period of 20 years from the date of allotment. The preference shares shall carry dividend @ 2% and 10% per annum until redeemed and shall be payable on non-cumulative basis prior to any dividend or other distribution payable to equity shareholders, subject to the availability of adequate distributable profits for the respective financial year.

The preference shareholders shall not be entitled to receive notice, attend and vote at general meetings of the Company, except as otherwise provided by the Companies Act, 2013 whereby the holders of such shares would be entitled to vote separately as a class, i.e. with respect to voting entitlement of preference shareholders on matters / issues affecting substantive rights or liabilities of preference shareholders. The preference shareholders shall not be entitled to bonus or right shares or participate in any profit of the Company except the right of dividend being attached to the preference shares. However, in the event of winding up or liquidation of the Company, the paid up amount on preference shares will be paid back to the preference shareholders before any payment is made to the equity shareholders.

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements for the year ending march 31, 2020

9 Borrowings

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
From Related Parties*	19,654.86	8,288.49
Total	**19,654.86**	**8,288.49**

*Loan received from related parites are repayable on demand and interset at the rate of 12% .p.a.

10 TRADE PAYABLES

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables :		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	93,709.50	1,05,542.69
Total	**93,709.50**	**1,05,542.69**

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- Interest payable is normally settled quarterly throughout the financial year
- For terms and conditions with related parties, refer to Note 29

For explanations on the Group's credit risk management processes, refer to Note 32.

11 OTHER CURRENT FINANCIAL LIABILITIES

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term borrowings	1,28,000.00	1,28,000.00
Interest accrued and due on borrowings	86,977.63	67,422.76
Total	**2,14,977.63**	**1,95,422.76**

Break up of financial liabilities carried at amortised cost

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Borrowings	19,654.86	8,288.49
Interest accrued and due on borrowings	86,977.63	67,422.76
Liability component of financial instrument	43,854.50	39,057.76
Trade Payables	93,709.50	1,05,542.69
Other current financial liabilities	1,28,000.00	1,28,000.00
Total	**3,72,196.49**	**3,48,311.71**

12 OTHER CURRENT LIABILITIES

(Amount in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Tax Deducted at Source Payable	245.73	212.95
Total	**245.73**	**212.95**

Madurai Municipal Waste Processing Co. Pvt. Ltd.

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements for the year ending march 31, 2020

13 OTHER INCOME

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest received on electricity deposit	-	56.90
Interest on IT Refund	49.35	-
Liabilities No Longer Required written back	11,704.00	477.67
Total	11,753.35	534.57

14 FINANCE COSTS

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on Secured Loan	29,109.16	24,632.82
Interest on Loan	1,707.31	626.09
Finance cost on financial liability	4,796.74	4,184.76
Interest on TDS	-	1,786.78
Total	35,613.21	31,230.45

15 DEPRECIATION

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on Tangible assets	139.89	139.89
Total	139.89	139.89

16 OTHER EXPENSES

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rates & Taxes	155.53	366.26
Bank Charges	1.30	1.30
Payments to Auditors *	17.70	17.70
Advertisement Expense	-	17.64
Loss on sale of assets	64.77	-
Legal & Professional Fees	686.80	350.00
Travelling & Conveyance Expenses	16.93	20.33
Court Fees	100.00	4,800.00
Printing & Stationery	64.94	-
Sundry Balance w/off	161.88	-
Total	1,269.85	5,573.23

* Payment to Auditors

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
As Auditors		
- Audit fees	17.70	17.70
Total	17.70	17.70

Madurai Municipal Waste Processing Co. Pvt. Ltd.

17 INCOME TAX ASSETS (NET)

i) The following table provides the details of income tax assets and liabilities as at 31 March 2020 and 31 March 2019:

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Income Tax Assets	7,189.85	8,252.21
b) Current Income Tax Liabilities	-	-
Net Balance	**7,189.85**	**8,252.21**

ii) The gross movement in the currebt tax asset/ (Liability) for the years ended 31 March 2020 and 31 March 2019 is as follows:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net current income tax asset at the beginning	8,252.21	8,246.52
Income Tax paid	-	5.69
Current Income tax expense	-	-
Income tax on other comprehensive income	-	-
Refund Received	1,062.36	-
Net current income tax asset at the end	**7,189.85**	**8,252.21**

iii)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Income Tax expense in the Statement of Profit and Loss Comprises:		
Current income taxes	-	-
Deferred income taxes	(1,207.24)	(1,002.88)
Income tax expenses (net)	(1,207.24)	(1,002.88)

iv. Components of deferred income tax assets and liabilities arising on account of Temporary differences are:

(Amount in '000)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	-	(42.69)
Timing difference on equity portion of prefernce shares	6,561.71	7,768.95
Others	-	-
Deferred income tax asset		
Business loss/unabsorbed depreciation *	49,357.93	45,771.55
Others	-	-
MAT Credit entitlement	-	-
Total deferred tax liabilities	**6,561.71**	**7,768.95**

*Considering the concept of prudence and lack of reasonable certainity of realisation of Deferred tax Asset, the deferred tax asset has not been recognised.

18 CONTINGENT LIABILITIES : Rs. Nil (PY - Rs. Nil)

19 **Capital and Other Commitments:**
Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (PY - Rs. Nil)

20 **Earning Per Share**
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net profit available for Equity Shareholders	(24,062.35)	(35,406.12)
Weighted Average number of Equity shares	22,827.00	22,827.00
Basic and Diluted Earnings Per Share	(1.05)	(1.55)

21 **Leases**
The company has no lease transactons during the year.

22 **Significant accounting judgements, estimates and assumptions**
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements: In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions: The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets: Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company.

Taxes: Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

23 Employee Benefits: The company does not have any employees on rolls as at 31st March 2020 and 31st March 2019 accordingly the employee benefit obligation.

24 There are no MSME trade payable at the end of the year Rs. Nil (PY - Rs. Nil).

25 A disclosure with respect to segment reporting is not applicable, since the Company does not have more than one reportable segment.

26 Foreign Currency Earnings And Outgo Rs. Nil (PY - Rs. Nil).

27 There are no reported foreign currency exposures that have not been hedged by a derivative instrument or otherwise, hence the disclosure of the same is not made.

28 CIF value of imports Rs. Nil (PY - Rs. Nil).

29 Related Party Disclosures:

Information given in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures:

A List of Related Parties with whom transactions have taken place during the year:

(i) Key Management Personnel;
Om Prakash Sharma

(ii) Holding Company
SPML Infra Limited

(iii) Fellow Subsidiary Company
SPML Infrastructure Limited

B Aggregate related parties disclosure:

(Amount in '000)

Sl No	Particulars	Transactions amount during the year ended 31st March 2020					Outstanding as on 31st March 2020	
		Loans & Advances Received	Loans & Advances Paid	Finance Cost	Liability no longer required written back	Interest Paid	Debit Balance	Credit Balance
a	Holding Company							
1	SPML Infra Limited	8,606.27	-		11,850.91	619.33	-	9,225.60
	As at 31st March 2019	-	-	-		-	-	(11,850.91)
b	Fellow Subsidiary Company							
2	SPML Infrastructure Limited	1,052.79	-	4,555.42		1,087.98	-	10,429.26
	As at 31st March 2019	(7,725.00)	-	-		(626.09)	-	(8,288.49)

C Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Madurai Municipal Waste Processing Co. Pvt. Ltd.

30 Fair values

The carrying value and fair value of financial instruments by category:

Assets and liabilities carried at amortised cost

(Amount in '000)

Particulars	Carrying Value		Fair Value	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Financial assets				
Cash and cash equivalents	470.50	436.85	470.50	436.85
Other current financial assets	4,69,066.85	743.22	4,69,066.85	743.22
Total	**4,69,537.35**	**1,180.07**	**4,69,537.35**	**1,180.07**
Financial liabilities				
Borrowings	19,654.86	1,36,288.49	19,654.86	1,36,288.49
Interest accrued and due on borrowings	86,977.63	67,422.76	86,977.63	67,422.76
Liability component of financial instrument	43,854.50	39,057.76	43,854.50	39,057.76
Trade Payables	93,709.50	1,05,542.69	93,709.50	1,05,542.69
Other current financial liability	1,28,000.00	1,28,000.00	1,28,000.00	1,28,000.00
Total	**3,72,196.48**	**4,76,311.71**	**3,72,196.48**	**4,76,311.71**

There are no assets and liabilities which have been carried at fair value through Profit and Loss.

There are no assets and liabilities which have been carried at fair value through the other comprehenssive income.

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

The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2020 was assessed to be insignificant.

31 Fair value hierarchy

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Significant observable 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: Significant unobservable inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Madurai Municipal Waste Pvt. Ltd.

32 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The following assumptions have been made in calculating the sensitivity analyses:

i. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019 including the effect of hedge accounting.

ii. The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a subsidiary at 31 March 2019 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. To manage this, the company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Madurai Municipal Waste Processing Pvt. Ltd.

Trade receivables
Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 March 2020, the company had Nil customer (31 March 2019: Nil customer) who owed 100% of receivables outstanding.

An impairment analysis is performed at each reporting date on an individual costomer basis. The company evaluates the concentration of risk with respect to trade receivables as low, as the the customer is Government body and operate in largely independent markets.

Liquidity risk
The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and group company loans. The Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. All the borrowings are from group companies and they are payable on demand. As on date no loan has been demanded for repayment, accordingly the % of borrowing to be repaid during the year has not been provided. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount in '000)

As at 31st March 2020	On Demand	Less than 3 months	Less than 3 months to 12 months	More than 1 year	Total
Borrowings (other than convertible preference shares)	-	19,654.86	-	-	19,654.86
Interest accrued on borrowings	-	86,977.63	-	-	86,977.63
Liability component of financial instrument	-	-	-	43,854.50	43,854.50
Trade and other payables	-	93,709.50	-	-	93,709.50
Other current financial liability	-	1,28,000.00	-	-	1,28,000.00

As at 31st March 2019	On Demand	Less than 3 months	Less than 3 months to 12 months	More than 1 year	Total
Borrowings (other than convertible preference shares)	-	1,36,288.49	-	-	1,36,288.49
Interest accrued on borrowings	-	67,422.76	-	-	67,422.76
Liability component of financialinstrument	-	-	-	39,057.76	39,057.76
Trade and other payables	-	1,05,542.69	-	-	1,05,542.69
Other current financial liability	-	1,28,000.00	-	-	1,28,000.00

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

33 Capital management
For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Gcompany may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 25% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Madurai Municipal Waste Pro

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED
Notes to financial statements as at 31st March 2020

(Amount in '000)

Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings other than convertible preference shares	3,72,196.49	3,48,311.70
Liability component of financial instrument	43,854.50	39,057.76
Trade payables	93,709.50	1,05,542.69
Other payables	86,977.63	67,422.76
Less: cash and cash equivalents	(470.50)	(436.85)
Net Debt	**5,96,267.63**	**5,59,898.06**
Equity	2,28,270.00	2,28,270.00
Other Equity	(1,30,546.73)	(1,06,484.38)
Capital	**97,723.27**	**1,21,785.62**
Gearing ratio	86%	82%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in the financial covenants of interest-bearing loans during the year. During the year the company has not paid the interest due on borrowing amounting Rs. 86,977.63 for the period July 2016 to March 2020 and the principle repayment due amounting to Rs. 1,28,000.00 (Amount in '000).

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

Madurai Municipal Waste Pro... P. Ltd

MADURAI MUNICIPAL WASTE PROCESSING COMPANY PRIVATE LIMITED

Notes to financial statements for the year ending 31st March 2020

34 The amounts and disclosures included in the financial statements of the previous year have been reclassified and regrouped whereever necessary.

As per our Report of even date.

For G.L.Kothari & Company
Chartered Accountants
Firm Reg.No.001445S

G L Kothari
Proprietor
Membership No. 25481

Place: Bengaluru
Date: 24th July, 2020

For and on behalf of the board

Deepak Sethi
Director
DIN : 00035756

Kishore Kumar Thakur
Director
DIN : 02043302

Basant Kumar Jain
CFO

Place: Bengaluru
Date: 24th July, 2020