SMS LIMITED

ANNUAL REPORT FOR THE FINANCIAL YEAR 20**20–21**.

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Email:
Website: www.smsl.co.in.

Company
Overview

A LEGACY OF EXCELLENCE
SINCE 1963

Founded by Late Shri Shaktikumar M. Sancheti, SMS Group has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. The group is known not only in its work but also in its ethics, the magnitude of operations is no longer restricted to the country alone with a keen eye on the global infrastructure requirements, SMS boasts of a large and experienced employee base with very low attrition. SMS has a satisfied client of over 53 major Government entities & PSUs. Making a humble beginning in 1963, SMS has gone on to diversify into all the major sectors of infrastructure that contributes in nation-building. A 'no compromise' policy on quality and exemplary farsightedness has made SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development. SMS has been recognized as one of the most trusted and preferred partners of choice by all our valued customers.

Group Overview

Business History: Incorporated in 1963 and headquartered in Nagpur, SMS Limited is promoted by the Sancheti family

Sectors of Operations & Specialization: Undertakes EPC contracts for various sectors such as highways, railways, electric, mining, irrigation and environment.

Order Book: Order book of INR 8053.20/- crore as on 31st March 2021 majority of which is Mining and Defence (75.64%), Road, Railways and Irrigation (17.68%), Electrical (1.66%), Environment (3.97%) and Urban Development (1.06%).

Investment Portfolio: Hydropower plant, parking solutions and small investments in waste/water treatment plants. Also, have investments in mining and taxicabs business.

Resources: Manpower of full time 2555 employees and net asset block of ₹ 242.02 Crore on March 21.

Awarded ISO 14001:2004 and ISO 9001: 2008 for civil construction & maintenance, irrigation, tunnelling & waste management services.

Key Clients:

National Highways Authority of India

IRCON International Limited

RITES Limited

Vidarbha Patbandhare Vikas Maha Mandal

Hindustan Copper Limited

Hindustan Zinc Limited

South Bihar Power Distribution Company Limited

Career highlights and top moments:

1997- Awarded first BOT Project of National Highways Authority of India.

2007- Awarded mining contract for Asia's largest Uranium Mine.

2008- Commissioned India's largest Plasma Gasification Plant converting waste to energy.

2009 – Started Asia's biggest Bio-Medical waste facility in Mumbai.

2011- Launched Tab Cab, India's largest fleet of radio cabs.

2012 – The first introduction to India of low cost continues mining through blast free technology.

2013 - Commissioned India's first fully automated underground car parking system with 828 car park spaces in Kamla Nagar, Delhi.

2014- Became India's second-largest waste processor in terms of volume.

2015- Featured in the Fortune India magazine July 2015 issue.

2016- ILC Power Brand Awards 2016.

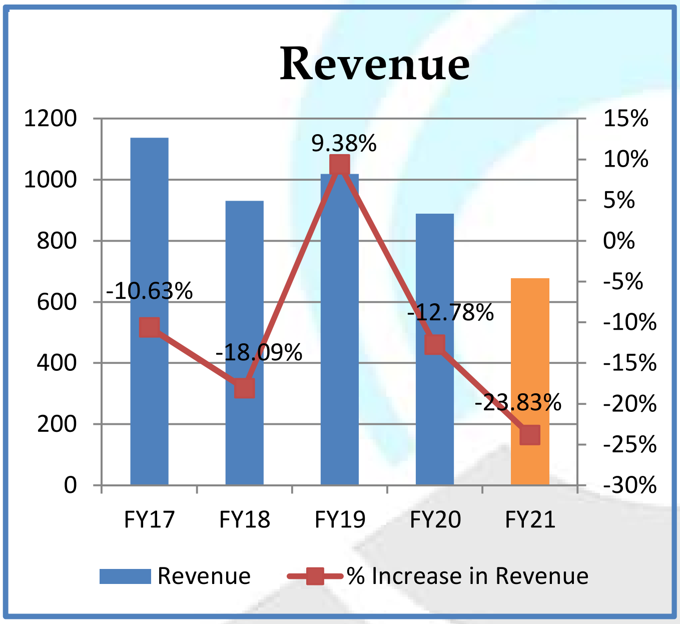
Consistent Growth Strong Order Book.

Most Diversified portfolio Multisectoral Presence Only company to feature in Fortune India Magazine Presence in sunrise sectors like underground Mining, Sewage Treatment, Electrical and Waste Management.

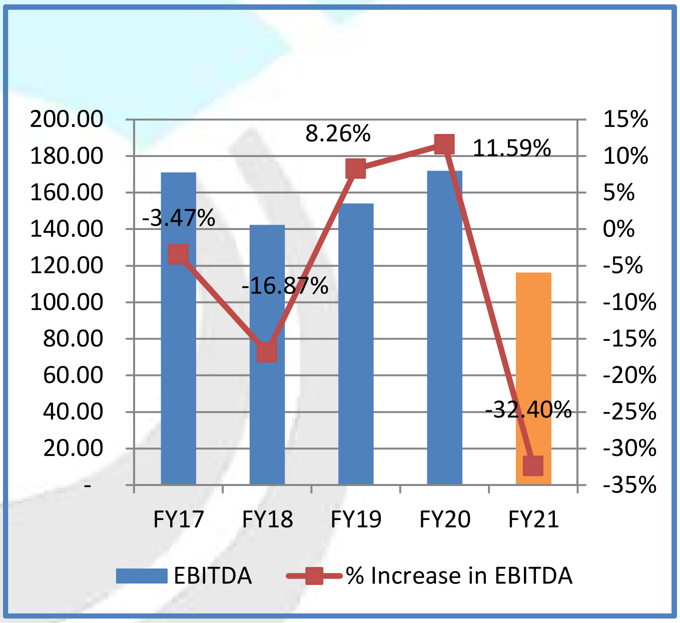
Contents

Key Performance Indicators (Standalone)

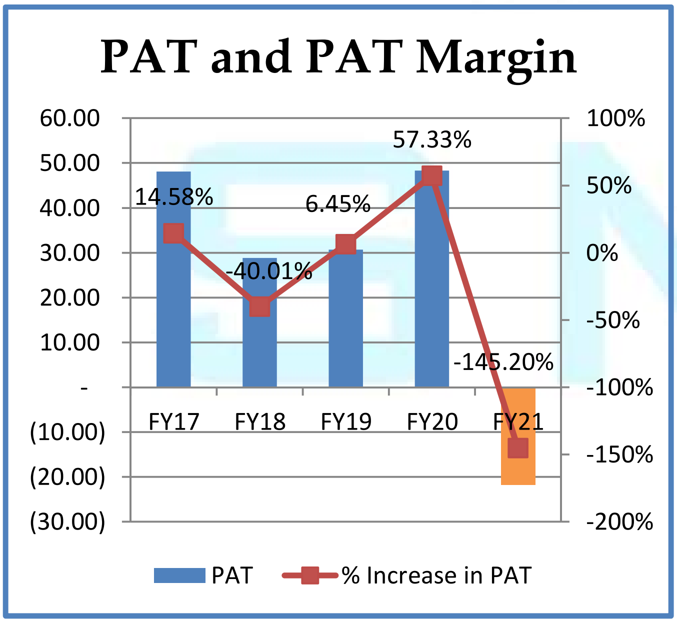
Increase/ Decrease in Revenue YOY



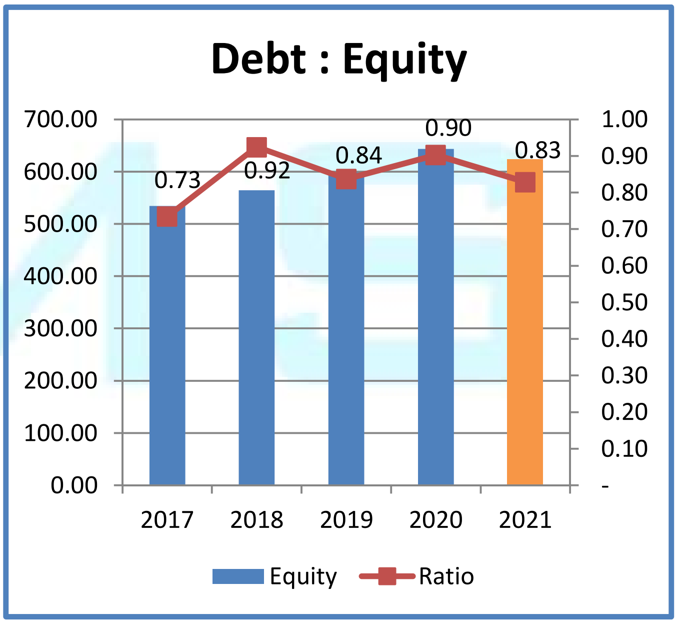
Increase/ Decrease in EBITDA Margin



Increase/ Decrease in PAT Margin

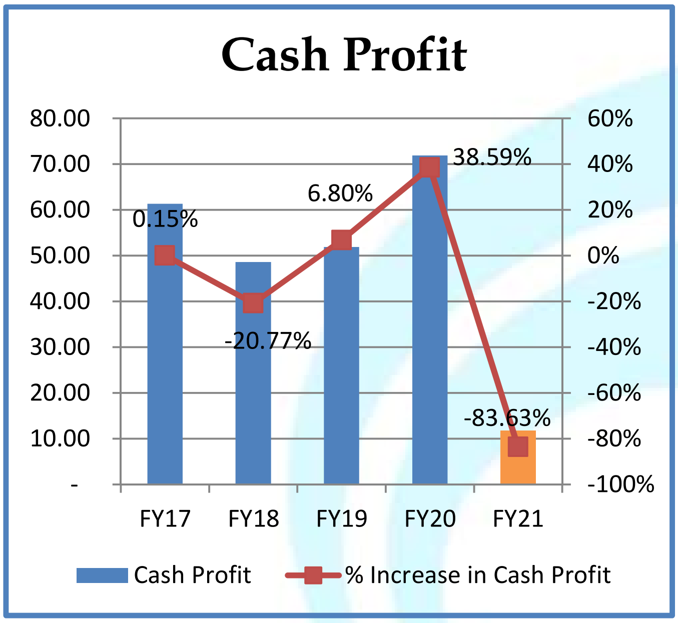


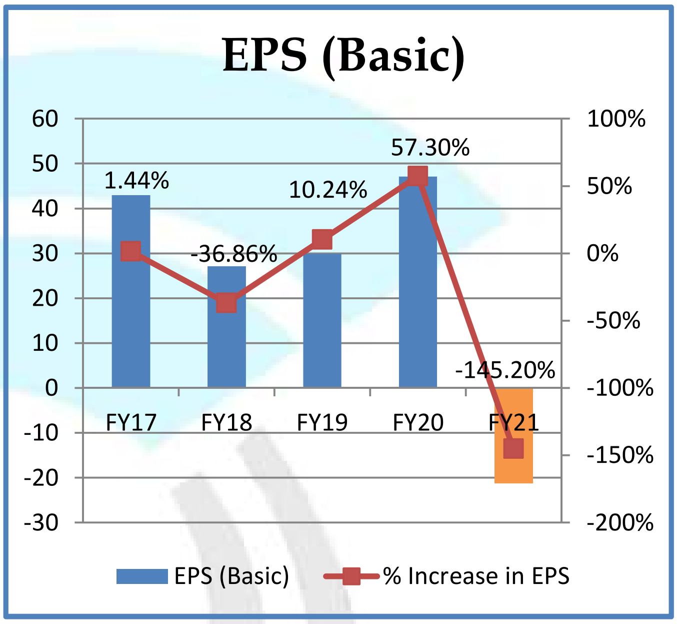
Increase/ Decrease in Debt



Increase/ Decrease in Cash Profit

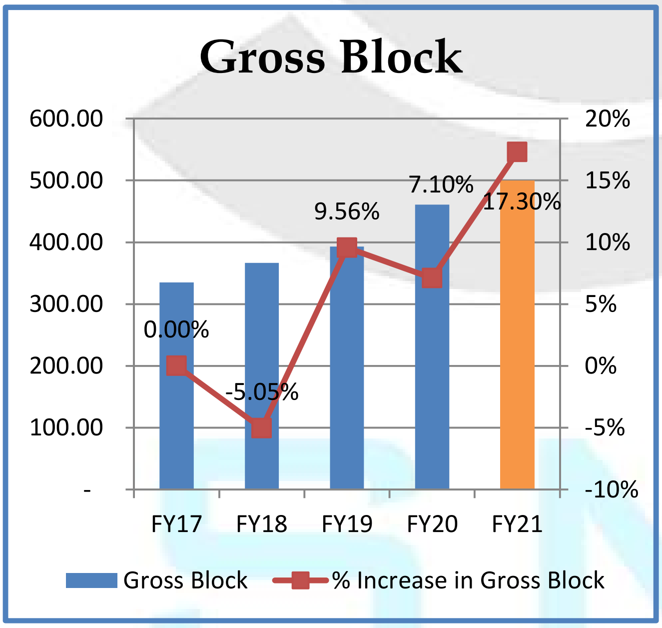
Increase/ Decrease in EPS (Basic)

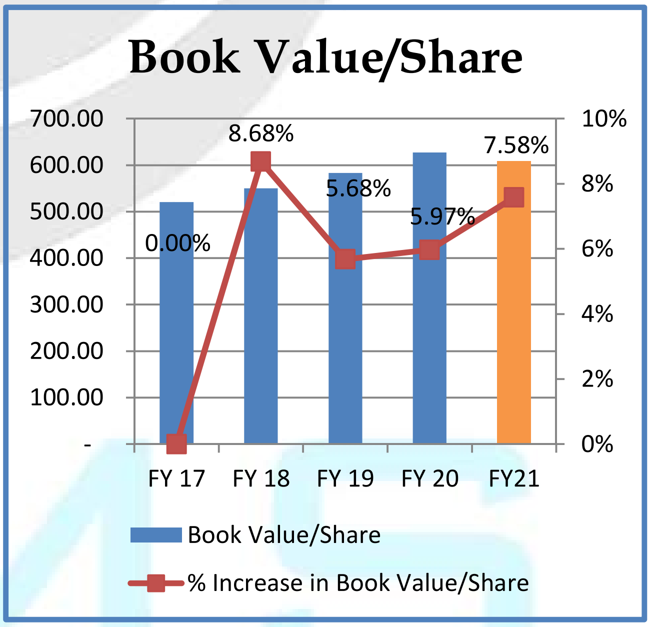




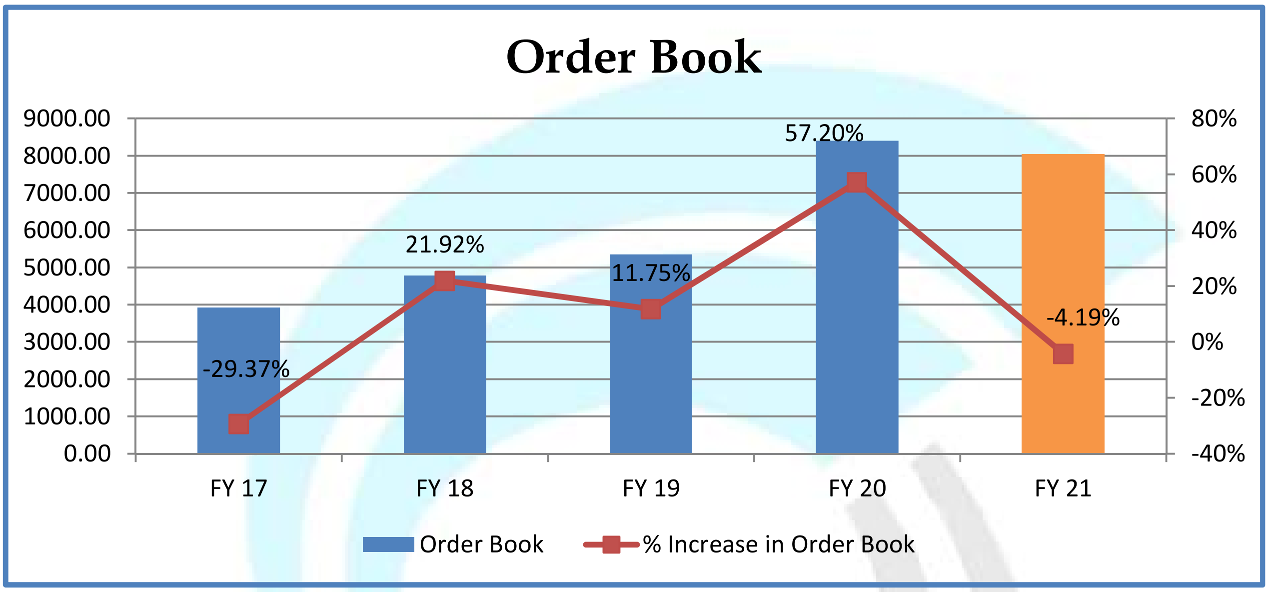
Increase/ Decrease in Gross Block

Increase/ Decrease in Book Value

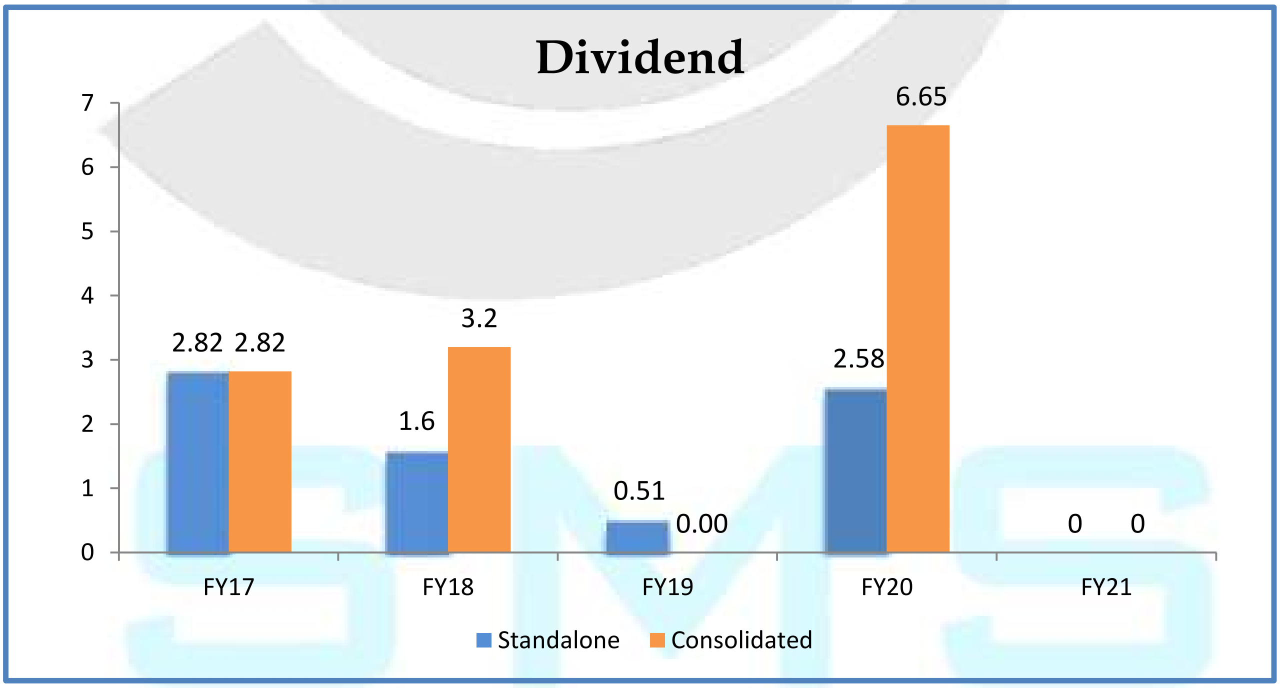




Order Book Position



Dividend



SMSL
Board of Directors

Anand Sancheti
Managing Director

Dilip Surana
Whole Time Director

Ajay Kumar Lakhotia
Independent Director

Ramendra Gupta
Independent Director

Paramveer Sancheti
Whole Time Director

Akshay Sancheti
Whole Time Director

Nirbhay Sancheti
Whole Time Director

Hemant Lodha
Non-Executive Director

Company Information

Anand Sancheti	*Managing Director*
Dilip Surana	*Whole Time Director*
Ramendra Gupta	*Independent Director*
Ajay Kumar Lakhotia	*Independent Director*
Paramveer Sancheti	*Whole Time Director*
Akshay Sancheti	*Whole Time Director*
Nirbhay Sancheti	*Whole Time Director*
Hemant Kumar Lodha	*Non-Executive Director*
Sushant Mukherjee	*Chief Financial Officer*
Smita Agarkar	*Company Secretary*
C.R. Sagdeo & Co.	*Internal Auditors*
V.K. Surana & Co.	*Statutory Auditors*
Vaibhav Jachak & Co.	*Secretarial Auditor*
D. Rajarao & Co.	*Cost Auditor*
Registered Office	*I.T. Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur- 440022*

SMS Limited

Board & Committees –

The Board of Directors

Anand Sancheti
Managing Director

Dilip Surana
Whole Time Director

Ramendra Gupta
Independent Director

Ajay Kumar Lakhotia
Independent Director

Paramveer Abhay Sancheti
Whole Time Director

Akshay Sancheti
Whole Time Director

Nirbhay Ajay Sancheti
Whole Time Director

Hemant Kumar Lodha
Non-Executive Director

Executive Committee

Anand Sancheti
Member

Dilip Surana
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Audit Committee

Ajay Kumar Lakhotia
Chairman Audit

Ramendra Gupta
Member

Anand Sancheti
Member

Nomination & Remuneration Committee

Ramendra Gupta
Member

Ajay Kumar Lakhotia
Member

Hemant Kumar Lodha
Member

Share Transfer Committee

Anand Sancheti
Member

Ajay Kumar Lakhotia
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Corporate Social Responsibility Committee

Ajay Lakhotia
Member

Ramendra Gupta
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Risk Management Committee

Anand Sancheti
Member

Dilip Surana
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Hemant Kumar Lodha
Member

BOARDS' REPORT

To

The Members,
SMS Limited

The Board of Directors hereby submits their Twenty Fourth Report on the business and operations of the Company ('the Company' or 'SMS LIMITED'), along with the audited financial statements, for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred wherever required.

1. COMPANY SPECIFIC INFORMATION:

SMS Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having a registered office in Nagpur, Maharashtra, India. The company is engaged in the business of construction & commissioning and Lump Sum Tum Key facilities in various infrastructure projects like Road Bridges, Water Supply, Power Transmission, Underground Mining Work etc., for Central/State Governments, other local bodies and the Private sector in the Country and Waste Management activates.

1.1 Financial Highlights:

The financial performance of the Company for the year 2020-21 ended on 31st March 2021 is summarized below:

(₹ In Crore)

	Standalone		Consolidated	
Particulars	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Revenue from Operations	676.90	888.68	1487.90	1622.01
Other income	35.06	19.01	50.35	38.43
Profit Before Depreciation, Finance Costs, Exceptional items and Tax Expenses	144.62	145.06	622.88	543.58
Less: Depreciation/ Amortisation / Impairment	33.61	23.61	236.20	226.18
Profit Before Finance Costs, Exceptional items and Tax Expenses	111.01	121.46	386.68	317.40
Less: Finance Costs	105.90	86.87	214.21	196.79

Profit Before Exceptional items and Tax Expenses	5.10	34.58	172.47	120.60
Add/Less: Exceptional items	(27.24)	26.78	27.72	NIL
Profit Before Tax Expenses	(22.13)	61.37	144.74	120.60
Less: Tax Expenses (Current & Deferred)	(0.29)	13.06	12.65	30.41
Profit for the year (1)	(21.84)	48.31	132.09	90.19
Total Comprehensive income (2)	(19.89)	48.85	97.37	67.53
Balance of profit/loss for earlier years	515.97	470.86	535.16	485.70
Less: Transfer to Debenture Redemption Reserve	NIL	NIL	NIL	NIL
Less: Transfer to Reserves	NIL	NIL	NIL	NIL
Less: Dividend paid on Equity Shares including DDT	NIL	2.58	5.05	6.76
Less: Dividend paid on Preference Shares	NIL	NA	NA	NA
Less: Dividend Distribution Tax	NIL	NIL	NIL	NIL
Balance carried forward	494.13	515.97	589.39	535.16

Previous year's figures have been regrouped /recast wherever necessary as per IND AS

A. Standalone

The revenue from operations of the Company for the financial year ended 2020-21 amounted to ₹ 676.90/- crore as against ₹ 888.68/- crore in FY-2019-20 and earned a profit before interest, depreciation, exceptional items and tax (PBIDT including exceptional item) for the FY 2020-21 ₹ 144.62/- crores as against ₹ 145.06/- crores in the previous year. After deducting financial charges of ₹ 105.90/- crores, providing a sum of ₹ 33.61/- crores towards depreciation and amortisation and ₹ (2.96)/- crore for income tax and the operations of the Company resulted in a net profit of ₹ (21.84) crore for the FY 2020-21 as against ₹ 48.30/- crores in FY 2019-20.

B. Consolidated

During the year under review, the revenue from operations of the Company on a consolidated basis amounted to ₹ 1487.90/- crores as against ₹ 1622.01/- crore in the previous fiscal. The Company has earned a PBIDT of ₹ 144.62/- crore for the FY 2020-21 as against ₹ 145.06/- crores in the previous financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ (21.84)/- crore as against ₹ 48.30/- crores in the previous financial year. The order book of the company as on March 31, 2021, stood at ₹ 8053.2/- crore.

The Novel Coronavirus disease which spread to countries throughout the world including India was declared a global pandemic by the WHO in February 2020. The Government of India declared a nationwide total lockdown on the 22nd of March 2020. The continuing lockdown adversely affected the turnover and profit. Post-March 2020 with partial and staggered lockdown and the prolonged restriction on movement of manpower and material, closure of many allied businesses engaged in the supply of necessary resources for working of sites, the performance at the site were in the downward tread. The sudden lockdown in March 2020 witnessed a major exodus of skilled manpower which did not return after the easing of the lockdown. Moreover, the severe shortage of supplies, essential spare and consumables required for effective functioning of machinery, restrictions on working hours and number of manpower permitted to work as per directives of local, state and central Governments at various places from time to time – both at client-side and the company's side – all of these directly affected the productivity and resulted in a significant drop in the turnover. The company had to suffer the same situation during the 2nd wave.

With some ease of restrictions, work at sites started during 2nd quarter of Financial Year (FY) 20-21, however, the sites were not yet fully functional due to significant delay and non-availability of supplies and services, major delay in delivery of ordered machinery, hurdles in getting skilled manpower for the sites also frequent non-availability of clients officers.

All these issues resulted in:

1. Project could not be made 100% functional as was during the pre-covid level.
2. Non-availability of clients officers resulted in delayed approvals of work done, delay in the processing of bills and in turn major delays in getting payments.
3. Significant loss of time and money due to non-approval of drawings and work permits.
4. Restrictions on transport affected the timely receipt of goods at sites.
5. Shortage of supplies on transport with the surge in demand and constraints of movements led to inflation in the price of raw materials such as steel, cement, etc.
6. Restriction on movement of manpower resulting in a shortage of manpower at the site – both skilled and unskilled.
7. Moreover, social distancing measures to be followed at the site also added to the costs.

Due to the above events, the completion of work at the site has been low and hence resulting in lower turnover.

Taking into view the all above-mentioned factors, the management has initiated various measures to overcome the issues faced and improve upon the turnover. The company intends to mechanize the site operations with the purchase of more technologically advanced machinery. This will help increase production minimize delay and dependencies on manpower and in long run will result in cost optimization. With a healthy order book and considering the improvements in work conditions in the last few months, the company expects to have a better improved top line and bottom line. With better financial planning, the coming period will see an overall improvement in the company's financial performance. As such the management does not envisage threat to any of its projects and also to the company as a whole.

1.2. Amount, if any, which the Board proposes to carry to any reserves:

In accordance with the provisions of Section 134(3)(j) of the Companies Act, 2013, (hereinafter "the Act") the Company has not proposed any amount to transfer to the General reserves of the Company for the FY 2020-21.

1.3. Dividend:

The Board while taking note of the challenges faced on account of the COVID-19 pandemic and the need to conserve the resources has not recommended and payment of any dividend during the year under review.

1.4 Major events that occurred during the year:

a) **The State of The Company's Affairs:**

(i) **Segment-wise position of the business and its operations;**

The Company is engaged in providing infrastructural services with diversification into all the major sectors of infrastructure including Mining, Railways, Irrigation, Highways Construction, Power, Environment, Urban and Rural Development.

The Order Book position as on March 31, 2021, stood at ₹ 8053.20/- crore.

A separate reportable segment forms part of note no. 52 to the Consolidated Balance Sheet as on 31st March 2021.

(ii) **Change in status of the Company –**

During the year under review, there were no material and significant changes in the status of the Company.

(iii) **Key business development –**

During the year under review following works were awarded in different sectors of the business of the Company:

MINING SECTOR:

Tummalapalle Project Underground Mine (2007):

Development stopping, ventilation shaft sinking and other related excavation for production of 3000 TPD of Uranium Ore at Tummalapalle Project, Andhra Pradesh. This is an 8+2 Year Project awarded by Uranium Corporation of India Ltd., with a total project cost of ₹ 798.24 crores, the project was started on 25.04.2008, the work is completed on the 6th of March 2020 and the final bill is under review.

Kolihan Copper Mine Underground Mine:

14,200 meters mine development including decline development along with Production drilling of large dia. (165 Mm, 115 Mm) drilling and long hole (57 Mm) drilling at Kolihan Copper Mine, Rajasthan, India. The project was awarded by Hindustan Copper Limited, Kolkata with a total project cost of ₹ 136.81 crore, the project was started on the 17th of April 2017 and have completed 48.40% of the work at the end of the year.

Banwas Block - Khetri Copper Mine Underground Mine:

27,10,000 MT ore production along with mine development, decline development, diamond drilling for exploration including sampling in development and stopes, production drilling of large dia. (165 mm, 115 mm) drilling & long hole (57 mm) drilling, drop raising & equipping at Banwas block of Khetri Copper Mine, Rajasthan. The project was awarded by Hindustan Copper Limited, Kolkata with a total project cost of ₹ 314.98 crore, the project was started on the 17th of May 2017 and have completed 27.54% of the work at the end of the year.

Khetri Copper Mine Underground Mine:

14,045 meters mine development along with long hole (57 mm) drilling at Khetri Copper Mine, Rajasthan, India. The project was awarded by Hindustan Copper Limited, Kolkata with a total cost of ₹ 123.00 crore, the project was started on the 29th of May 2017 and have completed 39.04% of the work at the end of the year.

Malanjkhand Copper Project (MCP) Underground Mine:

Mine development, production drilling and ore production from MCP underground mine, Madhya Pradesh. The project was awarded by Hindustan Copper Limited, Kolkata and the project was started on the 20th of November 2019 with a total project cost of ₹1573.81 crore and have completed 3.80% of the work at the end of the year.

Tummalapalle Existing Underground Mine (2019) Part-2:

Mine development, stoping, ventilation shaft sinking, stowing, transportation of waste & other rocks in the underground, excavation of crusher chamber & other related excavation for production of 3000 TPD of Uranium Ore at Tummalapalle existing underground mine (Part-2). This is an 8 Year Project awarded by Uranium Corporation of India Ltd and the project was started on the 7th of March 2020 with a total project cost of ₹3188.38 crore and have completed 5.35% of the work at the end of the year.

Kondapuram Underground Mine:

Extraction of coal on cost per ton basis by deploying Continuous Miners (CM) including the drivage of tunnels at Kondapuram UG mine, Manuguru area. awarded by the Singareni Collieries Company Limited., with a total project cost of ₹ 1010.78 crore, and have completed 1.33% of the work at the end of the year. CM was not deployed due to a change in geo-mining condition, many faults were intercepted which was not anticipated in the tender. Currently, an exploration borehole plan by SCCL and drilling work is under progress, to ascertain mineable reserve.

Kondapuram UG Mine, MNG Area:

Drivage of 2 Nos. of inclined tunnels at Kondapuram UG Mine, MNG area. awarded by the Singareni Collieries Company Limited, with a total project cost of ₹ 11.24 crore, the project was started on the 16th of March 2019 and the work is completed in the month of November 2020.

The total work in hand of the mining projects with the project cost of **₹ 5959.04 crore** at the end of the financial year as detailed hereunder

i 14,200 meters mine development including decline development along with production drilling of large dia. (165 mm, 115 mm) drilling and long hole (57 mm) drilling at Kolihan Copper Mine, Rajasthan, India.

ii 27,10,000 MT ore production along with mine development, decline development, diamond drilling for exploration including sampling in development and stopes, production drilling of large dia. (165 mm, 115 mm) drilling & long hole (57 mm) drilling, drop raising & equipping at Banwas block of Khetri Copper Mine, Rajasthan.

iii 14,045 meters mine development along with long hole (57 mm) drilling at Khetri Copper Mine, Rajasthan, India.

iv Mine development, production drilling and ore production from MCP underground mine, Madhya Pradesh.

v Mine development, stopping, ventilation shaft sinking, stowing, transportation of waste & other rocks in the underground, excavation of crusher chamber & other related excavation for production of 3000 TPD of uranium ore at Tummalapalle existing underground mine (Part-2).

vi Extraction of coal on cost per ton basis by deploying continuous miners including the drivage of tunnels at Kondapuram UG Mine, Manuguru area.

ROAD RAIL & IRRIGATION SECTOR:

IRRIGATION SECTOR:

Following works of irrigation sector were completed during FY 2020-21:

1. "IFFC project-construction of link canal from Km.0.00 (MMR R/s Canal @KM.36.125, end of Package-II) to Km.6.90 (Joining at Km.0.650 of approach channel of Thotapally lift scheme package-5) and branch canal to connect to MMR R/s canal beyond Thotapally from Km.0.00 to Km.1.250, including CM &CD works in Karimnagar district."

2. "Balance Earthwork excavation and formation of embankment from Km 2.000 to L/s end pier, construction of spillway from spillway blocks 1 to 15, L/s NOFs' 1 to 4 up to road bridge level and spillway blocks 16 to 26 from crest level to road bridge level including supply, fabrication and erection of gates, infall regulator, R/s off-take sluice, L/s guide bank etc., of mid manair reservoir near Manwada (V), Boinpally (M), Rajanna Sircilla district."

New works awarded/started during FY 2020-21:

1. No new works in the irrigation sector were awarded/ started during 2020-21.

<u>RAIL AND ROAD SECTOR</u>:

Following works of rail and road sector were completed during FY 2020-21:

1. Construction of roadbed, minor & major bridges between km. 10.00 to Km. 45.00 in connection with new B.G electrified double line in the state of Chhattisgarh over South East Central Railway between Kharsia-Dharamjaygarh" work was completed at the end of the year and the final bill is under process.

2. "Execution of earthwork in formation, construction of minor bridges, blanketing, p. way linking works including supply of p-way fittings, track ballast, PSC sleeper & points & crossings in connection with the construction of railway infrastructure from 12/000 to 18/610 KM LP, KRL-Lara section of NTPC railway siding in Raigarh district, Chhattisgarh State (Package-II B)" work was completed at the end of the year and the final bill is under process.

3. Formation of state highway (Renigunta-Kadapa-Rayalacheruvu, SH-31) from Settivaripalli village to K. Sugumanchipalli village due to submergence of existing road under Gandikota Reservoir in Kadapa District. The project was completed at the end of the year and the final bill is approved but payment is delayed due to a shortage of funds.

Following new works got awarded/ started during FY 2020-21:

1. Earthwork in formation, bridges, supply of p. way materials & linking and allied works for the proposed railway siding of M/s. NLC India Ltd, Talabira Mines, Jharsguda district of Odisha state with the project cost of ₹ 101.68 crore. The project is under cancellation as the employer could not provide land for the execution of work.

2. Construction of Hardibazar Tarda Sarvamangla Imlichhapar Road length 27.19 km i/c four-lane street light work of Sarvamangla Imlichhapar road length 5.55 Km (cement concrete road) and have completed 2.9% of the work at the end of the year.

3. Package II: Construction of roadbed, major bridges, minor bridges, ROBs & RUBs including road approaches, station buildings, staff quarters, other service buildings, HL Platforms, COPs, FOBs, general electrification & other works related to the construction of new BG Line from km 110 to km 157 near Digras station of central railway in Maharashtra State, India, the project cost is ₹ 448.64 crore in which 51% of the share is held by SMS Limited and remaining 49% is held by SRRCIPL. The mobilization of the project is ongoing at the end of the year.

5. The letter of acceptance for project work for Construction of mitigation measure structures on CH/MH border to Wainganga bridge section of NH-6 (New NH-53) in the State of Maharashtra under Bharatmala Pariyojana on EPC Mode received on 30th March 2021, the project cost is ₹ 360.80 crore in which 20% share is held by SMS Limited and remaining 80% share is held AGIPL.

ENVIRONMENT SECTOR:

Chandigarh Smart City Legacy Waste clearance Project:

1. During the year the Company was awarded a project for mining legacy waste and recovery of land at the Daddu Majra dumping ground, Chandigarh on a build operate and transfer Basis by Chandigarh Smart City Limited. The agreement was signed on the 21st day of October 2019 at the agreed rate of ₹ 576/tonne for waste cleared. Construction (Capex) was completed in March 2020 and commercial operation commenced from June 2020 and approximately 25% of the work was completed at the end of the year.

MEPL Ranjangaon landfill:

Additional Butibori CETP:

The company was awarded the contract on the 4th of September 2020 for design-build commissioning of additional Butibori CETP on the design-build basis with operation maintenance in additional Butibori Indl. Area, MIDC. The total value of the contract including 1-year maintenance was ₹ 41.09 crore. The company has started its work in October 2020. The work of drawing and designing was completed at the end of the year.

STP Raipur:

Construction of 3 Nos of STPs of capacity 75, 35 & 90 MLD each with SBR technology and RCC pipeline length about 11.42 km turn-key job basis under mission AMRUT, Raipur. The work order was given to the company on the 17th of July 2018. The company has completed about 66% of the work at the end of the year.

ONGC Nada Gujrat:

The entire work of the project is completed including billing for the said work. O & M agreement is signed with ONGC and work started.

MEPL Butibori:

Work order for construction of SFL-3 was received from Maharasthra Enviro Power Limited in years 19-20. The capacity of the landfill will be 1.90 lakh MT. 10% of the work is completed at the end of the year. The entire work is expected to be completed up to January 2022.

Ponda Envocare Limted:

Construction of common hazardous waste transport storage and disposal facility at Pissurelem Industrial area, Tah-Sattari, North Goa and 30% of the work was completed at the end of the year.

The division has bided for projects such as Chandigarh STP, Chandigarh landfill, Jabalpur legacy waste, Raipur STP pipeline. However, none of the projects was awarded.

iv) Change in Financial Year :

No changes have been made in the financial year of the company during the F.Y. 2020-21.

v) Capital Expenditure Programme:

The company incurred a capital expenditure of ₹ 4253.32/- las detailed hereunder for the purchase of various tangible fixed assets during FY 2020-21.

Expenses for the following are as follows-

Sr. No.	Particulars	₹ in Lac
1.	Building	411.67
2.	Plant & Equipment's	2834.19
3.	Furniture & Fixture	17.95
4.	Vehicles	294.33
5.	Office Equipment	23.98
6.	Computer	30.61
7.	Mining Asset	640.59
	Total	4253.32

vi) <u>Details and status of acquisition, merger, expansion, modernization and diversification:</u>

During the year under review, the company has not carried out any activity in relation to acquisition, expansion, modernization and diversification.

However, the Board of Directors of the Company vide its meeting held on 17th December 2020 approved the scheme of the merger of the Company with its Wholly Owned Subsidiary (WOS) namely Patwardhan Infrastructure Pvt. Ltd. viz., M/s. Patwardhan Infrastructure Pvt. Ltd. in its Board Meeting held on 17th December 2020 approved the scheme of amalgamation/merger of said WOS with SMS Limited(Holding Company), subject to requisite approvals including that of NCLT, with the appointed dated as 1st April 2020.

vii) <u>Developments, acquisition and assignment of material Intellectual Property Rights;</u>

The Company has not carried out any activity for developments, acquisition and assignment of material Intellectual Property Rights, during the financial year.

vii) <u>Any other material event having an impact on the affairs of the company.</u>

There are no other material events that have occurred during the financial year, having an impact on the affairs of the Company.

b) <u>Change in Nature of Business:</u>

There is no change in the nature of business carried on by the Company during the year under review.

c) **Material Changes and Commitments affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report:**

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report. However, the impact of 2nd wave of COVID-19 pandemic which has struck India from mid of March 2021 has impacted the operations of the Company. The economic impact of the 2nd wave on the operations of the Company is unascertainable as of the date of this report.

Merger/Amalgamation:

SMS Limited and its Wholly Owned Subsidiary Companies (WOSs) viz., M/s. Patwardhan Infrastructure Pvt. Ltd., in their respective board meetings held on 17th December 2020 approved the merger of said WOS with SMS Limited (Holding Company), subject to requisite approvals including that of NCLT and the appointed date is 1st April 2020. The process of merger is delayed due to the restricted functioning of NCLT on account of the COVID-19 Pandemic.

1.5. Details of Revision of Financial Statement or The Board's Report:

Disclosure for voluntary revision of financial statement pursuant to section 131(1) of the Companies Act, 2013 is not required, as the Company has not revised its financial statement or Boards' Report in the relevant financial year.

2. GENERAL INFORMATION:

SMS Limited, ("SMSL" / "the Company") was established as a Partnership firm in 1979, which was subsequently converted into a Limited Company in 1997. The Company was founded by Late Mr Shaktikumar M. Sancheti, the group is recognised as one of the largest Infrastructure Companies of Central India. The registered office of the Company is located at IT Park, 20 S.T.P.I., Gayatri Nagar Parsodi Nagpur, Maharashtra, India.

The Company is mainly engaged in the industrial and commercial buildings, roads, railways, bridges, dams and flyovers, development of mining and extraction of ores, water supply and environment projects (Sewerage Treatment plant, Effluent treatment plant, Landfills, Integrated Hazardous waste management facility), O & M CETP, Biomining, power transmission lines, irrigation and hydrothermal power projects, etc.

2.1 Overview of the industry and important changes in the industry during the last year:

FY 2021 was a challenging year for India's infrastructure sector as the country was trying to recover from the impact of the COVID-19 pandemic, which has resulted in a significant reduction in economic activities across all sectors and general slowdown conditions. The impact on infrastructure companies can be assessed during any of the phases: development, construction and operations. The Company's business has also been affected as result of interruption in construction activities, revocation of toll collection, supply chain disruption, unavailability of personnel, closure/lock down of various other facilities, etc. Various EPC contractors are declaring force majeure and/or off-takers are defaulting. This is creating liquidity challenges resulting in funding gaps. The Indian infrastructure and construction industry accounts for ~9% of the country's GDP. Thus, it plays a pivotal role for improving India's manufacturing competitiveness and achieving higher economic growth. India's growth expectations for FY2022 are being adjusted downwards. The RBI now expects GDP growth to be lower for FY2022. Further, the government is taking several initiatives to eliminate bottlenecks in the infrastructure sector, such as delays in obtaining clearances, funding constraints and land acquisition issues. Few of these initiatives include the launch of a portal for single-window clearance, creation of the National Investment and Infrastructure Fund ('NIIF'), and re-examination of the Viability Gap Funding ('VGF') Scheme to fill the funding gap. India is expected to be the third-largest construction market globally by 2030, with its contribution to GDP increasing to 15% by 2030. To meet the target of a $5 trillion economy by 2024-25, India has developed US$ 1.5 trillion (₹111 lakh crore) National Infrastructure Pipeline (NIP) built on Infrastructure Vision 2025, which should provide a timely stimulus to the economy. The total project capital expenditure in infrastructure sectors in India during the fiscals 2020 to 2025 is projected at over ₹111 lakh crore in which sectors such as Energy (24%), Roads (19%), Urban infrastructure (16%), Railways (13%) and Ports amount to around 70% of the projected capital expenditure.

2.2 External environment and economic outlook:

The novel coronavirus ("COVID-19") pandemic is unprecedented and its impact continues to threaten the survival of economies globally. The pandemic is affecting various global industries and sectors, some more than others. India had entered into 2021 with lower growth projections on the economic front led by the global economic slowdown and the continuing coronavirus pandemic with the sharp rise in daily cases after the second wave has led to stricter localised lockdown conditions, which further impacted businesses as well as the economic situation. India is striving to improve its manufacturing competitiveness at a time of pandemic through the government's progressive reforms and policy that are in the offing to boost the confidence of domestic and foreign investors thereby boosting infrastructure development.

Many programmes for urban development such as the AMRUT to provide basic civic amenities like water supply, sewerage, mass rapid transit system, smart city mission, Jal Jeevan mission, PMAY-U to provide affordable housing and the SCM (supply chain management) for integrated development are in place. Over the next five years, the total NIP (National Infrastructure Pipeline) Capex will be over US$ 256 billion (₹19 lakh crore) with over 1300-project pipeline.

The roads and highways sector has received a significant push via government initiatives, such as Bharatmala Pariyojana, Pradhan Mantri Gram Sadak Yojana and multiple expressways. Over the next five years, the total NIP Capex will be over US$271 billion (₹ 20 lakh crore) with over an 1800-project pipeline.

Various initiatives have been undertaken by the Indian Railways to provide impetus to the Make in India programme and encourage investment in railway infrastructure through investor-friendly policies. Over the next five years, the total NIP Capex will be over US$ 182 billion (₹13 lakh crore) with over 720-project pipeline.

Other key budgetary provisions to meet long-term financing needs of the infrastructure sector include proposed Development Financial Institution (DFI) with an initial capitalization of ₹ 2,000 crore and a lending portfolio of at least ₹ 5 lakh crore with a record capital expenditure of ₹ 5.54 lakh crore for FY 2021-22.

3. CAPITAL AND DEBT STRUCTURE:

Any changes in the capital structure of the company during the year, including the following:

(a) change in the authorised, issued, subscribed and paid-up share capital:

During the financial year 2020-21, there is no change in the Capital structure of the Company. Accordingly, the issued, subscribed and paid-up capital of the Company stands at ₹102613820/- divided into 10261382 Equity Shares of ₹10/- each. The authorised share capital of the Company is ₹150000000/- divided into 15000000 Equity Shares of ₹10/- each as on 31st March 2021.

During the year under review, the Company has not issued any securities like debentures, bonds or any non-convertible securities during the financial year under review.

Depository System:

The shares of the Company are in dematerialized form with National Securities Depository Limited and M/s. Link Intime India Pvt. Ltd., Mumbai is its Registrar & Transfer Agent.

As on March 31, 2021, 100% of the Company's paid-up capital representing 1,02,61,382 shares are in dematerialized form.

The Status of shares held in dematerialised and physical format is given below:

Particulars	Number of		% of the total equity
	Shareholders	Shares	
Shares in Demat Form	7	1,02,61,382	100
Shares in Physical Form	0	0	0

(b) **reclassification or sub-division of the authorised share capital;**

During the financial year 2020-21, the Company has not reclassified or sub-divided its authorised share capital.

(c) **reduction of share capital or buyback of shares;**

During the financial year 2020-21, there was no reduction of share capital or buyback of shares in the Company.

(d) **change in the capital structure resulting from restructuring;**

During the financial year 2020-21, there were no restructuring carried out in the Company and consequently, the Capital Structure of the Company remained unchanged.

(e) **change in voting rights:**

The voting rights of the Company remained unchanged during the F.Y. 2020-21.

3.1 Issue of shares or other convertible securities:

During the financial year 2020-21, there is no change in the capital structure of the Company. Accordingly, the issued, subscribed and paid-up capital of the Company stands at ₹102613820/- divided into 10261382 Equity Shares of ₹10/- each as on 31st March 2021.

3.2 **<u>Issue of equity shares with differential rights:</u>**

During the financial year, the Company has not issued any Equity Shares with differential rights pursuant to the provisions of section 43(a) of the Companies Act, 2013.

3.3 **<u>Issue of Sweat Equity Shares:</u>**

During the financial year, the Company has not issued any Sweat Equity Shares pursuant to the provisions of section 54 of the Companies Act, 2013.

3.4 **<u>Details of Employees Stock Options:</u>**

The Company has not issued any shares under the Employees Stock Options scheme pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013.

3.5 **<u>Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees:</u>**

During the year under review, the Company has not given any loan to any of its employees to purchase its shares pursuant to clause (c)to sub-section (3) of section 67, therefore the disclosure as per Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 are not applicable.

3.6 **<u>Issue of debentures, bonds or any non-convertible securities:</u>**

During the year under review, the Company has not issued any debentures, bonds or any non-convertible securities.

3.7 **<u>Issue of warrants:</u>**

During the year under review, the Company has not issued any warrant pursuant to the related provision of the Companies Act, 2013.

4. **<u>CREDIT RATING OF SECURITIES:</u>**

(a) **credit rating obtained in respect of various securities;**

Credit rating obtained in respect of Fund Based Limits i.e. Cash Credit, CECL, GECL Loan and Non-Fund Based Limits i.e. Bank Guarantee (BG), LC interchangeability with BG (Sub-limit of BG) and Letter of Credit (LC).

(b) **name of the credit rating agency;**

The Company has been rated by Brickwork Ratings India Pvt. Ltd. for its banking facilities. Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empanelled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services.

NABARD has empanelled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

(c) **the date on which the credit rating was obtained;**

The Credit rating was obtained on 17th November 2020 for FY 20-21, where Brickwork Ratings had reaffirmed the ratings at BWR A/Stable/A2+ for the bank loan facilities of ₹1370.00 Crore of SMS Limited. For this FY 2021-22 rating is awaited (advance stage) and we expect to receive it before February 2022.

(d) **revision in the credit rating and (e) reasons provided by the rating agency for a downward revision, if any.**

The rating reaffirmation continues to factor in the promoters' long-term experience in the Engineering, Procurement and Construction (EPC) industry, SMSL's status as a Class A contractor, and ability to secure large contracts and track record of project execution capabilities across sectors such as mining, irrigation, road and bridges, highway, electrical, enviro and clean energy, and railways. The ratings derive strength from the large and reputed customer profile, which ensures steady order flows through the year, and low counterparty credit risks as the clients are all government entities.

The ratings, however, are constrained by the shortfall in the company's envisaged performance for FY20 and estimated FY21 (on a standalone basis), but on a consolidated basis, net cash accruals are expected to be moderate to meet annual principal and interest obligations in FY21, along with the working-capital-intensive nature of operations and high utilisation of sanctioned working capital facilities, and corporate guarantee extended to subsidiaries.

BWR believes SMS Limited's business risk profile will be maintained over the medium term. The Stable outlook indicates a low likelihood of rating change over the medium term.

5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

There was no amount liable or due to be transferred to Investor Education and protection Funds during the year under review.

6. MANAGEMENT:

6.1 Directors And Key Managerial Personnel:

At present, the Board is comprised of five Executive Directors, two non-executive Independent Directors and one non-executive non-independent Director.

Executive Directors:

Mr Anand Sancheti, Managing Director DIN: 00953362)

Mr Dilip Surana, Whole Time Director (DIN: 00953495)

Mr Paramveer Sancheti, Whole Time Director (DIN:05326947)

Mr Nirbhay Sancheti, Whole Time Director (DIN: 08338308)

Mr Akshay Sancheti, Whole Time Director (DIN: 07564977)

Non-Executive Independent Directors:

Mr Ajay Kumar Lakhotia, (DIN: 00634602)

Mr Ramendra Gupta (DIN: 00306663)

Non-Executive Directors:

Mr Hemant Lodha, (01654145).

INDUCTIONS, RETIREMENT, RESIGNATIONS AND CESSATION:

INDUCTIONS:

The Board of Directors vide its **424th** meeting dated **29th February 2020** on the recommendation of 13th adjourned Nomination and Remuneration Committee Meeting held on 29th February 2020 and via approval of 52nd adjourned Audit Committee Meeting held on 29th February 2020 appointed **Mr Akshay Abhay Sancheti (DIN: 07564977)** as a Whole-time Director, designated as an Executive Director for the period of eight months commencing from March 1, 2020, to October 30, 2020, to fill the casual vacancy caused due to demise of original Director, Mr Abhay Sancheti, on

22nd January 2020 vacating his office as Director of the Company before the expiry of his term of office dated October 30, 2020, and that Mr Akshay Abhay Sancheti, is to hold office till the date the outgoing Director Mr Abhay Harakchand Sancheti would have held office.

During the year under review based on the recommendation of the Nomination and Remuneration Committee vide its meeting dated 29th February 2020 the Board of Directors at its 426th meeting dated 29th August 2020 and via approval of the members vide its meeting dated 28th December 2020 have re-appointed **Mr Akshay Abhay Sancheti (DIN: 07564977)** as a Whole-time Director of the Company for a period of five (5) years w.e.f. 31st October 2021 to 30th October 2025.

RETIREMENT:

In pursuance of section 152 of the Companies Act, 2013 and the rules framed thereunder and the Articles of Association of the Company, Mr Paramveer Sancheti, (DIN:05326947) and Mr Nirbhay Sancheti, (DIN: 08338308) are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers them self for re-appointment. The Board of Directors recommends their re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee vide its 13th meeting held on 29th February 2020, the Board of Directors vide their 426th meeting dated 29th February 2020 appointed Mr Hemant Lodha (DIN: 01654145) as an additional director of the Company on w.e.f. 1st March 2020. Pursuant to the provisions of section 161 of the Companies Act, 2013, he shall hold office up to the date of the ensuing annual general meeting and being eligible offer himself for appointment as director by the members in the annual general meeting.

Other than as stated above, there has been no other change in the Directors during the year under review.

Key Manangerial Personnel:

Mr Anand Sancheti, Managing Director, Mr Sushant Mukherjee, Chief Financial Officer and Mrs Smita Agarkar, Company Secretary are the Key Managerial Personnel ("KMP") of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There has been no change in the Key Managerial Personnel during the Financial Year under review.

However, on the date of the Board Report, Mr Sushant Mukherjee has resigned from the position of Chief Financial Officer as Key Managerial Personnel w.e.f. 31st March 2021 and in his place, the Company has appointed Mr Rajesh Kumar Gupta as the new Chief Financial Officer as Key Managerial Personnel w.e.f. 1st April 2021.

6.2 Independent Directors:

During the year under review pursuant to the provision of section 149 subsection (10) of the Companies act 20013 no Independent Director/s were appointed or re-appointed whereas Mr Ajay Kumar Lakhotia, (DIN: 00634602) and Mr Ramendra Gupta (DIN: 00306663) continuous to be an Independent Directors of the Company.

6.3 Declaration by Independent Directors and statement on compliance of code of conduct:

Pursuant to the requirement of the provision of sub-section (3) of 134 of the Companies Act, 2013. The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act,2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149 of the Companies Act, 2013 and that the Independent Directors have Complied with the Code for Independent Directors prescribed in Scheduled IV to the Act.

6.4 Disqualification of Directors

During the financial year 2020-2021 under review, an intimation pursuant to the provision of Section 164 of the Companies Act, 2013 was received from the Directors of the Company. The Board noted the same and confirmed that none of the Directors is disqualified to hold office as director.

6.5 <u>Board Meeting:</u>

The number and dates of meetings of the Board of Directors:

The Board of Directors met three times during the financial year 2020-21; on August 29, 2020, December 17, 2020, and March 31, 2021.

The annual General Meeting for FY 2019-20 was held on December 28, 2020. The details of the meetings of the Board of Directors are given in Table 1 held during FY 2020-21.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Table 1: Details of the Meeting of Board of Directors:

Name of the Directors	*Attendance at last AGM held on December 28, 2020	No. of Board Meeting held and attended			% of attendance including video conferencing
		1	2	3	
Anand Sancheti	✓	✓	✓	✓	100%
Dilip Surana	✓	✓	✓	✓	100%
Ramendra Gupta	✓	✓	✓	✓	100%
Ajay Kumar Lakhotia	✓	✓	✓	✓	100%
Paramveer Sancheti	✓	✓	✗	✓	66.66%
Nirbhay Sancheti	✓	✓	✓	✓	100%
Akshay Sancheti	✓	✓	✗	✓	66.66%
Hemant Lodha	✓	✓	✗	✓	66.66%

✓ *Attendance in person or Through Video Conferencing* ✗ *Absent- Nil*

6.6 <u>Committees:</u>

Currently, the Board has six committees:

1) the Executive Committee,
2) the Audit Committee,
3) the Corporate Social Responsibility Committee,
4) the Nomination and Remuneration Committee,

5) the Share Transfer Committee,

6) the Risk Management Committee.

Table: Details of the Board and its Committees:

Board and Committee Composition as of March 31, 2021							
Name	Board	Executive Committee	Audit Committee	CSR Committee	Nomination & Remuneration Committee	Risk Management Committee	Share Transfer Committee
Anand Sancheti	Member	Member	Member	Member		Member	Member
Dilip Surana	Member	Member				Member	
Ramendra Gupta	Member		Member	Member	Member		
Ajay Kumar Lakhotia	Member		Chairman	Member	Member		Member
Paramveer Sancheti	Member	Member		Member		Member	Member
Nirbhay Sancheti	Member	Member		Member		Member	Member
Akshay Sancheti	Member	Member		Member		Member	Member
Hemant Lodha	Member				Member		

Chairman *Member*

A. **Executive Committee:**

The Committee comprises of Mr Anand Sancheti, Mr Dilip Surana, Mr Paramveer Abhay Sancheti, Mr Akshay Abhay Sancheti and Mr Nirbhay Ajay Sancheti.

During FY 2020-21, Fifty-Six Meetings of the Executive Committee were held. The composition of the Executive Committee and the attendance of its Members at its Meetings held during FY 2020-21 are, detailed in Table 2:

Table 2: Details of the Executive Committee

Name of the Member	Nature of Membership	Category	No. of Meeting held	No. of Meeting Attended	% of Attendance
Anand Sancheti	Member	Managing Director	56	56	100.00%
Dilip Surana	Member	Whole Time Director	56	56	100.00%
Paramveer Sancheti	Member	Whole Time Director	56	56	100.00%
Nirbhay Sancheti	Member	Whole Time Director	56	56	100.00%
Akshay Sancheti	Member	Whole Time Director	56	56	100.00%

B. <u>Corporate Social Responsibility</u>:

The Committee comprises of Mr Anand Sancheti, Mr Ajay Kumar Lakhotia, Mr Ramendra Gupta, Mr Paramveer Abhay Sancheti, Mr Akshay Abhay Sancheti and Mr Nirbhay Ajay Sancheti.

During FY 2020–21, two Meetings of the Corporate Social Responsibility Committee were held on December 17, 2020, and March 31, 2021. The composition of the Corporate Social Responsibility Committee and the attendance of its Members at its Meetings held during FY 2020-21 are detailed in Table 3:

Table 3: Details of the CSR Committee:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended		% of Attendance
			1	2	
Ramendra Gupta	Member	Independent Director			100.00%
Ajay Kumar Lakhotia	Member	Independent Director			100.00%
Anand Sancheti	Member	Managing Director			100.00%
Paramveer Sancheti	Member	Whole Time Director			100.00%
Nirbhay Sancheti	Member	Whole Time Director			100.00%
Akshay Sancheti	Member	Whole Time Director			100.00%

Attendance in person or Through Video Conferencing *Absent (Nil)*

C. **<u>Audit Committee:</u>**

As per the provisions of Section 177 of the Act, the company has an Audit Committee comprising of Mr Anand Sancheti, Mr Ramendra Gupta and Mr Ajay Kumar Lakhotia. Mr Ajay Kumar Lakhotia is the Chairman of the Committee.

During FY 2020-21, three meetings of the Audit Committee were held i.e. on August 29, 2020, December 17, 2020, and March 31, 2021. The details of the composition of the Audit Committee and its attendance at the Meetings are given in Table 4:

The Board has accepted all the recommendations made by the Audit Committee and the minutes of the meetings of the Committee were noted by it.

Table 4: Details of the Audit Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended			% of Attendance
			1	2	3	
Ajay Kumar Lakhotia	Chairman	Independent Director	👤	👤	👤	100.00
Ramendra Gupta	Member	Independent Director	👤	👤	👤	100.00
Anand Sancheti	Member	Managing Director	👤	👤	👤	100.00

👤 *Attendance in person or Through Video Conferencing* 👤 *Absent (Nil)*

D. **<u>Nomination And Remuneration Committee:</u>**

The Committee comprises of three Independent Directors viz. Mr Ajay Kumar Lakhotia, Mr Ramendra Gupta and Mr Hemant Lodha.

During FY 2020-21, two meetings of the Nomination Remuneration Committee were held i.e. on December 17, 2020, and March 31, 2021. The details of the composition of the Nomination and Remuneration Committee and its attendance at the Meetings are given in Table 5:

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 5:

Table 5: Details of the Nomination and Remuneration Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended		% of Attendance
			1	2	
Ajay Kumar Lakhotia	Member	Independent Director			100.00
Ramendra Gupta	Member	Independent Director			100.00
Hemant Lodha	Member	Non-Executive			100.00

Attendance in person or Through Video Conferencing *Absent (Nil)*

The terms of reference stipulated by the Board for the Nomination and Remuneration Committee are as contained in Section 178 of the Companies Act, 2013. The policy on appointment and remuneration is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and senior management is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

E. **Stakeholders Relationship Committee:**

During the Financial Year 2020-21 the Company was not required to constitute Stakeholders Relationship Committee, as prescribed under section 178(5) of the Companies Act, 2013.

F. **Risk Management Committee:**

The Risk Management Committee has been constituted in conformity with the provisions of Companies Act, 2013 and The Committee comprises of five Members viz. Mr Anand Sancheti, Mr Dilip Surana, Mr Paramveer Abhay Sancheti, Mr Akshay Abhay Sancheti and Mr Nirbhay Ajay Sancheti as members of the Committee.

This Committee has been delegated with the authority by the Board to review and monitor the implementation of the risk management policy of the Company and to assist the Board in the matter of Risk Management.

One Committee meeting was held during the financial year i.e. on December 17, 2021.

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 6 below;

Table 6: Details of the Risk Management Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended	% of Attendance
			1	
Anand Sancheti	Member	Managing Director		100.00
Dilip Surana	Member	Whole Time Director		100.00
Paramveer Sancheti	Member	Whole Time Director		0 .00%
Nirbhay Sancheti	Member	Whole Time Director		0 .00%
Akshay Sancheti	Member	Whole Time Director		100.00

Attendance in person or Through Video Conferencing *Absent (Nil)*

G. **Share Transfer Committee:**

The Committee comprises of Five Directors viz. Mr Anand Sancheti, Mr Ajay Kumar Lakhotia, Mr Paramveer Abhay Sancheti, Mr Akshay Abhay Sancheti and Mr Nirbhay Ajay Sancheti.

During FY 2020-21, one meeting of the Share Transfer Committee was held i.e. on March 31, 2021. The details of the composition of the Share Transfer Committee and its attendance at the Meetings are given in Table 7:

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 7:

Table 7: Details of the Share Transfer Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended	% of Attendance
			1	
Anand Sancheti	Member	Managing Director		100.00
Ajay Kumar Lakhotia	Member	Independent Director		100.00
Paramveer Sancheti	Member	Whole Time Director		100.00
Nirbhay Sancheti	Member	Whole Time Director		100.00
Akshay Sancheti	Member	Whole Time Director		100.00

Attendance in person or Through Video Conferencing *Absent (Nil)*

6.7 **Recommendations of Audit Committee:**

There is no occasion wherein the Board of Directors of the Company has not accepted any recommendation/s of the Audit Committee of the Company during FY 2020-21. As such, no specific details are required to be given or provided.

6.8 **Company's Policy on Directors' appointment and remuneration:**

The Company's policy on Directors' appointment and remuneration and other matters pursuant to Section 178(3) of the Companies Act, 2013 are hosted on the Company's website and the web link thereto is https://smsl.co.in/wp-content/uploads/2020/07/Nomination_and_Remuneration_Policy.

6.9 **Board Evaluation:**

Performance Annual Evaluation of Board and Committees Thereof:

The company has devised a framework for performance evaluation of the Board, its committees and individual directors in terms of the provisions of the act, and the nomination policy of the company.

During the year under review, the board carried out the evaluation of its performance and that of its committees and the individual directors. The performance evaluation of non-independent directors and the board as a whole was carried out by the independent directors.

The evaluation process constituted of structured questionaries' covering various aspects of the functioning of the board and its committees, such as the composition of the board and committees, such as the effectiveness of board process and information sharing, the Board Expertise and experience to meet the best interests of Co., establishment and delineation of responsibilities to committees etc.

The outcome of the Evaluation:

The Board of the Company was satisfied with the functioning of the board and its committees. The committees are functioning well and besides the committee's terms of reference, as mandated by law and important issues are bought up and discussed in the committee meetings. The board was also satisfied with the contribution of directors, in the respective capacities, which reflects the overall engagement of the individual directors.

6.10 **Remuneration of Director and Employees of Listed Companies:**

The Company being unlisted Public Company, provision pursuant to section 197(12) and Rule 5 of the Companies (Appointment And Remuneration) Rules, 2014 of the Companies Act, 2013 respect to disclosure in the Board's Report relating to the ratio of the remuneration of each director to median employee's remuneration are not applicable.

6.11 **Remuneration received by Managing/Whole Time Director from holding or subsidiary Company:**

During the financial year, the disclosure pursuant to the provision of section 197(14) is not required, as none of the Managing Director or Whole Time Director is in receipt of any Commission or any remuneration from any of its subsidiary Company.

Except Mr Dilip Surana, Whole Time Director of the Company receives performance-based commission/bonus of ₹ 2,50,00,000/- (Rupees Two Crore, Fifty Lac only) from Ayodhya Gorakhpur SMS Tolls Private Limited (100% subsidiary company) in addition to the overall managerial remuneration including allowances drawn from the Company. The Board of Ayodhya Gorakhpur SMS Tolls Private Limited (100% subsidiary company) after considering the extraordinary performance and efforts of Mr Dilip Surana by the achievement of performance target in the said subsidiary Company's project and subject to all the terms of appointment of Mr Dilip Surana, the subsidiary has awarded performance-based commission/bonus in addition to the overall managerial remuneration including allowances drawn from the Company.

Details of the remuneration received by the Managing Director or Whole Time Director from holding or subsidiary Company to in terms of Section197(14) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in Annexure –IV and forms part of this Report.

6.12 **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirm that:

a. In the preparation of the annual accounts for the financial year 2020-21, the applicable accounting standards have been followed along with proper explanation and there are no material departures;

b. that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021, and of the profit of the Company for the year ended on that date.

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The annual accounts have been prepared on a going concern basis.

e. The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6.13 <u>Internal Financial Control And Its Adequacy:</u>

The Company has in all material respects, adequate internal financial control commensurate with the nature of its business, size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act, 2013.

6.14 <u>Details of Fraud Report By Auditor:</u>

There have been no instances of fraud reported by the Statutory Auditor, Secretarial Auditor or Cost Auditor of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder either to the Audit Committee or to the Company or to the Central Government.

7. <u>DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:</u>

7.1 Report on performance and financial position of the subsidiaries, associates and joint ventures:

The Company has 14 subsidiaries, 2 Associate and 18 Joint Ventures as of March 31, 2021. There was no material change in the nature of the business carried on by the subsidiaries.

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures is prepared in Form AOC-1 as Annexure III to Boards' Report and is attached to the Financial Statements of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available on our website, www.smsl.co.in. These documents and audited accounts of each of its subsidiaries will also be available for inspection during business hours at the Registered Office of the Company and make available to any member of the Company who may be interested in obtaining the same.

In compliance with Section 134 of the Companies Act, 2013 read with the rules framed there under and the Financial Statements for the F.Y 2020-21 have been prepared in compliance with the applicable Indian Accounting Standards. Consolidated Financial Statements in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards.

SUBSIDIARIES:

Highlights of Performance and financial positions of subsidiaries:

i. SMS-AABS India Tollways Private Limited:

The subsidiary is a Special Purpose Vehicle (SPV) formed exclusively for the execution of the project to Operate, Maintain and transfer contract of Mazzaffarpur-Darbhanga-Purnea for a period of 9 years from COD i.e 19th July 2015, i.e. the date of commencement of toll collection. Subject to fulfilment of conditions laid down in the concession agreement, the SPV is allowed to collect the user fees for 9 years from the date of COD and thereafter is under continuing obligation to maintain the project road during the concession period. The subsidiary has completed its sixth year of operation.

Net Revenue from operations during the year stood at ₹ 2,79,96.35 /- lac and the Net Profit at ₹ 11671.06/- lac as against ₹ 9930.49 lac/- in the preceding year.

ii SMS Water Grace BMW Private Limited:

The Company is a subsidiary of SMS Limited. It is engaged in the business of providing biomedical waste management & disposal service at Delhi.

The Company is responsible for the collection, storage, treatment & disposal of bio-medical waste generated in the city of Delhi and has 28.8 TPD treatment and disposal capacity.

The Company has the expertise of providing total solutions for scientific treatment & disposal of various types of biomedical waste by the latest eco-friendly technologies through the latest facility like incinerator, autoclave and shredding operations, used for the treatment of biomedical waste and these are one of the modern facilities in India started its operations in 2006 having incineration facility of 500 kg/hr, autoclaving facility of 700 kg/batch, shredding facility of 550 Kg/hour, Effluent Treatment Plant (ETP) Capacity 100 KLD with zero discharge and rainwater harvesting facility. GPS tracking systems fitted in our transport vehicles. Facility has 34 owned GPS enabled vehicles for transportation of biomedical waste. The facility made a route & area wise map for every vehicle to cover all the clients for the collection of BMW.

The Company is providing services to around 6,000 doctors/ path labs/ hospitals/ clinics etc. and is having a good association with them for a long period. The Company has been continuously striving to increase its efficiency and productivity.

Revenue of BMW Delhi has been increased by 30% over the previous year since Covid-19 waste received above and extra of exiting waste.

Net Revenue from operations during the year for the subsidiary stood at ₹ 1,205.22/- lac and the Net Profit at ₹ 693.99/- lac as against ₹ 341.90/- lac in the preceding year.

iii **SMS Vidhyut Private Limited:**

SMS Vidhyut Private Limited is a Wholly Owned Subsidiary (WOS) of SMS Limited, incorporated on 6th December 2006 and is engaged is in the business of generation and transmission of power from hydro projects, having two hydropower plants.

The WOS with two operational hydropower generation plants situated at :

1. Right Bank Canal (RBC) hydropower plants are situated at Pench river at Navegaon Khaire, district Nagpur. The RBC Hydro Power plant with a capacity of 1.4 MW.

2. Left Bank Canal (LBC) hydropower plant is situated at Wainganga river at Navegaon Bandh district Nagpur having a capacity of 4.4 MW.

Both plants are operational and have a life of 30 years from the date of commercial operations.

Both the power plants of the Company are in operation and are operating at lower capacity due to the non-availability of water in the dam area and allocation of water run through both the canals.

The Company is planning to approach irrigation officers to provide water for irrigation as the dam is filled with 90% of its capacity as a result of favourable monsoon.

During the year with net revenue from operations of ₹ 275.99 lac/- and the net loss of ₹ 803.44 lac/- as against ₹ 854.40 lac/- in the preceding financial year.

iv **SMS Tolls And Developers Limited:**

SMS Tolls And Developers Limited is a wholly-owned subsidiary (WOS) of SMS Limited, domiciled in India and incorporated on 6th August 2007, under the provision of the Companies Act, 1956 and was established with the object to carry business to carry on the business of and act as Appraisers, builders, constructors etc together with the management and operation and to Build, Own, Operate and transfer [BOOT] basis or to Build, Own Operate [BOO] basis or Built, Operate and Transfer [BOT] basis and to carry on the collection of tolls and infrastructure management and to conduct research, design and develop technologies and to carry the business of operations and/or maintenance, commercialize, control etc and to act as an agent and deal in all types of repairs and maintenance services for all types vehicles, machinery, plants, equipment, tools, to carry on the business of leasing and giving on lease all kinds of equipment.

The subsidiary has started its operations in FY 19-20 with effect from 01.04.2019. Initially, services were being provided only to Civil Section but prospectively services were extended to Bel Salua from June which belongs to the defence division along with STP Raipur, from November which belongs to the Enviro division.

Revenue from Operation has been decreased by 14.88% over the previous year i.e ₹ 918.06/- lac as compared to 1054.64/- lac in the previous year, however, there is an increase in the net profit i.e to ₹ 106.46/- lac as against ₹ 13.76/- lac in the preceding year leading to an increase in net profit by 87.07%.

v **Patwardhan Infrastructure Private Limited:**

Patwardhan Infrastructure Private Limited is a wholly-owned subsidiary (WOS) company of SMS Limited, domiciled in India and is engaged in the business of construction and providing infrastructure development facilities, the subsidiary has completed the BOT Agreement and transferred its right of collection of toll to the Government of Maharashtra on 19.11.2014, hence the subsidiary has no operation since 2019 and during the F.Y. 2019-20, its business continues to be reported as a discontinued operation.

The subsidiary Company vide its board meeting dated 29th March 2019 and subject to requisite approvals including that of NCLT, approved the Scheme of amalgamation with SMS Limited (holding Company) with the appointed date as 1st April 2019 (Holding Company).

The Board of Company vides its meeting dated 18th January 2020 cancelled the aforementioned process of the amalgamation/merger due to certain administrative issues and now again the Board of Directors vide its meeting dated 17th December 2020 approved the merger of the said subsidiary with the Company. Hence the Company has successfully filed the case with the Hon'ble National Company Law Tribunal on 31st August 2021.

During the year under review, there was no activity resulting in no revenue from operations however subsidiary has generated other income of ₹ 13.12/- lac and the net profit stood at ₹ 7.04 /- lac as against a net loss of ₹ 2.43/- lac in the preceding financial year.

vi Ayodhya-Gorakhpur SMS Tolls Private Limited:

The Ayodhya-Gorakhpur SMS Tolls Private Limited is a Wholly Owned Subsidiary (WOS) of the Company. It is formed as a Special Purpose Vehicle (SPV) for taking up work of Operation & Maintenance of Ayodhya-Gorakhpur Section (KM 137.970 to KM 252.860) stretch of NH-28 (Total length 116.101 km) in the state of Uttar Pradesh under the Concession Agreement dated 5th March 2013 for 9 years on Operate, Maintain and Transfer (OMT) basis and for implementation of the said road project of National Highway Authority of India, which includes construction on the site of the project facilities, operation and maintenance of the project highway and performance and fulfilment of all other obligations incidental thereto and the general objects of the said subsidiary.

During the financial year, the Company has received a new change of scope (COS) works-order from the National Highway Authority of India (NHAI) for installing metal beam crash barrier of ₹ 9,98,11,590/- The Company has completed COS work order of railing, signboard and boundary stone during the financial year. Total billing done by the Company to NHAI against the aforementioned works was ₹ 5,38,64,387/-. During the F.Y.2020-21 the Company has incurred an expense against the aforementioned work-order of ₹ 4,30,37,778/-. The work regarding metal beam crash barrier is under process.

Metal Beam Crash barrier
Boundary Stone
Signboard
Mild Steel Railing
Road Boundary stone

Revenue from operations during the year stood at ₹ 2,27,83.23/- lac and the net profit stood at ₹ 2711.15/- lac as against the net Loss of ₹ 98.40/- lac in the preceding year.

vii SMS Envoclean Private Limited:

SMS Envoclean Private Limited Company is a subsidiary of SMS Limited. The Company is operating in the jurisdiction of Mumbai city, thereby engaged in providing biomedical waste management & disposal service having a plant located in Mumbai, and sale of disposable medical and hospital equipment. The Company initially started its operations in the year 2009. Whereas The tender was finalized & the project was authorized by Maharashtra Pollution Control Board in the year 2007 and was allotted land on a BOOT basis by the Municipal Corporation of Greater Mumbai.

The Common Biomedical Waste Treatment Facility (CBWTF) serves 12,411 clients having a full-fledged plant located near Deonar with an incinerator, autoclave, chemical disinfection and shredding facilities. The Company have 62 vehicles for BMW collection and each vehicle has its assigned routes and ensures regular biomedical waste collection as per the required frequency and have employed qualified and skilled staff for management of the facility.

The Company is providing bar-coded bags to our customers as per the categories of Biomedical Waste Rules 2016, also providing training to our customers on regular basis with a dedicated team and training modules for the same.

During the year, revenue has been increased by 137% over the previous year since Covid-19 waste received above and extra of exiting waste.

The Company is in process of setting up a new facility at Attargaon near Mumbai and expanding the plant with increased capacity & with new technology and for which the subsidiary has purchased the land and has completed its baseline monitoring and submitted a draft EIA report to MPCB and waiting for the schedule of public hearing from collector office - Raigarh. The future outlook of the company looks good.

During the year the subsidiary has generated ₹ 4827.60 /- lac as net revenue from operations and the net profit at ₹ 2244.95/- lac as against ₹ 526.92/- lac in the preceding year.

viii Solar Bhatgaon Extension Mines Private Limited:

The subsidiary was an SPV between the Company and Solar Industries India Limited for mining of Bhatgaon II coal block and incorporated with an object to carry on the business of mining developers and operator for exploration and development of the mine etc.

In the year 2012-13 the function of the subsidiary were been stopped considering the same the Board of Directors of said subsidiary vide its meeting dated16th March 2020 and the shareholders vide their extra-ordinary general meeting dated 19th March 2020 approved for closure of/striking off the name of the Company from Registrar of Companies pursuant to the provision of section 248 (2) of the Companies Act, 2013 and moved an application via filing the E-form STK-2 to the Registrar of Companies (ROC).

Hence during the year under the review, the subsidiary was struck off from the register of companies and was dissolved, vide office's notice no. ROC Mumbai/248(2)/080931/2020 dated 30.08.2021 application (Form STK 2) dated 20.03.2020 vide SRN R35921329 and notice in form STK 5 and pursuant to subsection (5) of Section 248 of the Companies Act, 2013 the name of M/s Solar Bhatgaon Extension Mines Private Limited on 25th October 2021 was struck off from the Register of Companies, Maharashtra Mumbai.

ix **SMS Bhatgaon Mines Extension Private Limited:**

The subsidiary was an SPV between the Company and Solar Industries India Limited for mining of Bhatgaon II coal block and incorporated with an object to carry on the business of mining developers and operator for exploration and development of the mine etc.

In the year 2012-13 the function of the subsidiary were been stopped considering the same the Board of Directors of the said subsidiary vide its meeting dated16th March 2020 and the shareholders vide their extra-ordinary general meeting dated 19th March 2020 approved for closure of/striking off the name of the Company from Registrar of Companies pursuant to the provision of section 248 (2) of the Companies Act, 2013 and moved an application via filing the E-form STK-2 to the Registrar of Companies (ROC).

Hence during the year under the review, the subsidiary was struck off from the register of companies and was dissolved, vide office's notice no. ROC Mumbai/248(2)/081603/2020 dated 02.09.2021 application (Form STK 2) dated 20.03.2020 vide SRN R35949460 and notice in form STK 5 and pursuant to subsection (5) of Section 248 of the Companies Act, 2013 the name of M/s SMS Bhatgaon Mines Extension Private Limited on 25th October 2021 was struck off from the register of companies, Maharashtra Mumbai.

x **Maharashtra Enviro Power Limited (MEPL):**

Maharashtra Enviro Power Limited (MEPL) is a subsidiary of SMS Limited. It is formed as a special purpose vehicle (SPV), the said SPV has a common hazardous waste treatment storage and disposal facility located at MIDC, Ranjangaon & Butibori. As per the area allocation order of Maharashtra Pollution Control Board, the area of jurisdiction allotted to the Ranjangaon facility in Ahmednagar, Kolhapur, Pune, Satara, Sangli, Sholapur, Aurangabad, Beed, Dhule, Hingoli, Jalgaon, Jalna, Latur, Nanded, Nandurbar, Nashik, Parbhani, Osmanabad districts. Similarly, the Butibori Facility is catering to the districts of Nagpur, Gondia, Bhandara, Chandrapur, Gadchiroli, Amravati, Wardha, Yawatmal, Akola & Buldana.

The subsidiary caters to industries generating industrial hazardous waste to scientifically collect, store, treat and dispose of the waste as per the regulatory norms stipulated in the hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 and further amendments thereof by the Ministry of Environment, Forest and Climate Change (MoEFCC).

The facility disposed of the industrial hazardous waste in a safe & secure manner through secured landfill treatment followed by landfill (Landfill after Treatment) and incineration (Thermal Destruction).

Butibori, Nagpur Plant.

Butibori CHWTSDF facility has 2 Secured Landfills. SLF 2 is in operation and construction of the 3rd Landfill is under process. The unit also has a storage facility for hazardous waste and developed storage shed as per the CPCB norms the unit also has GPS Enabled Transportation Facility for transportation of hazardous waste throughout the Vidarbha region.

The unit has NABL accredited & MOEF approved scientific laboratory for analysis of hazardous waste as per the guidelines given by CPCB. MEPL Butibori Project provides waste management services to over 900 industries.

Ranjangaon, Pune Plant

Ranjangaon plant has 5 landfills, 5th landfill namely SLF 5 is in operation and construction of SLF 6 is under process. Landfills are designed and constructed as a secured facility to contain the waste material and any leachate generated during the process. The landfill is constructed as per the guidelines given by MoEF and CPCB (CPCB documents: Guidelines for setting up of operating facility -hazardous waste management, HAZWAMS/11/98- 99, and criteria for hazardous waste landfills, HAZWAMS/17/2000-01).

Transportation of waste:

The Company has its transportation fleet of authorized vehicles for the lifting and transportation of hazardous waste from the industries to the MEPL facility. All these vehicles are authorized by the Maharashtra State Pollution Control Board.

Zero Liquid Discharge System (ZLD)

MEPL, Ranjangaon Pune has installed a zero liquid discharge based effluent treatment plant for the treatment of wastewater generated from the facility and recycled back treated wastewater with in-plant premises for use in the process.

Green Belt Development:

As per guidelines of the Ministry of Environment, Forest and Climate Change (MOEFCC), for hazardous waste treatment storage and disposal facilities, the project proponent shall develop a green belt with native species that are significant and used for the pollution abatement, green belt shall be developed in the periphery of the hazardous waste facility.

Accordingly, Mandwa and Ranjangaon Plant has developed a green belt area around the plant. The plants' species planted are Kanchan, Neem, Sheesham, Karanj, Kasad, Indian cork tree/, Gulmohar, petrol plant, Cycas Palm tree, Ashoka tree, Bottle palm tree, Nilgiri tree, and Neem tree.

During the year the subsidiary has generated net revenue from operations of ₹ 10648.28/- lac and the net profit of ₹ 2453.08/- lac as against ₹ 857.07/- lac in the preceding year.

xi Spark Mall And Parking Private Limited:

The subsidiary Spark Mall and Parking Private Limited is an SPV of the Company formed exclusively to develop multilevel car parking cum commercial complex in Kamla Nagar at Delhi, and has been assigned the composite Public-Private Partnership (PPP) project by Municipal Corporation of Delhi (MCD) for development of a multilevel car parking cum commercial complex at Kamla Nagar, New Delhi and is engaged in the business of constructing and providing multilevel car parking blocks for general use for the public and private parties on turnkey contractual and on built operate and transfer (BOT) basis and to carry on the business of infrastructure management and conduct research, design and develop technologies for effective pollution control and environment protection and all such other works or undertaking in relation to the works and the general objects of the Company.

The project is one of its kind with 8 floors below the ground with a multilevel automatic robotic parking facility and runs a mall with leasing out space to renowned retail brands approximately on 50,000 sq ft.

The said mall is in operation since 2014 and some of the key features are as follows:

- The project has a concession period of 50 years from MCD, starting from 9th May 2014 ending on 22nd February 2060. Technology partner associate with us proviron BV, Switzerland

- Located in one of the most densely populated areas of North Delhi, Kamla Nagar market roundabout.

- With an impressive space to provide an enjoyable experience for everyone who walks in the mall, in 50,000 sq ft with fine dining restaurant, fast food outlets, coffee shops, juice bars and much more.

- Parking for a multilevel car parking facility for 828 cars (8 floors below the ground).

- Housing over world-renowned fashion brands like H&M, Levis, Mochi, Samsonite, Being Human, Pinnacle, Madame etc., grab the best from the largest selection of lifestyle products including apparel, footwear, and fashion accessories.

- Exploring a diverse range of cuisines and delving into the world of delicacies for a unique culinary experience by "Food Forum" under "Treat Street" a full-fledged food court with multiple cuisines like Pizza Hut, Dominos, Burger King, Haldirams, Wow Momos, Karims, etc.

However, the outbreak of the COVID-19 pandemic in India has significantly impacted the operation of the Company due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines. Due to this, the revenue from operations in FY 20-21 has dropped down as compared to FY 19-20, leading to decreasing trend in revenue.

Hence, the parent company is optimistic that over the period, the project, will make good money over and above the invested amount.

Net Revenue of the subsidiary from operations during the year stood at ₹ 393.85/- lac and the net loss at ₹ 3068.72/- lac as against ₹ 1601.67/- lac in the preceding year.

xii SMS Mines Developers Private Limited:

SMS Mines Developers Private Limited is a subsidiary Company. The Company was incorporated under the Companies Act, 1956 with the main object to carry out mining activity. However, till the date of the report, the name of the said subsidiary was changed to 'SMS Hazardous Waste Management Pvt. Ltd.' w.e.f. 22.9.2021 in synchronization with the change in object clause of the said subsidiary thereby to take up the business of hazardous waste management in future.

However, during the year there was a net loss of ₹ 0.85 /- lac as against ₹ 0.43/- lac in the preceding year.

xiii SMS Taxicabs Private Limited:

SMS Taxicabs Private Limited, is domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is operating phone fleet taxis vide licensee awarded to it by the transport department. As per the terms of the licensee, the Company has to put on road 4,000 phone fleet taxis in stage (40% within 6 months, 30% within 12 months & balance 30% within 18 months).

The Company accordingly complied with the first and second stage of the rollout of vehicles as per the time limit given in the original licensee/tender agreement. The time limit was extended by the transport department till 31st March 2013 to complete all the stages. After this, there has been no further extension granted. However, there is a committee level report on various issues faced by the operators and drivers and also there are several communications between the transport department and the company demanding additional time to put in operation the last stage vehicles. The final stage of the roll-out of vehicles is being considered for extension & acquisition & roll out of 1200 taxi cabs is to get completed. The Company is considering the legal course of action for non-compliance on part of the government on various terms and conditions of the tender not being implemented by the government which adversely affected the business model of the Company.

Further, SMS Limited and Precinct Concorde Private Limited are the shareholders of the SMS Taxicabs Private Limited. The shareholders entered into a shareholder agreement as per which, Precinct Concord Private Limited invested ₹ 8031.22/- Lac up to 31.03.2021 in the share warrants of the company which are compulsorily convertible into equity shares of SMS Taxicabs Private Limited.

<u>Going Concerned</u>

The net worth of the company has eroded and is negative as at the end of the year. The Company closed its phone a fleet taxi operation in the previous year. The financial viability of the Company depends on the new business ventures. The company has started a DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

During the year the subsidiary has generated net revenue from operations during the year stood at ₹ 88.48/- lac and the net profit at ₹ 380.89/- lac as against the net loss of ₹ 1603.83/- lac in the preceding year.

xiv Pt. SMS Minerals International:

Pt. SMS Minerals International is a foreign subsidiary incorporated under the Laws and Regulations of the Republic of Indonesia, especially in the framework of Law to Foreign Investment (PMA) and is domiciled in Jakarta.

The subsidiary is in the business of trading coal in the province of Sumatra. For the last few years, there is no business in the subsidiary company as the balance portion of the coal reserves has been stuck beneath a river. The approval for river diversion is already put with the concerned authorities in Indonesia.

The parent company is optimistic that once the approval for diversion of the river is obtained, it can extract the balance portion of coal and recoup its entire investment in the said subsidiary.

During the year the subsidiary has no business hence no revenue was generated from sales, however, the other income stood at ₹ 422/- and the net loss at ₹ 3,80,09,052/- as against ₹ 51605760/- lac in the preceding year.

xv Pt. SMS Mines Indonesia:

Pt. SMS Mines Indonesia is a foreign subsidiary incorporated under the Laws and Regulations of the Republic of Indonesia, especially the Law of the Republic of Indonesia number 25 of 2007 on capital investment and the subsidiary is domiciled in Central Jakarta. The subsidiary deals in wholesales trading (export and import) and trade of solid fuels, among others, including the trade of coal, coal-intensive (bricket) and allied business activities.

During the year the subsidiary has generated revenue from other income which stood at ₹ 2,583/- and the net loss at ₹ 1924178/- as against net loss of ₹ 47,67,584/- lac in the preceding year.

xvi SMS Infolink Private Limited:

SMS Infolink Private Limited is a 100% subsidiary company and incorporated on 9th September 2011 under the provisions of the Companies Act, 1956.

The company is in the business of information technology, during the financial year the company has inserted a new object clause in its Memorandum of Association, to enable it to take up the business of providing transportation services. The Company proposes to widen its area of activities and to enter into the business of providing services in relation to operation and maintenance of running vehicles, providing transportation services and management services.

During the year under review, there was no activity resulting in nil revenue and the net loss stood at ₹ 1.18/- lac as against a net loss of ₹ 1.15/- lac in the preceding year.

xvii SMS Waste Management Private Limited:

SMS Waste Management Private Limited is a subsidiary of SMS Limited domiciled in India and incorporated on 15/12/2014 under the provisions of the Companies Act, 1956 with the object of providing a Common effluent treatment plant including operation & maintenance of a common effluent treatment plant, to collect treatment process and dispose of any type of waste material. However, the subsidiary is yet to commence its business.

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During the financial year, the subsidiary has not generated any revenue However, the net loss stood at ₹ 1.30/- lac as against ₹ 1.23/- lac in the preceding year.

The Company will make available the annual accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any member at the registered office of the Company.

ASSOCIATES:

i RCCL Infrastructure Limited:

RCCL Infrastructure Limited is an associated Company, incorporated with the object to undertake business activities on a BOT basis or otherwise of planning execution, construction, development maintenance and other incidental activities, for roads, bridges, flyovers, railways tracks stadiums, theatres, multiplexes, convention halls, auditorium etc.

The Company incorporated on 26^{th} December 2002 and has its registered office at C-74, Ambabari, Jaipur RJ 000000 IN.

ii **SMS-AAMW Tollways Private Limited:**

SMS-AAMW Tollways Private Limited is an associated Company, incorporated as a special purpose company (SPC) with an object for collection of toll tax from all specified commercial vehicles entering the municipal limits of Delhi at toll tax plaza/posts barriers and to operate and maintain all existing and new infrastructure, upgrade/modify/add etc.

Revenue from operations during the year stood at nil and net loss at ₹ 0.21/- lac as against net loss of ₹ 1.76/- lac in the preceding year.

(Previous year figures have been regrouped/recast as per IND AS for all associates except RCCL Infrastructure Limited).

JOINT VENTURES:

i **Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd (JV):**

Shakti Kumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd is a joint venture partner entered into JV for the purpose of construction of the earthen dam of lower pedhi project Tq. Bhatkuli, district Amravati.

The value of work done by JV during the year stood at ₹ 258.05/- lac and the Net Profit at ₹ 1.90/- lac as against ₹ 2.58/- lac in the preceding year.

ii **SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (JV):**

SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. are joint venture partners entered into JV which was formed in December 2008 for the execution of the work of construction of Purna Barrage No. 2 (Ner-Dhamana), in the state of Maharashtra.

JV subcontracted the work to both the JV partners who executed the work in their individual capacity and accounted in the individual books of accounts along with the margins.

Due to the sudden demise of the working director of DTC, execution of part of the work of DTC was affected including the finance of the Company, leading DTC to insolvency resulting in the work advances given by JV to DTC as doubtful, due to which the said company is under insolvency proceeding in NCLT (National Company Law Tribunal).

Hence the entity continued with the provision of ₹ 39,60,67,355/- for bad and doubtful debt for the balance receivable from the D Thakkar Construction

Private Limited. However, the JV has allotted the pending work of DTC now to be executed by JV partner SMS Limited.

However, the value of work done by JV during the year stood at ₹ 1061.25/- lac and the net profit stood at ₹ 3.78/- lac as against the net loss of ₹ (3890.84)/- lac in the preceding year out of the total profit 2.65/- lac apportioned to SMSL (JV partner).

iii **SMS Infrastructure Ltd. & Shree Nath Enterprises (JV):**

SMS Infrastructure Ltd. & Shree Nath Enterprises are Joint Venture partners entered into JV for the work of revocation of Asolamendha existing main canal Km 1.00 to 41.37 including earthwork structures & lining.

Gross receipt (GRBC Div Bramhapuri) of JV during the year stood at ₹ Nil.

iv **SMS Infrastructure Ltd. & Brahmaputra Infrastructure Pvt. Ltd. (JV):**

SMS Infrastructure Ltd. & Brahmaputra Infrastructure Pvt. Ltd. are joint venture partners entered into JV for the sole purpose of participating in the submission of expression of interest/pre-qualification for an application invited for Expression of Interest (EOI) for the project under the title "Construction of staff Accommodation and Hard Ablutions units for UNMISS at various locations in the Republic of South Sudan and execution of the project.

During the year under review, there was no activity in JV due to the completion of project work.

v **SMS Infrastructure Ltd. & Brahmaputra Consortium Ltd. (JV):**

SMS Infrastructure Ltd. & Brahmaputra Consortium Ltd. are joint venture partners entered into JV for the work of construction of combined approach embankment with earthwork in filling form ch. 27.900 KM to ch. 29.00 km to form embankment and formation of service road including river protection work etc. across river Brahmaputra near Dibrugarh.

During the year under review, there was no activity in JV due to the completion of project work.

vi **SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd. (JV):**

SMS Limited (Formerly Known as SMS Infrastructure Ltd.) and Aarti Infra-Projects Pvt. Ltd. are joint venture partners namely SMSIPL-AIPPL (JV) entered into JV for the work of construction, erection and commissioning of infrastructure plan phase II A project work in Allapali and Gadchiroli invited by Maharashtra State Electricity Distribution Company Limited.

During the financial year 2020-21 as well as in 2019-20, there was no activity in JV. However, the net loss for the year under review is ₹ 0.09/- lac and out of the total loss of 0.04 lac apportioned to SMSL (JV partner).

vii **SMSIL-KTCO(JV):**

SMS Infrastructure Ltd. and Khare & Tarkunde Infrastructure Pvt. Ltd. are joint venture partners namely SMSL-KTCO (JV) entered into JV for the work of Purna Barrage No. 2 (Ner Dhamna) construction of barrage on L/S and R/S chamber and allied earthwork and other work invited by Akola Irrigation Division and Wardha Barrage (Hadgaon) construction of Barrage, jack well and pump house raising main invited by ex-engineer, Yavatmal.

During the year under review, there were no activities in JV, however, the net loss is ₹ 0.52/- lac as against a net loss of ₹ 0.70/- lac in the preceding year and out of the total loss 0.26/- lac apportioned to SMSL (JV partner).

viii **GSJ ENVO Ltd. In Consortium with SMS Infrastructure Ltd.:**

GSJ Envo Limited in consortium with SMS Infrastructure Ltd. (AOP) an association of person entity entered into a joint venture for the work of 130MLD sewage water reuse project as EPC contract including complete design, engineer, procurement supply, installation, construction, testing and commissioning of all civil electrical, mechanical and instrumentation works consisting of intake works, sewage treatment plant, pumping station, pipeline and a tertiary treatment plant with comprehensive operation and maintenance of the entire plant for a period of ten years for water supply to 3x660MW Koradi expansion project, dist. Nagpur (MS.).

The value of work done during the year stood at ₹ 122.43/- lac and the total net loss of ₹ 63.27/- lac as against a net profit of ₹ 10.16/- lac in the preceding year. whereas out of the total loss ₹ 44.29/- lac apportioned to SMS Limited (JV partner).

ix **BHARTIA SMSIL (JV):**

SMS Infrastructure Limited and Bhartia Infra Projects Limited are joint venture partners namely BHARTIA SMSIL (JV) entered into JV for the work of construction of single line BG tunnel no.7 (App. Total length 1780 RM) at KM. 36.640 to KM. 38.420 in between station Kambiron road and Thingou in connection with the construction of new railway line project Jiriba-Tupul (Imphal) of N.F. railway construction.

During the year under review, the JV earns the total net profit of ₹ 0.23/- lac whereas out of the total profit ₹ 0.11/- lac apportioned to SMS Limited (JV partner).

x **Gannon Dunkerley & Co. Ltd. and SMS Infrastructure Ltd (JV) [GDCL-SMSL(JV)]:**

SMS Infrastructure Limited and Gannon Dunkerley & Co. Limited are joint venture partners namely GDCL-SMSIL (JV) entered into JV for the work of construction of flyover at KM 544/650, including ROB in lieu of L.C. No. 72 including services roads, footpath for RCC drains on the urban link to Nagpur-Raipur road NH-6 (Pardi octroi Naka to Sant Tukaram square to APMC Market) through EPC contract.

Value of work bill receipt during the year stood at ₹ 9897.44/- lac

xi **SMSIL-MBPL-BRAPL (JV):**

SMS Infrastructure Limited (presently SMS Limited), Mehrotra Buildcon Pvt. Limited and Bharat Rail Automation Pvt. Ltd. are joint venture members namely SMSIL-MBPL-BRAPL (JV) entered into JV for balance work for construction of roadbed, major and minor bridges, track linking (excluding supply of rails, ordinary track sleepers, and thick web switches), outdoor signalling and electrical (general) works in connection with doubling of Akalkot Road-Gulbarga section (78 Kms) of Hotgi-Gulbarga section in Sholapur division of Central Railway in the State of Maharashtra & Karnataka, India awarded by Rail Vikas Nigam Limited.

The value of work done during the year stood at ₹ 5105.92/- lac and the total net profit of ₹ 2.85/- lac as against ₹ 6.27/- lac in the preceding year. Whereas out of the total profit ₹ 1.62/- lac apportioned to SMS Limited (JV partner).

xii **SMSL-SRRCIPL(JV):**

SMS Infrastructure Limited (Presently SMS Limited) and Sri Raja Rajeshwari Construction India Pvt. Ltd. are joint venture partners namely SMSIL-SRRCIPL (JV) entered into JV for the work of IFFC project- Construction of link canal from km. 0.00 (MMR R/s canal @ km 36.125, end of package-II) to km 6.900 (joining at km 0.650 of approach channel of Thotapally lift scheme Package-5) and branch canal to connect MMR R/s canal beyond Thotapally from km 1.250, including CM and CD works in Karimnagar district awarded by Irrigation & CAD department of Telangana.

During the year under the net profit at ₹ 0.25/- lac and out of the total profit ₹ 0.15/- lac apportioned to SMSL (JV partner).

xiii SRRCIPL-SMSL-BEKEM:

SRRCIPL-SMSL-BEKEM (JV), is a joint venture entity, formed on 10-11-2016, for the purpose of execution of IFFSC Project construction of Spillway from Spillway Block 1 to 15 of Mid Manair reservoir. The principal place of office is situated at D No. 6-3-597/A/201, Bhavya Lakshmi Krishna, residency No.15, Khairatabad, Hyderabad-500004. The constituent parties in JV are M/s. Sri Raja Rajeswari Constructions (India) Private Limited, M/s. SMS Private Limited and M/s. BEKEM Infra Projects Private Limited.

The JV firm was awarded the execution of contract work ' IFFC Project: SE/IFFCC-II/TS/T1/903/SE, dated 22-11-2016 (Project at Balance work of earthwork excavation and formation of embankment from Km 2.000 to L/s end pier, construction of spillway and spillway block 1 to 15, L/s NOF's 1 to 4 up to road bridge level including supply, fabrication, erection, commissioning & testing of spillway gates, L/s core wall, L/s guide bank, infall regulator, R/s off-take sluice etc., of Mid Manair reservoir near Manwada (V), Boinpally (M), Rajanna Sircilla Dist.' by the Superintending Engineer, Indiramma floor, flow canal circle-II, LMD colony, Karimnagar and the total value of work was initially estimated at ₹ 316,59,28,600.98/-, subject to further award of work for the completion of the project and the same is to be executed by Joint venture parties at the ratio 60:20:20, respectively

During the year under review, the JV in receipt of gross bill value of ₹ 3433.33/- lac and the net loss for the JV stood at ₹ 0.38/- lac out of the total loss ₹ 1.89 lacs apportioned to SMSL (JV partner).

xiv SMSL-MBPL (JV):

SMS Limited and Mehrotra Buildcon Pvt. Limited are joint venture members namely SMSL-MBPL(JV) entered into JV for balance work for construction of roadbed, major and minor bridges, track linking (excluding supply of rails, ordinary track sleepers, and thick web switches), outdoor signalling and electrical (general) works in connection with doubling of Akalkot Road-Gulbarga section (78 Kms) of Hotgi-Gulbarga section in Sholapur division of Central Railway in the state of Maharashtra & Karnataka, India, awarded by Rail Vikas Nigam Limited.

Scope of JV: SMSL –MBPL JV shall be responsible for the execution of Rail linking works of AGRP, which is BOQ item no. 5A & 5B of Part 1 and Part 2. The parties agree that all the 3 machineries shall be utilized for the work associated with successful completion of the linking works of AGRP in proportion as follows:

SMSL: For linking work of BOQ 5A & 5B in the proportion of 63.33%
MBPL: For linking work of BOQ 5A & 5B in the proportion of 36.67%

During the year under review, the JV had the total contract receipt of ₹ 41.25/- lac and the net profit is 1.97/- lac as against nil profit in the preceding year.

xv Meghe SMS Health Science Consortium (AOP):

The Company vide consortium agreement dated 20th March 2020 entered into joint venture along with:

M/s. Datta Meghe Institute of Medical Science (deemed to be University) (DMIMS DU), a trust registered under the Bombay Trust Act, 1950.

M/s. Nagar Yuwak Shikshan Sanstha (NYSS), a trust registered under Bombay Trust Act, 1950.

M/s. Shri Sainath Textiles Pvt. Ltd. (SSTPL), a Company registered under the Companies Act, 2013, formed the consortium under the name and style 'Meghe SMS Health Science' with four partners with the common object of setting up medical college and hospital in terms of provisions of establishment of Medical College Regulations (Amendment) 2019 notified on 13th May 2019 in the Gazette of India.

Since the JV was formed at the end of the financial year 20-21 the balance sheet of said joint venture reflects the pre-operative expenses of ₹ 2313238.40/- only.

xvi AGIPL-SMSL (JV):

AGIPL-SMSL(JV) is a joint venture entity formed on 18-01-2021 for the work of construction of mitigation measure structures on CH/MH border to Wainganga bridge section of NH-6 (New NH-53) in the state of Maharashtra under Bharatmala Priyojana on EPC mode project (the "Project") through an EPC contract.

The constituent parties are M/s Agarwal Global Infratech Pvt. Ltd. SMS Limited

Since the JV was formed at the end of the financial year 20-21 no balance sheet of the said joint venture was prepared.

xvii **SAKET-SMSL (JV):**

SAKET-SMSL(JV) is a joint venture entity formed on 12-12-2019 for the work of widening, reconstruction and up-gradation of Shilphata to Bhiwandi Road up to Bhiwandi Junction at Mumbai-Agar Highway (Rajnoli Junction) from four-laning to six-laning from chainage 0/000 to 16/100 & 16/880 to 21/058 in the state of Maharashtra (by rigid pavement) on Engineering, Procurement, Construction (EPC) mode the work issued by state Road Development Corporation (MSRDC) through letter of acceptance no. MSRDC/02/JMD(I)ENGG/BKSP/Six Lanning/ Contractor/ F.No. 301/5876 dated 17.09.2019.

During the year under review, the JV had the total contract receipt of ₹ 5615.53/- lac and the net profit is 210.89/- lac out of the total profit ₹ 52.36 lacs apportioned to SMSL (JV partner).

xviii **Sanbro Corporation:**

Sanbro Corporation is a partnership firm formed on 15th November 2007 with four partners bearing a profit/loss sharing ratio of 29.60%, 22.20%, 22.20% and 26.00% respectively, the firm has commenced its business on 15th November 2007 with the object of to carry on the business of trading of all kinds of lab equipments, plazma torch, pollution control system, spare parts of heavy earth mover machines, etc. or any other similar type of activities or any other business as per mutual consent of partners from time to time.

Subsequent to the demise of one of the partners namely Mr Abhay Sancheti, the firm has entered into Supplementary Deed on 30th March 2020 by inducting two new partners who are the legal heir of the demise partner and the new profit/loss sharing now 22.20%, 22.20 %, 26%, 14.80% and 14.80% and the Companies profit ratio is 26% in the said firm.

During the financial year, the firm has not generated any revenue however, the net loss stood at ₹ 0.40/- lac out of the total loss ₹ 0.10/- lac apportioned to SMSL (JV partner).

7.2 **Companies which have become or ceased to be subsidiaries, associates and joint ventures:**

i) <u>Companies which have ceased to be subsidiaries</u>:

During the financial year, Solar Bhatgaon Extension Mines Private Limited and SMS Bhatgaon Mines Extension Private Limited proposed to close the Company taking into consideration the non-operation activity since the operation and express their intention to carry out no further business activity made an application for closure of/striking off the name of the Company from Registrar of Companies.

The Board of Directors of said subsidiary Companies vide their meeting dated 16th March 2020 decided for striking off the name of the Company from Registrar of Companies pursuant to the provision of section 248 (2) of the Companies Act, 2013 subject to the approval of the shareholders.

The shareholders of both the subsidiary companies vide their extra-ordinary general meeting dated 19th March 2020 accorded their consent for aforesaid purpose and moved an application via filing the E-form STK-2 to the Registrar of Companies (ROC).

However, after the closure of the financial year and till the date of the Board Report, a notice of striking off and dissolution under Form STK-7 dated 29.10.2021 in the name of :

1. MS SMS Bhatgaon Mines Extension Private Limited
2. MS Bhatgaon Mines Extension Private Limited

was received from the Registrar of Companies, Mumbai Maharashtra stating that with respect to office's notice No. ROC Mumbai/248(2)/081603/2020 dated 02.09.2021 application (Form STK 2) dated 20.03.2020 vide SRN R35949460 and notice in form STK 5 in the name of M/s SMS Bhatgaon Mines Extension Private Limited and to office's notice no. ROC Mumbai/248(2)/080931/2020 dated 30.08.2021 application (Form STK 2) dated 20.03.2020 vide SRN R35921329 in the name of M/s Solar Bhatgaon Extension Mines Private Limited.

The notice was published that pursuant to subsection (5) of section 248 of the Companies Act, 2013 that on the 29th day of October 2021 and 25th day of

October 2021 the name of both the subsidiary has been struck off from the register of Companies and the said subsidiaries are dissolved respectively.

ii) Companies which have become joint ventures:

AGIPL-SMSL(JV) is a joint venture entity formed on 18-01-2021 for the work of construction of mitigation measure structures on CH/MH border to Wainganga Bridge section of NH-6 (New NH-53 the execution of IFFSC project construction of spillway block 1 to 15 of mid manair reservoir. The constituent parties are M/s Sri Raja Rajeshwari Construction India Pvt. Ltd.

Since the JV was formed at the end of the financial year 20-21 no balance sheet of the said joint venture was prepared.

SAKET-SMSL(JV) is a joint venture entity formed on 12-12-2019 for the work of widening, reconstruction and up-gradation of Shilphata to Bhiwandi road up to Bhiwandi junction at Mumbai-Agar highway (Rajnoli Junction) from four-laning to six-laning from chainage 0/000 to 16/100 & 16/880 to 21/058 in the state of Maharashtra (by rigid pavement) on Engineering, Procurement, Construction (EPC) mode the work issued by State Road Development Corporation (MSRDC) through the letter of acceptance No. MSRDC/02/JMD(I)ENGG/BKSP/Six Lanning/ Contractor/ F.No. 301/5876 dated 17.09.2019.

Ever since the JV was formed in the year 2019-20 it has started its working during the year under review.

8. DETAILS OF DEPOSIT:

During the financial year 2020-21 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014. As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2014 (as amended) are required to be given or provided.

9. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:

Particulars of loans, guarantees or investments, if any, are given in Note 4, 6,12 and 13 to the audited financial statements.

Since the Company is engaged in the business of providing infrastructural facilities as per section 186 (11) read with Schedule VI of the Act. Accordingly, disclosures under section 186 of the Act in respect of a loan made, guarantees given or security provided does not apply to the Company.

10. <u>PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:</u>

All related party transactions entered during the financial year were in compliance with the requirement of the Companies Act, 2013 and the Rules framed thereunder and were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially significant related party transactions entered by the Company during the year with the promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company.

All related party transactions attracting the compliance under section 177 of the Companies Act, 2013 were placed before the Audit Committee and also the Board, as the case may be, along with a statement giving details of all related party transactions for their necessary approval/noting.

There are no material contracts or arrangements or transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014. Further, the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards are given in note no. 43 to the balance sheet as on 31st March 2021.

Basis of materiality term for dealing with related party transaction of the Company is as under:

"Material Related Party Transaction" means a transaction with a related party where the transaction/transactions to be entered into individually or taken together with previous transactions with a related party during a financial year, exceeds ten per cent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, or any other applicable law or regulation, including any amendment or modification thereof, as may be applicable.

11. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company (www.smsl.co.in).

The Company was required to contribute an amount of ₹ 99,51,000/- as CSR expenditure for F.Y. 2019-20 out of the said amount an amount of ₹ 50,000/- (Rupees Fifty Thousand only) was contributed to Gramin Adiwasi Samaj Vikas Sansthan (GASVS) in the previous F.Y. 2019-20 itself. However during the financial year 2020-21 the Company has contributed ₹ 1,80,98,046/- (Rupees One Crore Eighty Lac Ninety Eight Thousand Forty Thousand Only) in aggregate towards the CSR expenditure for the financial year 2019-20 and 2020-21 as detailed hereunder.

1. ₹ 5,00,000/- (Rupees Five Lac Only) to Mahavir International Service Trust towards health care activity for poor people.
2. ₹ 5,00,000/- (Rupees Five Lac Only) to Utkarsh Global Foundation under the project "Utkarsh Mask Distribution Project" towards the distribution of masks to the police staff, health workers of government hospitals and sanitisation workers and other government departments.
3. ₹ 26,970/- (Rupees Twenty Six Thousand Nine Hundred Seventy only) i.e 3 numbers of Godrej 30 LUV-C disinfecting device each costing ₹ 8990/- were donated to the police department.
4. ₹ 100,000/- (Rupees One Lac only) to JITO Nagpur under Corona Relief Fund.
5. ₹ 30,00,000/- (Rupees Thirty Lac only) to Laxmi Devi Mithmal Poddar Trust.
6. ₹ 5,50,000/- (Rupees Five Lac Fifty Lac only) contributed through donating electronic Scooters to Police Commissioner Office, Nagpur under Police Welfare Fund.
7. ₹ 21,076/- (Rupees Twenty Thousand and Seventy-Six only) contributed for the purpose of education by appointing part-time teacher in M.P.Primary School, Mobbuchintalapatli Village, thereby paying an amount of ₹ 7076/- (Rupees Seven Thousand and Seventy-Six only) towards stationary of school students and ₹ 14000/- (Rupees Fourteen Thousand) for two months i.e ₹ 7000/- (Rupees Seven Thousand only) per month towards the salary of appointed teacher out of the total contribution of ₹ 21,076/- made towards M.P.Primary School, Mobbuchintalapatli village.

In addition to the aforementioned contribution the Company has also donated an amount of ₹ 1,34,00,000/- (Rupees One Crore Thirty Four Lac only) in total to "G H Raisoni University Amravati" on 30th March 2021 and out of which ₹ 52,02954/- was utilized towards unspent CSR expenditure for F.Y 2019-20 and the balance of ₹ 81,97,046/- (Rupees Eighty One Lac Ninety Seven Thousand Forty-Six only) has been utilized as CSR contribution towards the financial year 2020-21. The "G H Raisoni University Amravati" is a private university established under Madhya Pradesh, Niji Vishwavidyalaya Adhiniyam 2007 in the year 2016-17 and is engaged in imparting education and operates in one segment predominantly in India.

Out of the total CSR expenditure as detailed aforesaid, an amount of ₹ 70,954/- (Rupees Seventy Thousand Nine Hundred Fifty Four only) remained unspent for F.Y. 2020-21 and shall be set off in the ensuing year CSR expenditure as per the recommendation and approval of CSR committee.

12. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(A) **Conservation of Energy:**

i. Steps taken/impact on the conservation of energy:

The Company's core activity is providing an infrastructure facility which is not power intensive. However, the Company consciously makes all efforts to the conservation of energy and usage of power.

ii. Steps taken by the Company for utilising alternate sources of energy:

The use of LED bulbs has been initiated that consume less electricity as compared to conventional incandescent or CFL bulbs.

iii. Capital investment on energy conservation equipment:

In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipment.

(B) **Technology Absorption:**

i) **Efforts made towards technology absorption and adaptations during the years are:**

1. The company was using an online auction platform, ARIBA to optimise its purchase cost using various auction tools available ARIBA. It also brought transparency among the suppliers, from Jan 2020, we have replaced Ariba with a reverse auction software that is developed for SMS and now the same is in use for all reverse auctions.

2. The Company operates on SAP S4 Hana version 1610 which is configured to ensure that all transactions are integrated seamlessly with the underlying books of account.

3. All payments made to vendors are directly processed from SAP using the cheque printing solution thus avoiding manual intervention.

4. Master Data in SAP is governed by the Model Business Process defined during the Implementation of SAP, thus ensuring proper data in SAP.

5. The Company is in the process of implementation of e-Invoice as directed by the Government of India thus ensuring compliance to all Rules and Regulations on a timely basis.

6. The Company has started digitization of old and important records for easy access using a Document Management System that is developed and maintained in-house, using all old accounting records are stored in an electronic form and are backed up regularly. All contracts and important files as identified by the respective verticals are digitized and the process is ongoing as the number of records is huge.

7. The Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies and accuracy of provisions and other estimates.

8. The Company operates a shared service centre which handles all payments made by the Company. This centre ensures adherence to all policies laid down by the management.

(C) Foreign Exchange Earnings and Outgo:

During the Financial Year 2020-21 total Foreign Exchange earned and used:

Foreign Exchange Inflow: Interest income ₹ 11791857 /-

Foreign Exchange outflow: NIL

13. RISK MANAGEMENT POLICY:

The Company has constituted a Risk Management Committee (RMC) for identification, evaluation and mitigation of operational, strategic and external risks. RMC is supported by an internal divisional team, headed by the departmental heads, who are experts from various business processes and segments. These experts assist the RMC in defining the framework for risk management and compliance and undertake an assessment of risks adopts the risk mitigation plans and regularly monitor them in a structured and controlled environment. It also reviews the developments in the socio-economic environment and identifies internal threats and opportunities, updates the framework and refines processes and systems for mitigation. Details of the composition of the RMC have been disclosed separately.

The Company has already developed and implemented a ‘Risk Management Policy in accordance with the provisions of the Act as per which the Directors themselves periodically assess risks in the internal and external environment as also elements of risk, if any, which may threaten the existence of the company.

14. **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM:**

In compliance with the provisions of Section 177(10) of the Companies Act, 2013, the Board of Directors has established a Vigil Mechanism for directors and employees to report their genuine concerns or grievances. The Company oversees the mechanism through the Audit Committee. The vigil mechanism is providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. In the case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.

The vigil mechanism policy is available on the website of the Company at www.smsl.co.in.

15. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future.

16. **AUDITORS:**

The Members of the Company at the 20th Annual General Meeting ("AGM") held on 29th September 2017, approved the appointment of M/s. V. K. Surana & Co., Chartered Accountants, Nagpur, bearing ICAI firms Registration No. 110634W, as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 25th AGM held thereafter.

As per the existing appointment of M/s. V. K. Surana & Co., Chartered Accountants, Nagpur, their remaining audit period covers a year of their appointment up to the conclusion of the 25th Annual General Meeting to be held in the financial year 2021-22.

As required under Section 139 of the Companies Act, 2013, the Company has obtained written consent from the Auditors to their continued appointment and they have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

17. **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Vaibhav Jachak & Co., Practicing Company Secretary to conduct Secretarial Audit of the records and documents of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March 2021 in Form MR-3 is annexed to the Boards' Report as "Annexure I" and forms part of this Report.

The Secretarial Auditors' Report to the members of the Company for the financial year ended March 31, 2021, does not contain any qualification(s), reservation or adverse remarks or disclaimer.

18. **EXPLANATIONS IN RESPONSE TO AUDITORS QUALIFICATIONS:**

There are no qualification(s), reservations or adverse remarks made by the statutory auditors in their report on the standalone financial statements. However, The Auditors' in their report have stated "Emphasis of matter" on note no. 6C and 25 which are reproduced as under:-

The emphasis of Matter:

1. We draw attention to the face of the Statement of Profit and Loss and Note No. – 6C & 25 of the standalone financial statements regarding a substantial amount of share in Loss of joint venture (JV) – SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (DTC) wherein due to the sudden demise of the working director of DTC, execution of part of the work of DTC was affected including the finances of the Company. This incident led DTC to insolvency and due to this the work advances given by JV to DTC became doubtful and for which JV made the provision of Bad & Doubtful debt for Rs. 3960.67 lacs which ultimately resulted in losses in the JV in that year.

Against loss of Rs. 3890.84 lacs in FY 2019-2020 the SMSL has booked his share of 70% of loss of INR 2723.59 lacs as an exceptional item.

2. We draw attention to Note No. 55 of the standalone financial statements related to the effect of Covid- 19 on the Company's standalone financial statement due to the outbreak of the Coronavirus (COVID-19) pandemic in India which has significantly impacted the operation of the company. The Company expects to sustain and overcome the impact and recover from the present slowdown.

3. We draw attention to Note No. – 6 (C & D) of the standalone financial statements regarding – Investment in Partnership Firm and Association of Person, wherein due to non-availability of financial statement as on the date of signing of financial statement, the share in profit / (loss) of the all the Partnership firm is not accounted for except in case of Aarti Infra-projects Privat Limited (JV) and consequently the value of the investment as on Balance Sheet date is not disclosed. Our opinion is not modified in respect of these matters.

Likewise, wherever the financial statement of subsidiaries and associate companies have not been furnished, the investments have been carried at cost without testing impairment thereof, if any.

4. We draw attention to the standalone financial statements wherein balance confirmations of some of the parties are not received as on the date of signing of the financial statement and are subject to confirmations. Our opinion is not modified in respect of these matters.

Explanation by the Board on "Emphasis of matter" made by the statutory auditors in their report on the Standalone Financial Statement.

1. During the year, SMS booked its share of loss in SMS-DTC (JV) of INR 2723.59/- Lac as an exception item for the advances made by the JV to one of the JV partners. The JV provided this advance to the JV partner from the loan taken from the Abhudaya Co-operative Bank. In the book of JV the loan amount as of 31.03.2021 is ₹ 5159.55/- Lac. In the year 2021-22, settlement with the bank is going on and we expect, a substantial amount of the above loss to recover after the settlement with the bank.

2. Impact due to Covid

Due to COVID-19 restrictions, work at all sites got affected during FY 20-21. The Company faced various difficulties such as:

- Non-availability of basic supplies and services
- Frequent non-availability of concern officers of our client
- Closure of several offices
- Restriction in the movement of goods
- Hurdle in the mobilization of labours for site work

All these issues resulted in the following problems faced by all projects of the Company:

- The project could not be made 100% functional due to the non-availability/scarcity of basic supplies and services
- Non-availability of officer resulted to delay in certification of the executed works
- Delay in start of work due to non-approvals for drawings and work permission
- Delay in work due to delay in receipt of goods due to vehicle restrictions
- Delay in execution of work due to shortage of skilled and unskilled manpower at site
- Due to social distancing at other restrictions, all the sites were not operational at the optimum level.

the company is incurring extra costs due to:

1. Supply chain disruption
2. Retention of migrant workers
3. Extra medical facilities at all sites
4. Training of manpower as many workers have left the company to work near home.
5. Machinery overhauling and additional costs as warranty period has expired during Covid -19
6. Increase in costs not limited to construction material due to inflation.
7. Absenteeism at various offices of statutory authorities, clients, consultants, own office etc. affects the progress and realization of work.
8. Contractual agreement issues arising due to covid impact government directives, existing contract terms and timelines for project completion.

Measures for recovery

The Company is ensuring all efforts to curb the cost and to maintain profitability. This includes restructuring of manpower to ensure maximum output, reducing overhead cost at sites and other necessary steps to ensure smooth functioning of operation post-Covid-19.

The Company has also ensured that all the sites remain operational and has also ensured all logistical and manpower support to achieve growth. The Company has a robust order book position of around ₹ 7,871/- crore to be executed over 3-10 years period and the company has been awarded several new projects where the operation will commence effectively from FY 21-22. The company is having enough execution capability, manpower, technical adequacy & planning to complete the same.

Considering the improved work conditions in the last few months and view of the healthy order book position, we expect to have the better top line and bottom line in coming years and we hope to achieve significant improvement in the Company's overall performance.

3. We took all the necessary effort to receive the audited financial statement of the joint venture and a partnership firm. However, due to COVID, most of the entities were not able to close their financial statements before the balance sheet date. Due to this, we are not able to book our share of profit/ (loss) in the financial statement.

4. As per the protocol suggested by the auditor, we had sent the request letter for the balance confirmation to parties selected by the auditor. Immediately thereafter due to COVID the lockdown was imposed by the government, resulting in the employees carrying on their work from home with limited information and data access. Due to which they were not in a position to respond to our request letter for balance confirmation. However, until the date of the balance sheet, we did not receive the balance confirmation for a few cases.

The Auditors' in their report on the Consolidated Financial Statement, have cited the Qualification(s) reproduced as under:

Qualified Opinion

We have audited the accompanying consolidated financial statements of SMS Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statement of subsidiaries, associates and jointly controlled entities except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2021, their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

A) **SMS Taxicabs Private Limited – Subsidiary of the Holding Company Bank Confirmations, Reconciliations and Trade Receivable / Payable Confirmation.**

i) No statement of accounts were available in respect of current account with HDFC Bank, Punjab National Bank (Erstwhile - Oriental Bank of Commerce), Union Bank of India (Erstwhile - Corporation Bank Malad & Mulund Branch,) State Bank of India Fort & Malad Branch and United Bank of India.

Also loans pending for settlement of Abhyudaya Bank, Union Bank of India (Erstwhile - Corporation Bank), and Punjab National bank (Erstwhile - Oriental Bank of Commerce) are pending confirmation and reconciliations if any.

Unsecured loans from Shri Gurudatta Sugar Ltd, Adeshwar Gems Pvt Ltd and Jinendra Diamonds Pvt Ltd, trade receivables, trade payables and employee advances are subject to confirmation and reconciliations if any. In absence of the account statements, reconciliation/confirmations, we are unable to determine the effect of these transactions on the financial statements of the company.

Assets held for sale.

We invite your attention to Note No. 19 of the Consolidated Financial Statement subheading "Assets held for Sale" which is reproduced as under:

According to the agreement for sale of taxis, entire sale consideration is received/ receivable in advance and is accounted as "Advance received / receivable against assets held for sale". Accordingly, the Gross Block & Accumulated Depreciation of the "taxi cars" assets is reduced from tangible assets and disclosed in current assets under "asset held for sale Rs. 3.32 Lacs.

The company has also transferred Gross Block & Accumulated Depreciation of few "taxi cars" from tangible assets and disclosed in current assets under "asset held for sale" Rs.20.96 Lacs for "taxi cars" for which it is obligated to transfer to DBO subscribers the "taxi cars" for which all necessary obligations are fulfilled for transfer of the "taxi cars" in the name of subscriber.

In respect of GST on assets held for the sale, in the opinion of the management no GST is payable as GST is not attracted on assets held for sale since the assets are fully depreciated. Accordingly company has not provided for GST on the same.

We are however not in agreement with this treatment for GST. The GST liability is attracted and is due to government on transfer of assets on the profit element of each asset which will get ascertained on actual sale & transfer of the asset.

B) Spark Mall and Parking Private Limited– Subsidiary of the Holding Company

As discussed in Note No. 63 of the Consolidated Financial Statement, the Company earns revenue majorly from renting of shops and multilevel car parking receipts from Mall constructed. However, outbreak of COVID-19 pandemic in India has significantly impacted the operation of the Company whereby due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines.

Even after unlock, the interrupted supply chain & lower footfall/customer base were likely to continue which impacts business model of tenants of mall resulting into disruption in the sustainability of business of tenants. The Company has offered waiver on rent & other charges to tenants in order to recover from present slowdown.

During FY 20-21, the revenue from operations were substantially reduced as compared to FY 19-20 and consequently the Company has incurred and reported substantial amount of net loss after tax including cash loss, mainly due to huge amount of finance cost.

Due to this the net worth of the Company turns out to negative as at 31st March'2021. And the total borrowings from Banks and financial institutions is substantially higher as compared to last year.

As informed to us, the Company is exploring alternative source of revenue of the current infrastructure available/built for the Mall. The Company expects to sustain and overcome the impact and recover from the present slowdown.

Further to this company has plans to reorient and re-engineer entire Mall FSI area by exploring business opportunities in Cinema, Healthcare, Pharmacy and allied Business. The Company also exploring options raising Funds by way of issuing Equity Shares or Redeemable Preference Shares. The Company is also exploring to outright sale of entire Mall & Parking Business.

This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However in view of the ongoing operations in the Company and the proposed plan to expand operations, the financial statement has been prepared on Going Concern Basis.

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

Explanation by the Board on "Qualifications" made by the statutory auditors in their report on the Consolidated Financial Statement.

A) **SMS Taxicabs**

SMS Taxicabs Private Limited was granted permits to ply radio cabs to cater in Mumbai Metropolitan Regional Development Authority Region under the "Phone Fleet Taxi Scheme - 2006" issued by the State Transport Authority of Maharashtra. Under this initiative - a radio cab service named "TAB CAB" was launched to operate in the Mumbai Metropolitan Region (MMR). STPL owns licenses to run 28OO taxis and the same are perpetual in nature. STPL, though was making good profits in the initial years, is into losses due to severe competition from large corporates. However, the licenses owned by the company are perpetual in nature and SMS will be able to recoup substantial revenue by sale of these licenses.

SMS Limited and Precinct Concorde Private Limited are shareholders of the SMS Taxicabs Private Limited. As per the agreement, Precinct Concorde Private Limited invested Rs 80.31 Crores in the share warrants of the company which are compulsorily convertible into equity shares of SMS Taxicabs Private Limited. Thus, after considering the shares proposed to be issued against the share warrant to Precinct Concorde Private Limited, in addition to the existing equity share held by them the shareholding of SMS Limited in SMS taxicabs Private Limited will be 15.95% only. Also, none of the Board members of SMS Taxicabs Private Limited is appointed by SMS Limited. Accordingly, SMS Ltd has no absolute power over the regular operation of SMS Taxicabs Private Limited**.** The management is also in the process to claim against the government for loss incurred due to wrong policies.

B) **<u>Spark Mall and Parking Private Limited– Subsidiary of the Holding Company:</u>**

The outbreak of the Coronavirus (COVID-19) pandemic in India resulted in a nationwide total lockdown on the 22nd of March 2020. Post-March 2020, with partial and staggered lockdown and the prolonged restriction on movement, the financial performance of the Company were in the downward trend.

The Company earns revenue majorly from renting of shops and multilevel car parking receipts from Mall constructed. However, the outbreak of the COVID-19 pandemic in India has significantly impacted the operation of the Company whereby due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines. Even after unlock, the interrupted supply chain & lower footfall /customer base continued, which impacts the business model of tenants of the mall resulting in a disruption in the sustainability of the business of tenants. The Company has offered a waiver on rent & other charges to tenants in order to recover from the present slowdown.

However, to overcome the above mentioned adverse and unprecedented circumstances, the Company is exploring alternative sources of revenue of the current infrastructure available/built for the Mall. The Company expects to sustain and overcome the impact and recover from the present slowdown. Further to this, the company has plans to reorient and re-engineer the entire Mall FSI area by exploring business opportunities in Cinema, Healthcare, Pharmacy and Allied Business. The Company also explores options for raising funds by way of issuing Equity Shares or Redeemable Preference Shares. The Company is also exploring an outright sale of the entire Mall & Parking Business.

EMPHASIS OF MATTER:

1. We draw attention to Note No. 71 of the consolidated financial statements regarding a substantial amount of share in Loss of joint venture (JV) – SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (DTC) wherein due to sudden demise of the working director of DTC, execution of part of the work of DTC was affected including the finances of the Company. This incident led DTC to insolvency and due to this the work advances given by JV to DTC became doubtful and for which JV made the provision of Bad & Doubtful debt for Rs. 3960.67 lacs which ultimately resulted in losses in the JV in that year.

2. We draw attention to Note No. 72 of the Consolidated Financial Statements wherein balance confirmations of some of the parties are not received as on the date of signing of financial statement and are subject to confirmations. Our opinion is not modified in respect of these matters.

2. We draw attention to Note No. 63 of the Consolidated financial statements related to effect of Covid- 19 on the Consolidated financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the holding company. The Holding Company expects to sustain and overcome the impact and recover from the present slowdown.

3. Jointly Controlled Entities and associate company not consolidated

We draw attention to Note No.8 and 56 of the Consolidated Financial Statements, which is reproduced as under:

In the absence of the financial statements of four Jointly Controlled Entities and one associate company, the balances appearing as investment in the books of accounts of holding company is considered as it is, without consolidating proportionate share in respective assets & liabilities and Income & expenditure of Jointly Controlled Entities. In case of associate, holding company's share of profit / (loss) for the financial year 2020-21 (as per equity method) has not been considered.

According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

4. SMS Vidhyut Private Limited- Subsidiary of the Holding Company

We draw attention to Note No. 17 of the Consolidated Financial Statement wherein the subsidiary company has entered into MOU with Satellite Developer Private Limited ("the developer") to block/earmark a residential premises for Rs. 10600 lacs against deposit of Rs. 7500 Lacs which will be refunded upon payment of entire sales consideration of Rs. 10600 Lacs.

After the due diligence and proposed additional cost, the Company has cancelled the agreement and converted the said amount into refundable deposit till the same is repaid by developer out of its project revenue. Pending repayment of the said amount, the EMI due to the lender will also be paid by the developer.

The developer has also given an undertaking for repayment of deposit of Rs. 7500 Lakhs along with replenishment of debt service reserve account (DSRA) in respect of the said Credit Facilities for a period of 3 months and also 4 post-dated cheques equivalent to 3 months EMI Payment due to the lender amounting to Rs. 206.25 Lakhs.

5. Patwardhan Infrastructure Private Limited- Subsidiary of the Holding Company

We draw attention to Note No. 70 of the financial statements wherein the Company has applied for merger with Holding Company – SMS Limited. The appointed date of meger petition is 01.04.2020. However, the final order/approval of merger from National Company Law Tribinal (NCLT) is still not yet received till the approval of financial statement of the Company. Due to which, the Company has prepared its financial statement without considering the merger despite the fact that the appointed date was 01.04.2020. After approval from NCLT, the Company will incorporate the effect of the merger in the tear in which the approval will be received.

Explanation by the Board on Emphasis of matter made by the statutory auditors in their report on the Consolidated Financial Statement.

1. During the year, SMS booked its share of loss in SMS-DTC (JV) of INR 2723.59/- Lac as an exception item for the advances made by the JV to one of the JV partners. The JV provided this advance to the JV partner from the loan taken from the Abhudaya Co-operative Bank. In the book of JV the loan amount as of 31.03.2021 is ₹ 5159.55/- Lac. In the year 2021-22, settlement with the bank is going on and we expect, a substantial amount of the above loss to recover after the settlement with the bank.

2. As per the protocol suggested by the auditor, we had sent the request letter for the balance confirmation to parties selected by the auditor. Immediately thereafter due to COVID the lockdown was imposed by the government, resulting in the employees carrying on their work from home with limited information and data access. Due to which they were not in a position to respond to our request letter for balance confirmation.

   However, until the date of the balance sheet, we did not receive the balance confirmation for a few cases.

3. We took all the necessary effort to receive the audited financial statement of the joint venture and a partnership firm. However, due to COVID, most of the entities were not able to close their financial statements before the balance sheet date. Due to this, we are not able to book our share of profit/ (loss) in the financial statement. However, all these financial statements are not material to the group as a business under these entities is almost close. Therefore, the non-consolidation of this financial statement will not have any material impact on the financial position of the group.

4. The Company has entered into MOU with Satellite Developers Private Limited ("the developer") to block/earmark a residential premise for ₹ 10,600/- Lac against a deposit of ₹ 7,500/- Lac which will be refunded upon payment of entire sales consideration of ₹ 10,600/- Lac. After due diligence and consideration of the proposed additional cost, the Company has cancelled the agreement and converted the said amount into a refundable deposit till the same is repaid by the developer out of project revenues. Pending repayment of the said amount, the EMI due to the lender will also be paid by the developer.

With regards to the above transactions, the management has obtained an undertaking from the developer for repayment of deposit of ₹ 7,500 Lac along with replenishment of debt service reserve account (DSRA), with respect to the credit facilities availed against earmarking of said premises from Indiabulls Housing Finance Ltd and Dhani Loans and Services Ltd, for a period of 3 months and also 4 post-dated cheques equivalent to 3 months' EMI Payment due to the above-mentioned lenders amounting to ₹ 206.25 Lac. Thus, timely recovery of the said deposit and repayment of debt is ensured by us.

5. In the absence of a specific provision to address this situation, we took the expert opinion from Vaibhav Jachak & Co. a Practising Company Secretary, and as per his opinion Company has prepared its financial statement without considering the merger despite the fact that the appointed date was 01.04.2020. After approval from NCLT, the Company will incorporate the effect of the merger in the year in which the approval will be received.

19. <u>COMPLIANCE WITH SECRETARIAL STANDARDS:</u>

The Board of Directors confirms that during the year under review, the Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

20. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

During the FY 2020-21 under review, no such event occurred by which the Corporate Insolvency Resolution Process can be initiated under the Insolvency And Bankruptcy Code, 2016 (IBC). As such, no specific details are required to be given or provided.

21. **FAILURE TO IMPLEMENT ANY CORPORATE ACTION:**

During FY 2020-21, there is no occasion wherein the Company failed to implement any Corporate Action. As such, no specific details are required to be given or provided.

22. **ANNUAL RETURN:**

Pursuant to the notification dated 28th August 2020, amended the Companies (Management and Administration) Rules, 2014 inter-alia amending rule 12 the company shall disclose annual return on its website instead of attaching the extract with the Board's report in **Form No. MGT.9**. The Annual Return of the Company shall be published on the website of the Company and is available at www.smsl.co.in.

Pursuant to notification no G.S.R. 159(E) dated 05/03/2021 inter-alia amending rule 11 and rule 12, for sub-rule (1), of the Companies (Management and Administration) Rules, 2014, a copy of the annual return shall be filed in Form MGT-7 with the Registrar with such fees as specified in the act and rule and sub-section (3) of section 92 of the Act, 2013

22.1 Weblink of Annual Return:

A copy of Annual Return referred to in sub-section (3) of section 92 has been placed on the Company's website i.e. www.smsl.co.in.

OTHER DISCLOSURES:

23. **CONSOLIDATED FINANCIAL STATEMENTS:**

In compliance within compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate companies and Joint Ventures.

Further a separate statement containing the salient features of the financial statements of the subsidiary Companies/Associate Companies/Joint Ventures in prescribed Form AOC-1 is attached along with the consolidated financial statements.

24. COST AUDIT:

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on February 29, 2020, had appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as Cost Auditors of the Company for the financial year 2020-21. In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as recommended by Audit Committee and approved by the Board of Directors of the Company, has to be ratified subsequently by the shareholders. Accordingly, the necessary resolution was passed at the extraordinary general meeting held on 30th March 2020 for ratification of the remuneration payable to the Cost Auditors for the financial year 2020-21.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a) Internal Control Systems and their Adequacy:

The Company has internal control systems, commensurate with the size, scale and complexity of its operation. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Company operates on an SAP system and has many of its accounting records stored in an electronic form and backed up periodically. The SAP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. The Company has automated processes to ensure accurate and timely updating of various master data in the underlying ERP system.

The Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies and accuracy of provisions and other estimates.

The Company operates a shared service centre which handles all payments made by the Company. This centre ensures adherence to all policies laid down by the management.

The Company is preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate.

The basis of such judgments and estimates are also approved by the Statutory Auditors.

The Management periodically reviews the financial performance of the Company against the approved plans across various parameters and takes necessary action, wherever necessary.

b) **<u>Human Resource Development</u>:**

The Company has continuously adopted structures that help attract the best external talent and promote internal talent to higher roles and responsibilities. SMS's people-centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

SMS Group Gratuity Scheme:

The Company has established a Group Gratuity Scheme - "SMS Limited Employees Group Gratuity Scheme" in collaboration with the LIC of India for the benefit of the employees of SMS Limited, the Company shall pay gratuity to such staff as are covered under the said Act, on exit from their services and to cover the accidental cases and death cases.

c) **<u>Particulars of Employees:</u>**

Details in respect of remuneration paid to employees as pursuant to section 134 (3) (q) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in Annexure – IV and forms part of this Report.

In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

26. <u>DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013</u>:

a) SMS has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. SMSL has a well-formulated policy on prevention and redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. These policies have striven to prescribe a code of conduct for the employees and are required to strictly abide by it.

The policy covers all employees, irrespective of their nature of employment and is also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

During the year 2020-21, the Company has duly complied with the provision relating to the constitution of 'The Internal Complaints Committee' under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Internal Complaints Committee consists of the following members:

1. Ms Reena Banerjee - Presiding officer
2. Mr Anupam Desai - Member
3. Ms Sweta Gattuwar - Member
4. Ms Rashmi Nair - Member
5. Ms Anushree Adhao - Member

b) the details of the number of cases filed and disposed of as required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(a)	Number of complaints pending at the beginning of the year;	NIL
(b)	Number of complaints received during the year	NIL
(c)	Number of complaints disposed off during the year	NA
(d)	Number of cases pending at the end of the year	NIL

39. **DOCUMENTS PLACED ON THE WEBSITE** (www.smsl.co.in):

The following documents have been placed on the website in compliance with the Act:

- Corporate Social Responsibility Policy as per 135 (4) (a)
- Details of Vigil Mechanism for directors & employees to report genuine concerns as per proviso 177(10).
- Terms & Conditions of Appointment of independent directors as per Schedule IV to the act.

40. **ACKNOWLEDGEMENTS:**

The Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders – clients, Financial Institutions, Banks, Central and State Governments, the company's valued investors and all other business partners for their continued co-operations and excellent support received during the year.

The Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation, dedication and their continued contribution to the company's progress.

FOR AND ON BEHALF OF THE BOARD

	Anand Sancheti	**Dilip Surana**
Dated: 29th November 2021	**Managing Director**	**Director**
Place: Nagpur	DIN: 00953362	DIN: 0953495
	Add: 10, Hindustan Colony Amaravati Road Bharat Nagar Nagpur-440033	Add: 301 Mangalam Appt. Plot no.401 Khare Town, Nagpur: 440010

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INDEPENDENT AUDITOR'S REPORT

To the Members of SMS Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SMS Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of 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, 2021, and loss (including other 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period.

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	**Impact of COVID-19 on the Company's operations and standalone financial statement.** On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and restriction on movement of people by the Government of India which has significantly impacted business operation of the Company. We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key event and consideration for Company's Operations on account of: - Short and long term effect on company's business operations and its consequential cascading negative impact on revenue; - Impact of the pandemic on the Revenue and Expenses. Refer Note 55 to the standalone financial statements.	**Our audit procedures included and were not limited to the following:** - Obtained and reviewed the management impact assessment on account of reduction in revenue during current financial year, including judgement and estimates applied in determining the areas of impact. - Assessed the determination of impact on contract receipts on restrictions due to nationwide lockdown consequent to COVID-19. - Assessed the determination of reduction in direct operating expenses during lockdown period consequent to COVID-19. - Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19. - Assessed management's cost reduction measures taken by the company in order to reduce the impact COVID-19. - Assessed and evaluated the possible recovery in other operating segment. - Assessed and evaluated expenditure incurred towards preventive health measures as an additional cost for prevention of COVID-19. - Performed subsequent event procedures upto the date of the audit report - Assessed and tested the disclosure relating to COVID-19 Impact on financial position.
2.	**Evaluation of impairment of Non-Current Investments and Current Loans.** Investments and Loans are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such evidence exists, impairment loss is determined and	**Principal Audit Procedures** Our audit procedures in respect of impairment of investment in and Loans given, included the following : • Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; • Assessing the valuation methodology used by management

F.R.No. 110634W

<table>
<tr><th>Sr. No.</th><th>The Key Audit matters</th><th>How our audit addressed the key audit matter / Auditor's Response</th></tr>
<tr><td></td><td>recognised of accounting policies to the standalone financial statements.

We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment as a key audit matter because of
• The significance of the amount of these investments in the standalone Balance Sheet.
• Performance and net worth of these entities and
• The degree of management judgement involved in determining the recoverable amount of these investments including:

Valuation assumptions, such as discount rates.
Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments.

Refer Note No. 6 and 12 to the Standalone Financial Statements.</td><td>and management review control is around making the assessment and testing the mathematical accuracy of the impairment models;
• Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;
• Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products;
• Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management;
• Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows;
• Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and
• Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.</td></tr>
<tr><td>3.</td><td>Evaluation of Contingent Liabilities
Claims against the company not acknowledged as debts is disclosed in the Note No.- 37(A) to the Standalone Financial Statement.
The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of the contingent liabilities.
The Company is undergoing legal proceedings on disputed tax demands. The Company's management has assessed that the probability of success of the demand is remote and accordingly not provided for the disputed demands.

Management judgement is involved in</td><td>Principal Audit Procedures
Our audit procedures include the following substantive procedures:
• Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the company;

• We along with our internal tax experts –
a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;

b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards;

c) Assessed management's estimate of the possible outcome of the disputed cases.</td></tr>
</table>

F.R. No. 110634W

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	assessing the accounting for demands, and in considering the probability of a demand being successful and accordingly designated this as a key audit matter.	
4.	**Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:** Company is having various works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st july, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the rates prevailing at the time of execution of original contract. This resulted in increased tax liability and reduced margin on the company against which company has raised the claim on concerned Department. Outcome of some claim is still pending with the Department. But on the basis of opinion taken from the legal advisior, the company made the provision for the GST impact turnover in books of account. Management estimation is involved in assessing the outcome of the claim raised by the company, and in considering the probability of a recovery of the claims and accordingly designated this as a key audit matter. Refer Note No. - 50 to the Standalone Financial Statements.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department. • Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not. • Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law. • Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; • Assessed management's estimate of the possible recovery of the claim raised to the Department.

Emphasis of Matter

1. We draw attention to face of the Statement of Profit and Loss and Note No. – 6C & 25 of the standalone financial statements regarding substantial amount of share in Loss of joint venture (JV) – SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (DTC) wherein due to sudden demise of the working director of DTC, execution of part of the work of DTC

SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR was affected including the finances of the Company. This incident led DTC to insolvency and due to this the work advances given by JV to DTC became doubtful and for which JV made the provision of Bad & Doubtful debt for Rs. 3960.67 lacs which ultimately resulted in losses in the JV in that year.

Against loss of Rs. 3890.84 lacs in FY 2019-2020 the SMSL has booked his share of 70% of loss of INR 2723.59 lacs as an exceptional item.

2. We draw attention to Note No. 55 of the standalone financial statements related to effect of Covid- 19 on the Company's standalone financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the company.The Comapany expects to sustain and overcome the impact and recover from the present slowdown.

3. We draw attention to Note No. – 6 (C & D) of the standalone financial statements regarding – Investment in Partnership Firm and Association of Person, wherein due to non-availability of financial statement as on the date of signing of financial statement, the share in profit / (loss) of the all the Partnership firm is not accounted for except in case of Aarti Infra-projects Privat Limited (JV) and consequently the value of investment as on Balance Sheet date is not disclosed. Our opinion is not modified in respect of these matters.

   Likewise wherever the financial statement of subsidiaries and associate companies have not been furnished, the investments have been carried at cost without testing impairment thereof, if any.

4. We draw attention to the standalone financial statements wherein balance confirmations of some of the parties are not received as on the date of signing of financial statement and are subject to confirmations. Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for Preparation of other information. The other information comprises the information included in the Company's annual report, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

SURANA & CO. CHARTERED ACCOUNTANTS F.R.No. 110634W

Management's Responsibilities 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 state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

V. K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W 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 with reference to standalone financial statement 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 standalone 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 standalone 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.

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement 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 Ind AS specified under Section 133 of the Act read with relevant rules.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

V.K. SURANA & CO. F.R. No. 110634W CHARTERED ACCOUNTANTS NAGPUR

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements – Refer Note No. – 37(A) to the standalone financial statements.

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

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid / provided by the Company to its directors during the current year is in accordance with the requisite approvals as mandated by the provisions of section 197 of the Act read with Schedule V to the Act and the remuneration paid / provided to any director is not in excess of the limit laid down in the aforesaid provisions. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg.No.110634W

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

CA. Sudhir Surana
Partner
Membership No. 043414
Nagpur, October 07, 2021
UDIN -

Annexure A to the Independent auditor's report :

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of SMS LIMITED of even date on the Standalone Financial Statement for the year ended 31st March'2021)

i)

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 at reasonable intervals. No material discrepancies were noticed on such verification.

c) The title / lease deeds of immovable properties are held in the name of the company.

ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

iii) According to the information and explanations given to us, the Company has granted unsecured loans to its Subsidiary Companies, Associate Companies, Joint Ventures and other related parties, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which

a) The terms and conditions of grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except that the loan is unsecured and interest free. (Total loan amount granted during the year - Rs. 17,888.30 Lacs and balance outstanding as at balance sheet date Rs. 8827.60 Lacs)

b) These loans do not carry any specific repayment terms of principal and interest and hence clause 3(iii) (b) of the order could not be commented upon.

c) In the absence of any specific repayment schedule, clause 3(iii)(c) of the order could not be commented upon.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable in respect of grant of loans, making investments and providing guarantees and securities.

v) The Company has not accepted deposits within the meaning of section 73 to 76 of the act and the companies (acceptance of deposits) rules, 2014 (as amended) during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore the provisions of the clause 3 (v) of the Order are not applicable to the Company.

F.R.No. 110634W

vi) As per the information and explanation provided to us, the maintenance of cost records has been specified by the Central Government under section 148(1) of the Act and the same are being made and maintained at respective sites. However we have not made detailed examination of such record.

vii)

a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods & Services Tax, Duty of Customs, Cess and any other statutory dues applicable to it with the appropriate authorities.
According to the information and explanation given to us, no material undisputed arrears of above statutory dues were outstanding as on 31st March, 2021 for a period of more than six months from the date they become payable.
Further Sales-Tax, Service Tax, Duty of Excise and Value Added Tax are not applicable to the company during the current financial year due to migration of the all indirect taxes to Goods and Services Tax.

b) According to the information and explanations given to us, there are no disputed dues of Duty of Excise which have not been deposited on account of dispute. The details of dues of Value Added Tax, Entry Tax, Life Time road transport tax, Central Sales Tax, Income Tax, Duty of customs and Service Tax which have not been deposited by the company on account of disputes and the forum where the dispute is pending are given in Annexure 1 along with the details of amount deposited under protest / adjusted by tax authorities.

viii) As per information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institution. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), so the question of application of funds does not arise. During the year the company has raised money by way of Term loans and the amount raised were applied for the purposes for which loans were availed.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

V. K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

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xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, transactions with related parties are in compliance with the provisions of section 177 and 188 of companies act, 2013 wherever applicable and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No.110634W

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

CA. Sudhir Surana
Partner
Membership No. 043414
Nagpur, October 07, 2021
UDIN -

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Annexure B to the Independent auditor's report :

(Referred to in Paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of SMS LIMITED of even date on the Standalone Financial Statement for the year ended 31st March'2021)

Report on the Internal Financial Controls Over Financial Reporting 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 **SMS LIMITED** ("the Company") as of March 31, 2021 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, 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.

V.K.SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

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 internal financial controls system over financial reporting of the Company.

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.

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No.110634W

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

CA. Sudhir Surana
Partner
Membership No. 043414
Nagpur, October 07, 2021
UDIN -

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Annexure – 1

Statement of Disputed Statutory Dues referred to in clause (vii)(b) Annexure 'A' to the Independent auditor's report of SMS Limited for FY 2020-21.

<table>
<tr><th rowspan="2">Name of Statute</th><th rowspan="2">Nature of Dues</th><th rowspan="2">Form where dispute is Pending</th><th rowspan="2">Periods to which the amount relates</th><th>Gross disputed (Including Penalty) amount</th><th>Amount deposited under protest/ adjusted by tax authorities</th><th>Amount not deposited</th><th rowspan="2">Remarks</th></tr>
<tr><th>Rs. In Lacs</th><th>Rs. In Lacs</th><th>Rs. In Lacs</th></tr>
<tr><td rowspan="8">Finance Act</td><td rowspan="8">Service tax</td><td rowspan="8">CESTAT Mumbai</td><td>FY 2009-10 to FY 2014-15</td><td>7,786.03</td><td>291.97</td><td>7,494.06</td><td></td></tr>
<tr><td>FY 2009-10</td><td>54.26</td><td>27.11</td><td>27.15</td><td></td></tr>
<tr><td>FY 2011-12 to FY 2014-15</td><td>28,390.87</td><td>1,104.52</td><td>27,286.35</td><td></td></tr>
<tr><td>FY 2013-14 to FY 2014-15</td><td>28.39</td><td>31.23</td><td>-</td><td>Additional amount paid</td></tr>
<tr><td>FY 2014-15 to FY 2015-16</td><td>2,025.20</td><td>140.62</td><td>1,884.58</td><td></td></tr>
<tr><td>FY 2015-16</td><td>3,611.43</td><td>248.36</td><td>3,363.07</td><td></td></tr>
<tr><td>FY 2015-16</td><td>29.09</td><td>4.64</td><td>24.45</td><td></td></tr>
<tr><td>April -16 to June -17</td><td>1,724.40</td><td>121.83</td><td>1,602.57</td><td></td></tr>
<tr><td rowspan="2">Gujrat Value Added Tax Act</td><td rowspan="2">Value Added Tax</td><td rowspan="2">DC Appeals</td><td>FY 2016-17</td><td>19.79</td><td>2.12</td><td>17.67</td><td></td></tr>
<tr><td>April -17 to June -17</td><td>51.08</td><td>5.55</td><td>45.53</td><td></td></tr>
<tr><td rowspan="3">Andhra Pradesh Value Added Tax Act</td><td rowspan="3">Value Added Tax</td><td>Appellate Deputy commissioner, Tirupati.</td><td>FY 2010-11</td><td>231.88</td><td>120.69</td><td>111.19</td><td></td></tr>
<tr><td rowspan="2">High Court of Judicature at Hyderabad (Stay granted)</td><td>FY 2011-12</td><td>38.58</td><td>8.68</td><td>29.90</td><td></td></tr>
<tr><td>FY 2012-13 to FY 2014-15</td><td>1,348.87</td><td>269.77</td><td>1,079.10</td><td></td></tr>
<tr><td>Andhra Pradesh Entry Tax Act</td><td>Entry Tax</td><td>High Court of Judicature at Hyderabad (Stay granted)</td><td>FY 2008-09 To FY 2012-13</td><td>978.69</td><td>493.64</td><td>485.05</td><td></td></tr>
<tr><td>Regional Transport Act</td><td>Life Time road transport tax</td><td>Regional Transport Officer-High Court of Judicature at Hyderabad</td><td>FY 2012-13</td><td>721.79</td><td>721.79</td><td>-</td><td></td></tr>
<tr><td>Income Tax Act</td><td>Income Tax</td><td>High Court of Judicature at</td><td>FY 2010-11</td><td>764.59</td><td>206.69</td><td>557.90</td><td></td></tr>
</table>

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e-mail:info@vksca.com

Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed (including Penalty) amount	Amount deposited under protest/ adjusted by tax authorities	Amount not deposited	Remarks
				Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	
		Bombay (Nagpur Bench)	FY 2009-10	1.23	1.23	-	
		Commissioner Appeals	FY 2015-16	89.95	17.99	71.96	
Madhya Pradesh Value Added Tax Act	Value Added Tax	Bhopal Tribunalate Court	FY 2012-13	71.93	20.14	51.79	
		Appellate authority, Jabalpur	FY 2011-12	59.42	14.86	44.56	
			FY 2013-14	78.43	19.80	58.63	
			FY 2014-15	38.61	9.65	28.96	
			FY 2015-16	41.95	10.49	31.46	
Madhya Pradesh Entry Tax Act	Entry Tax	Bhopal Tribunalate Court	FY 2012-13	63.66	40.17	23.49	
		Appellate authority, Jabalpur	FY 2011-12	33.87	8.47	25.40	
			FY 2014-15	3.11	0.78	2.33	
			FY 2015-16	0.29	0.29	-	
Central Sales Tax	Central Sales Tax	Appellate authority, Jabalpur	FY 2013-14	2.86	0.29	2.57	
Chhatisgarh Value Added Tax	Value Added tax	The Additional Commissioner & Appellate Deputy commissioner, Department of Commercial Tax Raigarh.	FY 2014-15	128.26	37.85	90.41	
Customs Act	Customs Duty	High Court of Judicature at Bombay (Nagpur Bench)	FY 2007-08	10.00	-	10.00	
Total				**48,428.52**	**3,981.23**	**44,450.13**	

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

SMS Limited

Standalone Balance Sheet as at 31 March,2021

(₹ in lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) **Non-Current Assets**			
(a) Property, Plant and Equipment	3A	22,438.93	21,560.97
(b) Capital Work in Progress	3B	511.79	115.51
(c) Investment Property	4	1,763.46	1,553.25
(d) Intangible Assets	5	144.43	254.98
(e) Financial Assets			
(i) Investments	6	12,208.82	12,789.33
(ii) Other Financial Assets	7	12,764.55	12,089.33
(f) Other Non-Current Assets	8	63.98	89.92
Total Non-Current Assets		**49,895.97**	**48,453.30**
(2) **Current Assets**			
(a) Inventories	9	33,261.27	29,355.06
(b) Financial assets			
(i) Trade Receivables	10	29,812.08	34,281.17
(ii) Cash and Cash Equivalents	11A	566.16	576.23
(iii) Bank Balance other than (ii) above	11B	3,765.41	4,471.29
(iv) Loans	12	8,487.32	6,545.63
(v) Other Financial Assets	13	11,915.69	15,810.83
(c) Income Tax Assets (Net)	14	2,893.72	1,227.96
(d) Other Current Assets	15	22,423.32	17,233.77
Total Current Assets		**1,13,124.97**	**1,09,501.94**
TOTAL ASSETS		**1,63,020.94**	**1,57,955.24**
EQUITY AND LIABILITIES			
(3) **EQUITY**			
(a) Equity Share Capital	16	1,026.14	1,026.14
(b) Other Equity	17	61,333.47	63,322.70
TOTAL EQUITY		**62,359.61**	**64,348.84**
(4) **LIABILITIES**			
(A) **Non-Current Liabilities**			
(a) **Financial Liabilities**			
(i) Borrowings	18	26,403.87	17,788.94
(ii) Other Financial Liabilities	19	3,961.70	3,910.44
(b) Provisions	20	1,229.87	1,544.29
(c) Deferred Tax Liabilities (Net)	21	422.10	149.19
(d) Other Non-Current Liabilities	22	1,597.64	3,620.77
Total Non-Current Liabilities		**33,615.17**	**27,013.63**
(B) **Current Liabilities**			
(a) **Financial Liabilities**			
(i) Borrowings	23	34,647.18	33,040.14
(ii) Trade Payables dues to :			
Micro and Small Enterprises	24	132.24	224.96
Other than Micro and Small Enterprises.	24	16,020.33	15,702.58
(iii) Other Financial Liabilities	25	12,176.18	15,045.50
(b) Other Current Liabilities	26	4,017.28	2,462.57
(c) Provisions	27	52.94	117.00
Total Current Liabilities		**67,046.15**	**66,592.77**
TOTAL LIABILITIES		1,00,661.33	93,606.40
TOTAL EQUITY AND LIABILITIES		1,63,020.94	1,57,955.24
Significant Accounting Policies	2		

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

As per our audit report of even date

For V. K. Surana & Co.

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 07/10/2021

UDIN 21043414AAAAEO7182

V.K.SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

RAJESH GUPTA
Chief Financial Officer

SMS Limited

Standalone Statement of Profit and Loss for the Year ended 31 March, 2021

(₹ in lacs)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from Operations	28	67,689.99	88,868.14
Other Income	29	3,505.89	1,901.31
Total Income		71,195.88	90,769.45
Expenses :			
Cost of Project Material Consumed	30	17,676.87	23,407.98
Change in Inventories of Work in Progress	31	(2,828.81)	1,428.81
Direct Expenses	32	27,451.09	32,406.02
Employee Benefits Expenses	33	11,228.59	14,789.10
Finance Costs	34	10,590.27	8,687.41
Depreciation and Amortization Expenses	35	3,361.23	2,360.52
Other Expenses	36	3,206.31	4,231.22
Total Expenses		70,685.55	87,311.05
Profit/(Loss) before exceptional items and tax		510.33	3,458.41
Exceptional Items (Net of taxes)			
Profit on sale of investment	6A	-	2,678.48
Share of Loss in joint venture	6C & 25	(2,723.59)	-
Profit/(Loss) before tax *		(2,213.26)	6,136.89
Tax Expenses *			
(1) Current tax	14	128.12	1,417.23
(2) Adjustment of tax relating to earlier periods		(325.47)	-
(3) Deferred tax	21	168.22	(111.32)
Total Tax Expenses		(29.13)	1,305.91
Profit/(Loss) for the year		(2,184.13)	4,830.98
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss :			
Re-measurement gains/ (losses) on defined benefit pl:	42	299.59	82.65
Less: tax effect	21	104.69	28.88
Net other comprehensive income of Items that will not be reclassified to profit or loss		194.90	53.77
Other comprehensive income for the year, net of tax		194.90	53.77
Total Comprehensive Income for the year		(1,989.23)	4,884.74
Earning Per Equity share (Par value of ₹ 10 each)	45		
Basic (In ₹) after exceptional items		(21.28)	47.08
Basic (In ₹) before exceptional items		5.26	20.98
Diluted (In ₹) after exceptional items		(21.28)	47.08
Diluted (In ₹) before exceptional items		5.26	20.98

* Profit before tax is after exceptional item and tax thereon. Tax expenses are excluding the current tax and defered tax on exceptional item.

Significant accounting policies 2

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

As per our audit report of even date.

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 07/10/2021

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

RAJESH GUPTA
Chief Financial Officer

UDIN 21043414AAAAEO7182

SMS Limited
Standalone Statement of Changes in Equity for the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	Note No.	Number of Shares	Amount
Balance as at 01 April 2019	16	1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31 March 2020		1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31 March 2021		1,02,61,382	1,026.14

B. OTHER EQUITY Refer Note No. 17

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total equity attributable to equity holders
	Securities premium	General reserve	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans	
Balance as at 1 April 2019	10,647.69	1,116.85	47,086.06	(92.88)	58,757.73
Profit for the year	-	-	4,830.98	-	4,830.98
Other comprehensive income	-	-	-	53.77	53.77
Final dividend F Y 2018-19	-	-	(51.31)	-	(51.31)
Interim Dividend paid	-	-	(257.56)	-	(257.56)
Tax on final dividend	-	-	(10.90)	-	(10.90)
Balance as at 31 March 2020	10,647.69	1,116.85	51,597.27	(39.11)	63,322.70
Balance as at 1 April 2020	10,647.69	1,116.85	51,597.27	(39.11)	63,322.69
Profit for the year	-	-	(2,184.13)	-	(2,184.13)
Other comprehensive income	-	-	-	194.90	194.90
Balance as at 31 March 2021	10,647.69	1,116.85	49,413.14	155.79	61,333.46

Nature and purposes of reserves:

General Reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

Significant accounting policies Refer Note 2

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

As per our audit report of even date.
For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953363

DILIP B. SURANA
Director
DIN: 00953495

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 07/10/2021

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

SMITA R. AGARKAR
Company Secretary

RAKESH GUPTA
Chief Financial Officer

UDIN 21043414AAAAE07182

SMS Limited

Standalone Cash Flow Statement for the year ended 31st March, 2021

(₹ in lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash Flow From Operating Activities		
Net profit before tax as per the statement of profit and loss (after excetional item and tax thereon)	(2,213.26)	6,136.89
Non-Cash Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and Intangible assets	3,361.23	2,360.52
Written off Investments	-	102.00
Net (Gain) / Loss on foreign exchange fluctuation	(598.71)	392.57
Tax on final dividend	-	(10.90)
Adjustment for cash flows of other activities:		
Finance cost	10,590.27	8,687.41
Dividend income	(524.67)	(258.04)
Share of (profit)/loss in joint ventures	(2,681.23)	(1.40)
(Profit)/loss on Sale of Investment & listed equity shae	(709.44)	(2,678.48)
(Profit)/loss on sale of fixed assets	(23.60)	75.74
Rental Income on investment property	(11.72)	(14.52)
Operating Profit Before Working Capital Changes	7,188.87	14,791.78
Adjustment for :		
Increase/(decrease) in trade payables	225.03	(5,123.78)
Increase / (decrease) in non current provisions	(119.52)	869.41
Increase / (decrease) in current provisions	(64.06)	(285.22)
Increase/(decrease) in other current liabilities	1,554.71	(3,372.90)
Increase/ (decrease) in other non current liabilities	(2,023.13)	(2,037.57)
Increase/ (decrease) in other current financial liabilities	(1,720.56)	2,059.57
Increase/ (decrease) in other non current financial	51.27	(968.29)
Decrease/(increase) in other non current assets	-	99.42
Decrease/(increase) in current trade receivables	4,469.09	(4,783.08)
Decrease/(increase) in other current assets	(5,189.55)	(2,017.41)
Decrease/(increase) in other non current financial assets	(675.22)	3,208.76
Decrease/(increase) in other current financial assets	3,895.14	4,497.75
Decrease/(increase) in inventories	(3,906.21)	2,258.06
	3,685.84	**9,196.50**
Direct taxes paid including income tax paid / TDS deducted/amount paid under appeal(net of refunds)	(1,363.72)	(1,962.06)
Net Cash Flow from/ (used in) Operating Activities (A)	**2,322.13**	**7,234.44**

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

SMS Limited

Standalone Cash Flow Statement for the year ended 31st March, 2021

(₹ in lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash Flow from Investing Activities		
Purchase of fixed assets, including intangible assets, CWIP	(4,841.27)	(8,532.94)
Proceeds from sale of fixed assets	155.69	670.85
Proceeds from non-current investments	1,179.22	(554.52)
Sale of current investments (Net)	705.87	1,656.28
Proceeds from current loans and advances	(1,941.69)	2,735.21
Dividends received	524.67	258.04
Share of profit/(loss) in joint ventures	2,681.23	1.40
Profit/(loss) on sale of investment	709.44	2,678.48
Rental income on investment property	11.72	14.52
Net Cash Flow from/(used in) Investing Activities (B)	**(815.12)**	**(1,072.66)**
Cash Flow from Financing Activities		
Proceeds from long-term borrowings	8,614.93	6,633.79
Proceeds from short-term borrowings	1,607.03	(6,818.11)
Proceeds from Current maturity of long term debt	(1,148.76)	3,142.52
Dividend paid on equity shares	-	(308.87)
Finance cost	(10,590.27)	(8,687.41)
Net Cash Flow from/(used in) in Financing Activities (C)	**(1,517.08)**	**(6,038.08)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(10.07)	123.70
Cash and cash equivalents at the beginning of the year	576.23	452.53
Cash and Cash Equivalents at the end of the year	**566.16**	**576.23**
Components of Cash and Cash Equivalents		
Cash on hand	280.00	304.74
With banks- in current account	286.16	271.48
Total Cash and Cash Equivalents	**566.16**	**576.23**

Note:-The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Significant accounting policies Refer Note No. 2

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

As per our audit report of even date.

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 07/10/2021

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

UDIN 21043414AAAAE07182

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

RAJESH GUPTA
Chief Financial Officer

SMS Limited

1. Corporate information

SMS Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having a registered office in Nagpur, Maharashtra, India. The company is engaged in the business of construction & commissioning and Lump Sum Turn Key facilities in various infrastructure projects like Road Bridges, Water Supply, Power Transmission, Underground Mining Work etc., for Central/State Governments, other local bodies and Private Sector in the Country and Waste Management activates.

2. Significant Accounting Policies

2.1 Basis of preparation

The Standalone financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013(the Act) Companies (Indian Accounting Standards) Rules, 2015.

The Standalone financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

The Company's Standalone financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

2.2 Accounting Estimates

The preparation of the Standalone financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of Standalone financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

a. 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 Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may

F.R.No. 110634W

change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

b. Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recoverability of claims

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

d. Defined benefit plans

The cost and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

2.2 Summary of Significant accounting policies

A. Property, plant and equipment and Intangible assets:

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalized until the assets are ready to be put to use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Intangible assets purchased or acquired in business combination, are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end. Internally developed intangible assets are stated at cost that can be measured reliably during the development phase and capitalized when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is derecognized.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress

Mining assets

When the Company determines that the mining assets will provide sufficient and sustainable return relative to the risks and decided to proceed with the mine development, being commercially viable, all further pre-production primary development expenditure is capitalized as Property, Plant and Equipment under the heading "Mining Assets" together with any amount transferred from "Exploration and Evaluation" assets. The costs of mining assets include the costs of developing mining properties.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property written off in the period in which it occurs i.e. when the Company determines that the mining property will not provide sufficient and

F.R.No. 110634W

sustainable returns relative to the risks and decides not to proceed with the mine development.

Depreciation methods, estimated useful lives and residual value.

Depreciation method, useful lives and residual values are reviewed periodically at the end of each financial year and adjusted prospectively if appropriate.

Depreciation on Property, Plant and equipment and investment property have been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Mining properties

The capitalized mining properties are amortized on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or group of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

All the Property, plant, equipment, and Intangible assets acquire during the year and having per unit cost is less than Rs. 10,000/- depreciated fully in the same year.

		(Life in Year)
Particulars	**Max of Life**	**Min of Life**
Building	60	3
Computer & Printer	3	1
Furniture & Fixture	10	1
Intangible Asset	5	1
Investment Property(Building)	60	0
Lease Land	95	95
Office Equipment	5	1
Plant & Machinery	15	1
Mining Assets	20 years or Life of project whichever is lower	
Mining Land	5 years or Life of project whichever is lower	
Vehicle	10	1

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

B. **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

C. **Financial instruments**

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are recognized initially at fair value plus transaction costs that are directly 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 Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual 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 included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual 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 Movements in the carrying amountare taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are

F.R.No.
110634W

recognized in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in statement of profit and loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

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EQUITY INSTRUMENT AND FINANCIAL LIABILITIES

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial recognition and subsequent measurement

Financial liabilities are recognized initially at fair value and in case of borrowing and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

D. Employee Benefits:

a. Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance and labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the

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employees. Company's provident fund contribution, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b. Defined Benefit Plan

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

c. Leave entitlement and compensated absences

With introduction of new types of leave every employee who has worked for more than 240 days during 2019 will be granted 15 days EL, 8 days CL and 10 days SL with 8 days holidays in addition. This new scheme of holidays not only gives every employee additional leaves with freedom of using CL for meeting the urgent/planned requirement but also gives option of encasing earned leave, if accumulated in excess of 45 as per the SAEA-2017.

d. Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognized as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognized in the period in which the absences occur

E. Inventories

The stock of construction material, stores spares and embedded goods and fuel is valued at cost or net realizable value whichever is lower.

Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

The company is classifying shuttering material and the machine spares as inventory. The management is of the opinion that these inventory are a very large number of indistinguishable minor items and are used in more than one accounting period. Even

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though they meet the definition of Property Plant and Equipment, the management feels that it would be appropriate to aggregate individually all insignificant items and apply recognition criteria to the aggregate value. Further the company after the technical assessment has found that the estimated life of the shuttering material is five years and thus shuttering material shall depreciated in five years from the date of purchase. The value of machine spares will be depreciated within the life of machine to which the spares relate.

F. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

G. Borrowing Cost:

Borrowing cost consists of interest and other cost that company incurred in connection with borrowing of fund.

Interest and other costs in connection with the borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to the statement of Profit & Loss.

Borrowing is classified as current liabilities unless the Company has unconditional rights to defer the settlement of the liability for at least 12 month after the reporting period. When there is breach of material provision of long term loan arrangement on or before the end of reporting period with the effect that 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 financial statement, not to demand payment as a consequence of breach.

H. Foreign Currency Transactions:

a. Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms

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of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss. On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortized over the remaining life of the concerned monetary item.

I. Revenue recognition

a. Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 - 'Revenue from Contracts with Customers' ('Ind AS 115') with modified retrospective approach. Accordingly, the comparative information for previous year has not been restated. According to Ind AS 115, revenue is measure at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115 based on satisfaction of performance obligations.

The company has adopted modified retrospective approach and the effect of initially applying this standard was recognized at the date of initial application (i.e. April 1, 2018).

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 11.

The impact of adoption of the standard on the Standalone financial statements of the Company is insignificant.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation, which is based on the physical measurement and survey of work actually completed and which is certified by the client. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

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Revenue from supply contract is recognized when threat the point in time when control is transferred to the customer.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Work in progress at the balance sheet date are quantities executed but not certified by the client therefore valued at itemized contract rate less taxes and profit i.e. against which revenue is not recognised as recognition criteria's are not fulfilled.

The Company disaggregates revenue from contracts with customers by nature of services.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price,

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unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of project whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

b. Accounting for Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favorable arbitration award.

c. Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

J. Taxes on Income:

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a. Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to

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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.

b. Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financialstatements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

K. Leases:

The company's lease asset classes primarily consist of leases plant & machinery. Effective April 1, 2019, the company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. On transition, the adoption of the new standard resulted in the recognition of right-of-use (ROU) asset of Rs.60,14,753.84 and a lease liabilities of Rs.60,14,753.84 at a standalone level.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

L. Prior period items:

Items of income or expenditure exceeding INR 10,00,000 are considered for being treated as prior period items.

M. Impairment of Non-Financial Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset, including intangible asset, may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less

Y.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevantamounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

N. Bills Receivables and Trade Payable

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the EIR method, less provision for impairment.

Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR method.

O. Earnings per share:

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the

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weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

P. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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3A Property, plant and equipment

(₹ in lacs)

	Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Mining Asset	Road	Right to Use Asset	Total
a	Gross carrying amounts												
	Balance as at 1st April 2019	8.95	83.54	2,564.69	29,796.68	453.75	5,213.25	594.45	589.01	-	-	-	39,296.32
	Additions	-	-	236.53	8,203.29	38.80	369.36	39.60	45.38	819.56	14.76	60.15	9,827.43
	Disposals	-	-	1.59	2,388.59	26.97	568.95	26.68	17.31	-	-	-	3,030.10
	Interhead adjustment	-	(42.30)	-	-	(0.35)	-	0.35	-	42.10	-	-	-
	Balance as at 31st March 2020	8.95	41.24	2,799.62	35,611.39	465.23	5,013.66	607.71	617.08	861.86	14.76	60.15	46,093.64
	Balance as at 1st April 2020	8.95	41.24	2,799.62	35,611.39	465.23	5,013.66	607.71	617.08	861.86	14.76	60.15	46,093.64
	Additions	-	-	411.67	2,834.19	17.95	294.33	23.98	30.61	640.59	-	-	4,253.31
	Disposals	-	-	17.63	223.64	10.90	90.24	9.81	66.55	-	-	-	418.77
	Interhead adjustment	-	-	-	-	0.57	-	(0.57)	-	-	-	-	-
	Balance as at 31st March 2021	8.95	41.24	3,193.66	38,221.94	472.85	5,217.74	621.31	581.14	1,502.45	14.76	60.15	49,928.18
b	Accumulated Depreciation/impairment												
	Balance as at 1st April 2019	8.09	-	693.81	18,057.20	344.74	4,516.46	468.11	506.53	-	-	-	24,586.95
	Charge for the year	0.010	-	146.44	1,078.86	83.33	185.72	43.93	57.08	24.10	0.04	14.73	2,229.23
	Disposals	-	-	-	1,047.06	29.91	567.55	26.69	17.30	-	-	-	2,283.51
	Interhead adjustment	-	-	-	-	(0.11)	-	0.11		-	-	-	-
	Balance as at 31st March 2020	8.10	-	840.25	18,089.00	398.05	4,134.63	485.46	546.31	24.10	0.04	14.73	24,532.67
	Balance as at 1st April 2020	8.10	-	840.25	18,089.00	398.05	4,134.63	485.46	546.31	24.10	0.04	14.73	24,532.67
	Charge for the year	0.01	-	299.12	2,590.67	29.76	193.79	39.89	48.90	16.35	13.64	11.13	3,243.26
	Disposals	-	-	13.00	126.58	10.81	61.95	7.80	66.46	-	-	-	286.68
	Interhead adjustment	-	-	-	-	0.57	-	(0.57)	-	-	-	-	-
	Balance as at 31st March 2021	8.11	-	1,126.37	20,553.09	417.57	4,266.47	516.98	528.75	40.45	13.67	25.86	27,489.25
	Net carrying amounts												
	Balance as at 31st March 2020	8.85	41.24	1,959.37	17,522.38	67.18	879.03	122.25	70.77	837.76	14.72	45.42	21,560.97
	Balance as at 31st March 2021	8.84	41.24	2,067.29	17,668.84	55.28	951.27	104.41	52.39	1,462.00	1.08	34.28	22,438.93

3B Capital Work- in- progress

Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Mining Asset	Road	Right to Use Asset	Total
Balance as at 31st March 2020	-	-	55.02	58.04	-	-	2.46	-	-	-	-	115.52
Balance as at 31st March 2021	-	-	77.89	19.36	-	-	0.00	-	414.54	-	-	511.80

Note:

* Capital Work-in-Progress includes Capital assets in Stores / Bonded Warehouse, which are not yet ready for use.

With effect from financial year 2019-2020 consequent to introduction of IND AS 116, the existing operating lease having balance period more than 12 month recognise as Property, plant and equipment under the head "Right to use" in consistent with the accounting policy followed by the Company for accounting of lease.

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(₹ in lacs)

4 Investment Property	Land	Building	Total
A Gross carrying amount			
Balance as at 1st April 2019	1,236.61	379.27	1,615.89
Addition	-	-	-
Balance as at 31st March 2020	1,236.61	379.27	1,615.89
Addition	216.80	-	216.80
Balance as at 31st March 2021	1,453.42	379.27	1,832.69
B Accumulated Depreciation /impairment			-
Balance as at 1st April 2019	-	56.04	56.04
Depreciation charged		6.60	6.60
Balance as at 31st March 2020	-	62.63	62.63
Depreciation charged		6.60	6.60
Balance as at 31st March 2021	-	69.23	69.23
C Net carrying amounts			
Balance as at 31st March 2020	1,236.61	316.64	1,553.25
Balance as at 31st March 2021	1,453.42	310.04	1,763.46

Information regarding income and expenditure of Investment property	**As at 31 March 2021**	**As at 31 March 2020**
Rental income derived from investment properties	11.72	14.52
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	0.03	1.95
Depreciation charged on the investment property that generated rental income during the year.	3.45	4.02
Profit arising from investment properties that generated rental income after depreciation and direct expenses	8.24	8.55
Direct operating expenses including repairs and maintenance arising from investment property that did not generat rental income during the year.	-	-
Depreciation charged on the investment property that did not generat rental income during the year.	3.15	2.58
Less – Depreciation	-	-
Profit/(Loss) arising from investment properties that did not generat rental income after depreciation and direct expenses	(3.15)	(2.58)
Net Profit/(Loss) from investment acitvity.	**5.09**	**5.97**

The Company's investment properties consist of flats and land in India. The management has determined that the investment properties consist of two classes of assets – Land and Building – based on the nature, characteristics and risks of each property.

The valuation of few of the properties are valued by accrediated independent valuer in the last three financial years based on consistent policy followed by the company.In absence of complete valuation of all the investmet property, the fair value of the property are not disclosed.

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

5 Intangible Asset

(₹ in lacs)

		Computer Software	Total
A	**Gross carrying amount**		
	Balance as at 1st April 2019	684.09	684.09
	Additions	10.90	10.90
	Balance as at 31st March 2020	694.99	694.99
	Additions	0.82	0.82
	Balance as at 31st March 2021	695.81	695.81
B	**Accumulated Depreciation/impairment**		
	Balance as at 1st April 2019	315.33	315.33
	Charge for the year	124.68	124.68
	Disposal	-	-
	Balance as at 31st March 2020	440.01	440.01
	Charge for the year	111.37	111.37
	Disposal	-	-
	Balance as at 31st March 2021	551.38	551.38
C	**Net carrying amounts**		
	Balance as at 31st March 2020	254.98	254.98
	Balance as at 31st March 2021	144.43	144.43

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

(₹ in lacs)

		As at 31 March 2021	As at 31 March 2020
6	**Non-Current Investments**		
	(Unquoted, valued at cost)		
A	**Investments in Equity Instruments**		
	i Investment in Subsidiaries	8,814.89	8,748.81
	ii Investment in Subsidiaries - No nominee directors of SMS Group	1,747.00	1,747.00
	iii Investment in Associates	468.12	468.12
	iv Investment in Others	1.05	1.05
B	**Investments in Preference Shares of Subsidiary**	259.74	259.74
C	**Investment in Partnership Firm**		
	i Joint Venture	690.73	1,369.23
D	**Investment in Association of Person (AOP)**		
	i Joint Venture	225.75	193.83
E	**Investment in Government Securities**	1.54	1.54
		12,208.82	**12,789.32**

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Details of Non Current Investments	As at 31 March 2021	As at 31 March 2020
		(₹ in lacs)
A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No. 6(A)		
1 **Subsidiary Companies in India**		
(i) SMS Envoclean Pvt. Ltd. *23,64,558 (23,64,558)Equity shares of ₹ 10 each fully paid*	112.60	112.60
(ii) SMS Infolink Pvt. Ltd. *10,000 (10,000)Equity shares of ₹ 10 each fully paid*	1.00	1.00
(iii) SMS Mine Developers Pvt. Ltd. *5,100(5,100) Equity shares of ₹ 10 each fully paid*	0.51	0.51
(iv) Spark Mall & Parking Pvt. Ltd. # *60,84,136 (1,19,29,676)Equity shares of ₹ 10 each fully paid*	3,320.66	3,320.66
(v) SMS Vidyut Pvt. Ltd. *3,950,000 (3,950,000)Equity shares of ₹ 10 each fully paid*	992.00	992.00
(vi) SMS Watergrace BMW Pvt. Ltd *58,66,181 (58,66,181)Equity shares of ₹ 10 each fully paid*	586.62	586.62
(vii) SMS Tolls And Developers Ltd. *50,000 (50,000)Equity shares of ₹ 10 each fully paid*	5.00	5.00
(viii) Patwardhan Infrastructure Pvt. Ltd.*** *49,220 (49,220)Equity shares of ₹ 100 each fully paid*	60.79	60.79
(ix) Maharashtra Enviro Power Ltd. *41,617,411 (41,617,411)Equity shares of ₹ 10 each fully paid*	3,000.20	3,000.20
(x) Ayodhya Gorakhpur SMS Tolls Private Limited *16,000,000 (16,000,000)Equity shares of ₹ 10 each fully paid*	1.00	1.00
(xi)SMS Waste Management Private Limited *10,000 (10,000)Equity shares of ₹ 10 each fully paid*	1.00	1.00
(xii)SMS-AABS India Tollways Private Limited** *5,100 (5,100)Equity shares of ₹ 10 each fully paid*	0.51	0.51
2 **Subsidiary Companies outside India**		
(xiii)Pt. SMS Minerals International *3,20,000 (3,20,000)Equity shares of IDR @ 9195 each fully paid*	148.26	134.90
(xiv) Pt. SMS Mines Indonesia *9,90,000 (990,000)Equity shares of IDR @11722 each fully paid*	584.74	532.04
	8,814.90	**8,748.83**
3 **Investment in Subsidiaries - No nominee directors of SMS Group**		
(xv) SMS Taxicabs Pvt. Ltd. * *87,45,000 (87,45,000)Equity shares of ₹ 10 each fully paid*	1,747.00	1,747.00
	1,747.00	**1,747.00**
	10,561.90	**10,495.83**
4 **Associate Companies in India**		
(i) RCCL Infrastructure Pvt. Ltd *15,65,200 (15,65,200)Equity shares of ₹ 10 each fully paid*	467.86	467.86
(ii) SMS-AAMW Tollways Pvt. Ltd. *2,600 (2,600)Equity shares of ₹ 10 each fully paid*	0.26	0.26
	468.12	**468.12**

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Details of Non Current Investments	As at 31 March 2021	(₹ in lacs) As at 31 March 2020
(B) Investment in Preference Shares of subsidiary company (Valued at cost, fully paid up)-Note No. 6(B)		
(i)SMS-AABS India Tollways Private Limited** *25,97,400 (25,97,400) cumulative, non-convertible, Redeemable Prefernce shares of ₹ 10 each fully paid*	259.74	259.74

#Pledged with the India bulls Housing Finance Ltd. against loan taken by Spark Mall & Parking Pvt. Ltd. for providing security to India bulls Housing Finance Ltd w.e.f 04.04.2020.

The Company had entered in to agreement for sale of 58,45,540 number of Shares of Spark Mall & Parking Private Limited for consideration amounting to Rs. 58.69 Crores and the Profit on sale of above shares have been shown separately as exceptional items in the statement of profit and loss during financial year 2019-2020.

* SMS Taxicabs Private Limited was granted permits to ply radio cabs to cater in Mumbai Metropolitan Regional Development Authority Region under the "Phone Fleet Taxi Scheme – 2006" issued by the State Transport Authority of Maharashtra. Under this initiative – a radio cab service named as "TAB CAB" was launched to operate in the Mumbai Metropolitan Region (MMR)
SMS Limited and Precinct Concorde Private Limited are shareholders of the SMS Taxicabs Private Limited. As per the agreement, Precinct Concorde Private Limited invested Rs 8031.22 Lacs in the share warrants of the company which are compulsorily convertible in to equity shares of SMS Taxicabs Private Limited. Thus after considering the shares proposed to be issued against the share warrant to Precinct Concorde Private Limited, in addition to existing equity share held by them the shareholding of SMS Limited in SMS taxicabs Private Limited will be 15.95% only.
Also none of the Board members of SMS Taxicabs Private Limited is appointed by SMS Limited.
Accordingly, SMS Ltd has no absolute power over regular operation of the SMS Taxicabs Private Limited.

**Pledged with the State bank of India against loan taken by SMS-AABS India Tollways Pvt. Ltd.

***The Company has applied for merger of wholly owned subsidiary company-Patwardhan Infrastructure Pvt. Ltd. with SMS Limited. The appointed date of merger considered in merger petition is 01.04.2020. However, final order / approval of merger from National Company Law Tribunal (NCLT) is still not yet received till the apporoval of standalone financial statement of the SMS Limited. Due to which, the Company has prepared its standalone financial statement without considering the merger despite the fact that the appointed date was 01.04.2020. After approval from NCLT, the Company will incorporate the effect of merger in the year in which approval will be received.

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

C - Investments in Joint Venture-Note No. 6(C & D) (Valued at cost)

(₹ in lacs)

Name of the Venture	Name of Venture Partner/s	Constitution of Entity	Share of Interest	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
				Total Capital of Firm	Investment	Total Capital of Firm	Investment
Debit Balance in Joint Ventures (Partnership firm) considered as Non-Current Investments							
Shaktikumar M. Sancheti Ltd. & S.N Thakkar Construction Pvt. Ltd (JV)	S.N Thakkar Construction Pvt. Ltd.	Partnership Firm	SMS Ltd. 65% S N Thakkar Construction Pvt. Ltd. 35%	440.03	281.39	435.54	278.47
SMS Infrastructre Ltd. & D. Thakkar Construction Pvt. Ltd. (J V) $	D.Thakkar Construction Pvt. Ltd.	Partnership Firm	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	-	-	859.77	603.43
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)@	Brahanaputra Infrastructure Pvt. Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Infrastructure Ltd. 49%	48.95	17.34	48.95	17.34
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V)@	Brahamaputra Consortium Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	(1.40)	11.59	(1.40)	11.59
SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd.	Aarti Infra-Projects Pvt. Ltd.	Partnership Firm	SMS Ltd.51% AIPPL . 49%	247.90	51.95	247.49	51.99
SMS Infrastructure Ltd. & Shree Nath Enterprises(J.V)@	Shreenath Enterprises	Partnership Firm	SMS Ltd. 36.50% Shreenath Enterprises 63.50%	188.93	40.50	188.93	40.50
SMSIL-KTCO (JV)*	Khare Tarkunde Infrastructure Pvt. Ltd	Partnership Firm	SMS Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	7.74	3.87	8.44	4.22
GSI ENVO Ltd. in Consortium with SMSIL	Param Sancheti	Association of Person	SMS Ltd. 70 % & Param Sancheti 30 %	111.89	156.65	165.01	193.83
BHARTIA SMSIL (JV)	Bhartia Infra Projects Limited	Partnership Firm	SMS Ltd. 49 % & BIP Limited 51 %	16.73	11.38	10.19	4.27
SMSIL-MBPL-BRAPL JV	Mehrotra Buildcon Pvt. Ltd. and Bharat Rail Automation Pvt. Ltd.	Partnership firm	SMS Ltd. 57.00% , Mehrotra Buildcon Pvt. Ltd. 33.00% & Bharat Rail Automation Pvt. Ltd. 10.00%	39.94	23.20	30.83	18.00
GDCL - SMS Ltd. JV	Gannon Dunkerley & Co. Ltd.	Partnership Firm	SMS Ltd. 40% & Gannon Dunkerley & Co. Ltd. 60%	-	-	-	-
SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)@	B. P. Construction Co. Pvt Ltd (JV)	Partnership Firm	SMS Infrastructure Ltd. 61% B. P. Construction Co. Pvt. Ltd. 39%	(2.56)	-	(2.56)	-
MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV)*	(1) M/s Datta Meghe Instutute of Medical Science (DMIMS) (2) M/s Nagar Yuwak Sikshan Sanstha (NYSS) (3) M/s Shri Sainath Textile Private limited (SSTPL)	Association of Person	SMS Limited 50% DMIMS 10% NYSS 30% SSTPL 10%	203.30	69.10	203.30	113.00
SMSIL-MBPL JV	Mehrotra Buildcon Pvt. Ltd.	Partnership Firm	SMS Ltd. 59.84% & Mehrotra Buildcon Pvt. Ltd. 40.16%	380.30	227.66	378.33	226.41
AGIPL-SMSIL (JV) ^	Agrawal Global Infratech Pvt. Ltd.	Partnership Firm	SMS Ltd. 20% & Agrawal Global Infratech Pvt. Ltd. 80%	-	-	-	-
M/S SAKET - SMSL JV ^	Saket Infraprojects Pvt Ltd	Partnership Firm	SMS Ltd. 40% & Saket Infraprojects Pvt Ltd. 60%	46.84	23.86		-
				1,728.60	916.49	2,572.81	1,563.06

Credit Balance in Joint Ventures (Partnership firm) considered as Other current financial liability.

SMS Infrastructre Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V) $	D. Thakkar Construction Pvt. Ltd.	Partnership Firm	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	(3,064.54)	(2,117.51)	-	-
SRRCIPL-SMSL-BEKEM JV*	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited	Partnership Firm	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd 60% & BEKEM Infra Projects Pvt. Limited 20%	441.43	(2.24)	440.76	(2.37)

C - Investments in Joint Venture-Note No. 6(C & D) (Valued at cost)

(₹ in lacs)

SRRCIPL-SMSL JV*	M/s. Sri Raja Rajeshwari Constructions (Inida) Pvt. Ltd.	Partnership Firm	SMS Ltd 60 % & M/s. Sri Raja Rajeshwari Constructions (Inida) Pvt. Ltd 40%	128.60	(2.27)	128.72	(2.20)
				(2,494.51)	(2,122.02)	569.48	(4.57)

Name of the Firm	Name of Partner		As at 31 March 2021	Capital Amount	Name of Partner	Capital Amount	As at 31 March 2020
SANBRO CORPORATION	SMS Ltd. * #		25.00%	-208.08	(86.77)	-208.08	(86.66)
	Abhay Sancheti		29.60%		(59.43)		(59.43)
	Ajay Sancheti		22.20%		(17.41)		(17.41)
	Anand Sancheti		22.20%		(44.57)		(44.57)

Credit balances in Joint Ventures considered as Other current financial liability.

@ The financial statement of the four joint ventures entities (partnership firm) were not available on record. Due to which, the share in profit / (Loss) is not accounted for in FY 2020-21 & FY 2019-20.

* Due to Non-availbility of Financial Statements of the five joint ventures entities (partnership firm), the share in profit/loss during the current financial year are not accounted. Accordingly, total capital of the firms as on 31st March, 2020 is considered on the basis of last audited financial statement of FY 19-20.

^ The Company has entered into joint venture agreement with two entities (partnership firm). However in the absence of the financial statement of FY 2020-21, the company has accounted for the investments based on the records available with the Company.

$ <u>Note for Loss in FY 2020-21 due to Loss in the Joint Venture – SMS DTC JV</u>

A Joint Venture in the name of SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V) was formed in December 2008, with 70% share of SMSL and 30% share of DTC, to execute two irrigation projects; Purna Barrage and Wardha Barrage worth INR 85651.00 Lacs.

JV subcontracted works to both partners who executed the works in their individual capacity and accounted for in the individual books of accounts along with the margins.

Due to the sudden demise of the working director of DTC, execution of part of the work of DTC was effected including the finances of the Company. This incident led DTC to Insolvency and due to this the work advances given by JV to DTC became doubtful and for which JV made the provision of Bad & Doubtful debt for Rs. 3960.67 lacs which ultimately resulted in losses in the JV in that year. Prior to it the JV has earned profits and booked by JV partners over the last 12 years in their respective books of account. SMSL is now executing the remaining works of INR 4486.00 Lacs on behalf of JV.

Against loss of Rs. 3890.84 lacs in FY 2019-2020 the SMSL has booked his share of 70% of loss of INR 2723.59 lacs as an exceptional item. Though there will be no cash outflow for SMSL, it will reduce the value of its investment in the JV, making it negative. The Company has accounted for loss of FY 19-20 in FY 20-21 as the financial statement of Joint venture was received after the approval of standalone financial statement of SMS Limited.

Other Investment-Note No. 6 A (C) (Valued at cost, fully paid up)	As at 31 March 2021	As at 31 March 2020
(i) Khamgaon Urban Co-Operative Bank Ltd. *100 (100)Equity shares of ₹ 10 each fully paid*	0.01	0.01
(ii) Nandura Urban Co-Operative Bank Ltd. *43 (43)Equity shares of ₹ 100 each fully paid*	0.04	0.04
(iii) Malkapur Urban Co-Operative Bank Ltd. *1,000 (1000)Equity shares of ₹ 100 each fully paid*	1.00	1.00
	1.05	1.05

(₹ in lacs)

		As at 31 March 2021	As at 31 March 2020
7	**Other Financial Assets (Non-Current)**		
	Considered good -Unsecured		
	Security deposit	3,662.87	1,914.26
	Retention money	4,581.76	5,619.82
	Earnest money deposits	909.42	1,037.32
	Other receivable	35.56	40.92
	Fixed deposit receipt with remaining maturity for more than 12 months*	3,574.95	3,477.01
		12,764.55	**12,089.33**

* Note:- Above fixed deposit receipts are held as a margin money/ security deposit against letter of credit/ bank guarantee/ collateral security against loans/ other commitment.

8	**Other Non-Current Assets**		
	Considered good -Unsecured		
	Capital advance	63.98	89.92
		63.98	**89.92**
9	**Inventories (Valued at Cost * or Net realisable Value whichever is lower)**		
	Work-in-progress	21,601.01	18,772.19
	Construction & Project Inventory	9,639.12	10,100.26
	Goods held for sale	1,546.94	-
	Stores and spares	474.21	482.61
		33,261.27	**29,355.06**

*Note - Refer accounting policy note no. 2.

10	**Trade Receivables (Current)**		
	Considered good -Unsecured		
	Related Party	6,944.00	7,928.50
	Others	22,868.08	26,352.67
		29,812.08	**34,281.17**
11A	**Cash and Cash Equivalents**		
(i)	Balances with banks in current accounts	286.16	271.48
(ii)	Cash on Hand		
	a) In local currency	279.88	304.62
	b) In foreign Currency	0.13	0.13
		566.16	**576.23**
11B	**Bank Balances other than Cash and Cash Equivalents**		
	Fixed deposits with original maturity of more than 3 months but less than 12 months of remaining maturity (held as a margin money/ security deposit against LC/ BG/ collateral security against loans/ other commitment).	3,765.41	4,471.29
		3,765.41	**4,471.29**

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(₹ in lacs)

		As at 31 March 2021	As at 31 March 2020
12	**Loans (Current)**		
	Considered good -Unsecured		
	Loans to related parties	7,735.54	5,793.86
	Other loans	751.77	751.77
		8,487.32	6,545.63
13	**Other Financial Assets (Current)**		
	Considered good -Unsecured		
	Retention money	1,531.02	2,257.92
	Security deposit	2,818.95	4,322.99
	Withheld amount	6,524.58	9,043.75
	Amount due on account of TDS	528.66	60.18
	Others receivables	510.23	122.65
	Interest accrured but not due	2.25	3.33
		11,915.69	15,810.83
14	**Income Tax Assets (Net)**		
i	The following table provides the details of income tax assets and liabilities		
	Income tax assets	12,850.85	11,382.28
	Income tax liabilities	9,957.13	10,154.32
	Net balance	2,893.72	1,227.96
ii	The gross movement in the current tax asset/ (liability) is as follows:		
	Net current income tax asset at the beginning	1,227.96	654.25
	Income tax paid / TDS deducted/amount paid under appeal	1,468.41	1,990.94
	Current income taxes	128.12	1,417.23
	Adjustment of tax relating to earlier periods	(325.47)	
	Net current income tax asset at the end	2,893.72	1,227.96
iii	Income tax expense in the Statement of Profit and Loss comprises:		
	Current income taxes	128.12	1,417.23
	Adjustment of tax relating to earlier periods	(325.47)	
	Deferred income taxes credit	272.91	(82.44)
	Income tax expenses / (credit) (net)	75.56	1,334.79
iv	A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:		
	Total comprehensive income before income tax	(1,913.67)	6,219.53
	Enacted tax rates in India	34.94	34.94
	Computed expected tax expense	(668.71)	2,173.35
	Deduction of Income tax under Chapter VI-A	(60.26)	(42.41)
	Restatement of deferred Tax liability of earlier year due to change in tax rate	-	-
	Effect of items not allowed for tax purpose - Permanent Difference	1,039.07	(982.12)
	Effect of Debit items not allowed for tax purpose - Permanent Difference	-	44.51
	Effect of Credit items not considered for tax purpose Permanent Difference	-	(1,025.63)
	Others	-	(5.49)
	Adjusments between Tax provision and final computed tax liability		
	Adjusments realting to assessment of earlier year income tax return	(325.47)	191.46
	Others	90.71	-
	Income tax expense credit/(charge) to the Statement of Profit and Loss	75.33	1,334.79

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Notes to Standalone Financial Statements for the year ended 31st March, 2021

		(₹ in lacs)
	As at 31 March 2021	As at 31 March 2020
15 Other Current Assets		
Balance with statutory authority		
Value added tax receivable	5,718.61	5,965.31
Service tax receivable	87.75	87.75
GST receivable	4,096.02	2,354.35
Advances other than capital advances		
Against expenses & salary	44.02	17.79
To creditors	3,943.30	1,921.76
To subcontractor	1,493.50	924.32
Others		
Prepaid expenses	1,086.39	1,185.88
Deposit under protest	5,953.72	4,776.60
	22,423.32	**17,233.77**

V.K. SURANA & CO. * CHARTERED ACCOUNTANTS, NAGPUR
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	As at 31 March 2021	As at 31 March 2020
		(₹ in lacs)
Equity Share capital		
a **Authorized shares**		
15,000,000 (15,000,000) equity shares of Par value of ₹ 10/- each	1,500.00	1,500.00
b **Issued, subscribed and fully paid-up shares**		
10261382 (1,02,61,382) equity shares of Par value of ₹ 10/- each fully paid up	1,026.14	1,026.14

c **Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year.**

Equity shares	As at 31 March 2021 No.	As at 31 March 2021 (₹ in lacs)	As at 31 March 2020 No.	As at 31 March 2020 (₹ in lacs)
At the beginning of the year	1,02,61,382	1,026.14	1,02,61,382	1,026.14
Add : Issued During the Year	-	-	-	-
Outstanding at the end of the year	**1,02,61,382.00**	**1,026.14**	**1,02,61,382.00**	**1,026.14**

d **Terms/Rights attached to shares**

The company has only one class of equity shares having par value of ₹ 10 per share. each holder of equity shares is entitled to one vote per share. The dividend proposed by directors is subject to the approval of shareholders in the ensuing annual general meeting except in case of interim dividend.

In the event of liquidation of the company , the holders of equity shares will be entitled to receive assets remaining after prefrential payment of the company in proportion to the number of equity shares held by the shareholders.

e **Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31 March 2021 No.	As at 31 March 2021 % holding in the class	As at 31 March 2020 No.	As at 31 March 2020 % holding in the class
Equity shares of Face value of ₹ 10/- each fully paid				
Abhay Harakchand Sancheti*	3214696	31.33%	3214696	31.33%
Ajay Shaktikumar Sancheti	592687	5.8%	2410997	23.50%
Anand Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Best Power Plus Private Limited	2224374	21.68%	2224374	21.68%
Nirbhay Ajay Sancheti	1818310	17.7%		

*Pending succession certificate the shares of Abhay H. Sancheti are not transferred to his legal heirs.

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(₹ in lacs)

		As at 31 March 2021	As at 31 March 2020
17	**Other Equity**		
	General Reserve		
	Balance as per the last financial statements	1,116.85	1,116.85
	Closing Balance	**1,116.85**	**1,116.85**
	Securities Premium		
	Balance as per the last financial statements	10,647.69	10,647.69
	Closing Balance	**10,647.69**	**10,647.69**
	Retained Earning		
	Balance as per last financial statements	51,597.27	47,086.06
	Less: Loss for the year	(2,184.13)	4,830.98
	Less: Appropriations		
	Final dividend	-	51.31
	Interim dividend	-	257.56
	Tax on Final Dividend	-	10.90
	Closing Balance	**49,413.14**	**51,597.27**
	Other Comprehensive Income		
	Re-measurement gains/ (losses) on defined benefit plans net off tax		
	Balance as per the last financial statements	(39.11)	(92.88)
	Add: Additions during the year	194.90	53.77
	Closing Balance	**155.79**	**(39.11)**
	Total of Other Equity	**61,333.47**	**63,322.70**

General Reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

		As at 31 March 2021	As at 31 March 2020
18	**Borrowings (Non-Current)**		
	I. Secured		
	(A) Term Loans		
	(i) From Banks		
	(1) ICICI bank ltd.	529.54	479.31
	(2) Kotak mahindra bank ltd.	-	120.58
	(3) IndusInd bank	66.87	117.35
	(4) Axis Bank Ltd.	6,755.85	-
	(5) HDFC Bank Ltd.	91.72	-
	(6) Punjab National Bank (GECL)	1,886.99	-
	(ii) From Financial Institution		
	(1) SREI equipment finance ltd.	12,337.65	12,556.83
	(2) Indiabulls housing finance ltd.	4,735.24	4,514.87
		26,403.87	**17,788.94**

Note : For Securities please refer individual bank wise notes given.

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

SMS Limited (Formerly SMS Infrastructure Limited)
Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lacs)

21.1 Details of Securities and Terms of Repayments

I. Secured

(A) Term Loans From Banks

(1) ICICI Bank Ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
LANAG00038272968	6.37	9.20%	28/11/2018	11	0.65	11 months
LANAG00038807641	8.71	9.25%	02/04/2019	15	0.65	1 year 3 months
LANAG00039405149	3.95	9.60%	04/06/2019	14	0.26	1 year 2 months
LANAG00039654714	4.44	9.60%	02/07/2019	19	0.26	1 year 7 months
LANAG00039789936	8.63	9.25%	09/07/2019	19	0.50	1 year 7 months
LQNAG00036832436/36903325	6.65	7.35%	21/12/2017	3	3.01	3 months
LQNAG00037183400	11.94	8.60%	31/03/2018	29	0.47	2 years 5 months
LQNAG00037304565	91.91	9.00%	03/05/2018	17	5.90	1 year 5 months
LQNAG00040788458/774/749/610/702/524/565	36.82	10.30%	11/09/2019	23	1.83	1 years 11 months
LQNAG00041149057/976/032/743/944	115.16	10.79% 9.18% 9.03%	27/11/2019	26	5.07	2 years 2 months
LQNAG00042505239	179.01	9.18%	21/11/2020	31	6.54	2 years 7 months
LQNAG00043038691	54.16	9.51%	22/12/2020	45	1.40	3 years 9 months
LQNAG00043279407	55.03	8.12%	30/01/2021	46	1.39	3 years 10 months
LVNAG00043279314/LVNAG00043279286	58.87	8.01%	22/01/2021	46	1.49	3 years 10 months
UQNAG00041012049/104/172/884/082/097	307.13	8.00%	30/10/2019	25	14.12	2 year 1 month
Total	948.76					

(2) Kotak Mahindra Bank Ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
CE-571940	5.20	9.00%	02/09/2017	4	1.32	4 months
CE-582371/388/394/408/359/342/365/287/320/336/582489/582567	45.25	7.89% / 7.54% / 8.25%	29/09/2017	5	9.24	5 months
CE-645641	70.13	9.00%	13/04/2018	12	6.12	12 months
Total	120.58					

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

(₹ in lacs)

(3) Indusind Bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
NNN00495E, NNN00494E	34.06	9.55%	05/02/2020	25	1.46	2 years 1 month
NNN00496E	19.15	9.55%	05/02/2020	26	0.81	2 years 2 months
NNN01115L,16L,17L,18L,19L,20L,21L,22L	40.06	9.57%	28/01/2020	26	1.78	2 years 2 months
NNN01124L, NNN01125L, NNN01126L	30.95	9.55%	07/02/2020	21	1.33	1 years 9 months
Total	124.22					

(4) Axis Bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
Various Contracts Bundled	1,874.24	9.50%	05/12/2020	45	49.67	3 years 9 months
Various Contracts Bundled	6,254.93	9.50%	05/12/2020	57	136.77	4 years 9 months
Various Contracts Bundled	236.24	9.50%	05/12/2020	33	8.16	2 years 9 months
Total	8,365.41					

(5) HDFC Bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
85246517/85246521/85246527	90.71	8.66%	20/02/2021	34	3,12,183.00	2 years 10 months
116746851	8.23	7.65%	11/02/2021	35	26,312.00	2 years 11 months
117257454	23.73	7.50%	20/02/2021	35	75,682.00	2 years 11 months
116698012	14.33	7.65%	11/02/2021	35	45,796.00	2 years 11 months
Total	136.99					

(6) Punjab National Bank

Secured by second charge by way of hypothecation of current assets as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
376100PO00000611	1,970.32	8.35%	19/01/2021	60	55,56,334.00	5 years
Total	1,970.32					

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

(₹ in lacs)

(a) From Financial Institution

(1) SREI Equipment Finance Pvt. Ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
186515	2,342.19	12.59%	05/12/2019	47	27.47	3 year 11 months
187072/186510/187071	12,712.57	12.59%	05/12/2019	47	33.12	3 year 11 months
Total	15,054.75					

(2) Indiabulls Housing Finance Ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
HLLANAG00490113	4,924.17	14.00%	27/12/2019	54	62.54	4 years 6 months
Total	4,924.17					

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR
F.R.No. 110634W

(₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
19 Other Financial Liabilities (Non-Current)		
Security deposits from sub contractor	1,438.53	1,221.37
Retention money from sub contractor	2,015.41	2,579.42
Deposits from outsiders	440.51	74.65
Other payable	35.00	35.00
Security deposit from customer	32.25	-
	3,961.70	3,910.44
20 Provisions (Non-Current)		
Employee Benefits		
Gratuity	970.77	1,102.53
Leave benefits	259.10	441.77
	1,229.87	**1,544.29**

21 Deferred Tax Liabilities (Net)

i Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2021	As at 31 March 2020
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	671.24	770.93
Timing difference on Mining Assets considered as allowable expenditure on the basis of payments made	487.68	-
Timing difference on Right to use assets considered as allowable expenditure on the basis of payments made	4.19	-
Deferred income tax liability	**1,163.11**	**770.93**
Deferred income tax asset		
Provision for gratuity	353.99	402.19
Leave encashment	94.27	178.34
Long term capital loss on sale of shares of private limited company	41.21	41.21
Deferred income tax asset	**489.48**	**621.73**
MAT Credit entitlement	**251.53**	**-**
Deferred income tax asset	**741.00**	**621.73**
Total Deferred Tax Liability (Net)	**422.10**	**149.19**
Deferred tax liabilities	1,163.11	770.93
Deferred tax assets	741.00	621.73
Net deferred tax liabilities	**422.10**	**149.19**
22 Other Non-Current Liabilities		
Mobilisation advance from customers	1,021.58	2,379.90
Secured advance from customers	576.06	1,240.87
	1,597.64	**3,620.77**

Y.K. BURAN & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

Notes to Standalone Financial Statements for the year ended 31st March, 2021

		As at 31 March 2021	As at 31 March 2020
			(₹ in lacs)
23	Borrowings (Current)		
	Secured		
	1) From Banks		
	Cash credit	33,803.87	30,861.31
		33,803.87	30,861.31
	Unsecured		
	2) From Others	843.31	2,178.83
		34,647.18	33,040.14

1 Note 23 - Cash credits is secured by way of

a) Primary Security on stocks comprising of raw-material, work in progress, consumable stores and spare parts, receivable claims and bills both present and future, collateral securities of properties of the company, its Directors and relatives as mentioned in the Annexures to the Deed of Hypothecation dated 19.12.2013 and TDR to the extent of ₹ 500 lacs (principal amount) ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of Directors to the extent of ₹ 13,98,50.00 lacs for fund based and non-fund based limits.

c) Personal guarantee of relatives of Directors to the extent of value of properties provided by them.

d) The cash credit is repayable on demand and is carries interest within the range of 8.60% to 9.60% p.a.

e) Shares of following promoters are pledged against the Cash Credit and Non Fund limit.

Name of Shareholder	No. of Shares
Abhay Sancheti	790436
Ajay Sancheti	592587
Anand Sancheti	592587

2 The company has not defaulted in repayment of unsecured loans and interest thereon as on the date of Balance Sheet. Unsecured loan do not have any specific repayment schedule. It will be payable on demand and carries interest within the range of 7% to 12% p.a.

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

(₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
24 Trade Payable (Current)		
1. Letter of credit issued and outstanding	2,722.90	2,457.09
2. Dues to Micro and small enterprises	132.24	224.96
3. Trade payables other than 1 & 2 above	13,297.43	13,245.50
	16,152.57	**15,927.54**

Note - Trade Payables: details relating to Micro and Small enterprises

	As at 31 March 2021	As at 31 March 2020
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	132.24	224.96
(b) the amount of interest paid by the buyer in terms of section 16 of the micro, small and medium enterprises development act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the micro, small and medium enterprises development act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	9.61	5.48
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the micro, small and medium enterprises development act, 2006.	-	4.13

25 Other Financial Liabilities (Current)

	2021	2020
Current maturities of long-term borrowings	5,241.33	6,390.09
Expenses payable	3,121.11	4,677.27
Interest accrured but not due	194.81	2.09
Salary and consultancy payable	905.02	1,155.73
Withheld amount	412.62	224.27
Lease outstanding payments	-	2,267.20
Credit balances in JV (Partnership firm)	2,208.79	91.24
Other payable	92.50	237.61
	12,176.18	**15,045.50**

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

(₹ in lacs)

		As at 31 March 2021	As at 31 March 2020
26	**Other Current Liabilities**		
	1 Statutory dues payable		
	ESIC payable	0.98	1.50
	Profession tax payable	5.55	3.40
	Provident fund payable	111.64	257.83
	Tax deducted at source and TCS payable	503.93	457.12
	Value added tax	686.91	769.68
	GST payable	1,188.83	869.64
	Service tax payable	46.24	-
	Dividend Distribution tax payable		10.90
	2 Advance from debtors	1,473.21	92.50
		4,017.28	**2,462.57**
27	**Provisions (Current)**		
	Provision for employee benefits		
	Provision for gratuity	42.26	48.42
	Provision for leave benefits	10.68	68.58
		52.94	**117.00**

		Year ended 31 March 2021	Year ended 31 March 2020
28	**Revenue from Operations**		
	Contract receipts	67,689.99	88,868.14
		67,689.99	**88,868.14**
29	**Other Income**		
	Interest income on		
	Bank deposits	462.38	381.77
	Others	323.85	781.31
	Dividend on investment in subsidiaries	524.67	258.04
	Share of profit in joint ventures	42.36	1.40
	Scrap sales	174.14	139.94
	Profit on sale of fixed assets	23.60	-
	Miscellaneous income	619.98	248.71
	Rental income on investment property	11.72	14.52
	Insurance claim	15.03	75.62
	Net gain on foreign currency transaction	598.71	-
	Profit on sale of listed equity shares	709.44	-
		3,505.89	**1,901.31**

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

		Year ended 31 March 2021	Year ended 31 March 2020
			(₹ in lacs)
30	**Cost of Project Material Consumed**		
	Inventory at beginning of the year	10,582.87	11,412.12
	Add: Purchases	17,207.33	22,578.72
	Less: Inventory at the end of the year	10,113.32	10,582.87
	Total cost of project materials consumed	**17,676.87**	**23,407.98**
31	**Change in Inventories of Work in Progress**		
	Opening WIP	18,772.19	20,201.00
	Closing WIP	(21,601.01)	(18,772.19)
	Change in inventory of work in progress	**(2,828.81)**	**1,428.81**
32	**Direct Expenses**		
	Material Purchase		
	Work expenses	23,285.07	23,402.30
	Transporting charges	351.36	715.08
	Hire charges	620.78	4,012.14
	Royalty	423.53	887.48
	R.T.O taxes	16.81	26.84
	Machinery repairs and maintenance	1,458.58	2,057.21
	Vehicles repairs and maintenance	74.56	114.00
	Insurance	325.26	376.61
	Custom duty	3.09	8.18
	Power and fuel	892.06	806.19
		27,451.09	**32,406.02**
33	**Employee Benefit Expenses**		
	Salaries and wages		
	Salaries, wages, ex-gratia and bonus	10,052.41	12,750.22
	Leave encashment expenses	192.50	510.35
	Gratuity expenses	323.36	487.54
	Contribution to Provident and other funds		
	Contribution to Provident fund	639.70	984.71
	Contribution to employees state insurance corporation	10.67	20.31
	Staff welfare expenses	9.96	35.98
		11,228.59	**14,789.10**
34	**Finance Costs**		
	Interest cost		
	To bank & financial institutions	8,115.34	5,391.41
	To others	436.76	1,606.94
	Interest on mobilisation advance	117.37	119.66
	Interest on statutory dues	119.95	288.50
	Bank finance charges	1,800.85	1,280.90
		10,590.27	8,687.41

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

(₹ in lacs)

		Year ended 31 March 2021	Year ended 31 March 2020
35	**Depreciation and Amortization Expenses**		
	Depreciation of tangible assets	3,243.26	2,229.23
	Depreciation of investment properties	6.60	6.60
	Amortization of intangible assets	111.37	124.69
		3,361.23	2,360.52
36	**Other Expenses**		
	Power and fuel	211.13	264.39
	Rent	231.51	231.65
	Rates and taxes	49.85	52.77
	Advertising and sales promotion	2.06	47.91
	Office and other miscellenious expenses	231.15	297.46
	Security charges	329.35	397.29
	Donation	105.47	15.05
	Tender expenses	7.21	11.31
	Travelling and conveyance	78.87	258.63
	Postage, telephone & internet cost	29.06	42.54
	Printing and stationery	12.71	19.90
	Legal and professional fees	1,418.61	1,452.96
	Internal auditors remuneration	57.31	67.21
	Statutory auditors remuneration	27.50	26.62
	Cost auditors remuneration	5.25	5.25
	Repairs to building	4.43	19.07
	Corporate social responsibility	180.98	0.50
	Bank charges	25.10	11.99
	Commission & brokarage	48.18	39.81
	Loss on sale of fixed assets	-	75.74
	Net loss on foreign currency transaction	-	392.57
	Lodging, boarding & guest house expenses	75.14	170.19
	Business promotion expenses	52.79	67.14
	Fine and penalty	13.60	35.69
	GST expenses including state compensation cess	8.93	20.03
	Central sales tax & value added tax	0.10	101.00
	Service tax & swachha bharat cess	-	4.55
	Investment written off	-	102.00
		3,206.31	4,231.22

V.K. SURANA & CO.
F.R.No., 110634W
CHARTERED ACCOUNTANTS, NAGPUR

37 A Contingent Liabilities and Guarantees

(₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
Contingent Liability		
Claims against the company not acknowledged as debts		
Income Tax Act	855.77	919.23
Service Tax including Penalty of Rs. 18593.58 Lacs (Rs. 18830.24 Lacs) *	43,649.68	41,925.27
Sales Tax/VAT	3,191.29	3,301.93
Life Time road transport tax	721.79	721.79
Legal Cases against company	312.03	312.03
Custom act,1962	10.00	-
Liquidated Damages**	1,476.08	-
Guarantees excluding Financial Guarantees		
Corporate Guarantees to associate companies and joint venture***	31,882.91	42,166.71
Performance Bank Guarantees of Subsidiries & Associates Co's.	6,134.40	9,384.67

* Includes Rs. 14185 Lacs against appeal number ST/86550/2017 pending before CESTAT, Mumbai , wherein it is contended that the total demand of irregular credit cannot exceed the actual amount of credit availed and that reversal of credit is equivalent to non-availment of credit. Further, the Commissioner (Appeal), Central Excise & GST, Nagpur in order in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 has accepted that computation of reversal of credit made by SMS and dropped the entire demand. As the company had reversed credit of INR 104.52 Lacs in the Tribunal case also. It may be noted that the order passed by Commissioner (Appeal) is also for the same period of dispute, i.e., 2011-12 to 2014-15, as in aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai.

In view of the aforesaid legal precedents and order dated 23.08.2018 passed by Commissioner (Appeal), we are of the view that the total demand which may arise as outcome of the aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai should not exceed INR 104.52 Lacs i.e., actual amount of common credit availed by SMS Limited.

**Liquidated Damages paid to ONGC is contested under arbitration.

*** out of this we received the "NO DUE CERTIFICATE" from State Bank of India for Rs. 1851.67 Lacs as on 16.09.2021 & from Indian Overseass Bank for Rs. 889.85 Lacs as on 18.09.2021.

Contingent Assets		
Claim raised to the client not acknowledged as receivable*	8,965.66	8,965.66

*Note - The company had gone for arbitration and raised several claims under various heads against its client - Konkan Railway Corporation Limited amounting to Rs. 8965.66 Lakhs. Subsequently, the case has been filled by the company in the Delhi High Court and the same is pending with Court for final adjudication. Due to which, the same is considered as Contingent Asset and disclosed in the notes to accounts.

B Commitments

Capital Commitment	3,775.65	2,184.10
Revenue Commitment	77,075.81	36,611.35
	80,851.46	38,795.45

38 Payment to Auditors (Excluding Taxes)

Audit fee	20.90	20.02
Tax audit fee	4.40	4.40
Other services (Certification Fees)	2.20	2.20
	27.50	26.62

39 While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unexecuted (or partially executed) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unexecuted (or partially executed) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

unexecuted (or partially executed) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unexecuted (or partially executed) performance obligations is ₹ 8,05,320 lakhs out of which 12% is expected to be recognised as revenue in the next year and the balance thereafter.

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

40 Disclosure in accordance with Ind AS 115 'Revenue From Contracts with Customers' -

PARTICULARS			2020-21	2019-20
A	Contracts with customers			
	i	Revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue	Yes	Yes
	ii	Any impairment losses recognised (in accordance with Ind AS 109) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts	NA	NA
B	Contract balances			
	i	Opening Balances		
		Contract Receivable	34,281.17	29,498.09
		Contract Assets	23,158.75	29,309.91
		Contract Liability	3,620.77	5,464.14
	ii	Closing Balance		
		Contract Receivable	29,812.08	34,281.17
		Contract Assets	19,119.18	23,158.75
		Contract Liability	1,597.64	3,620.77
C	ii	Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,023.13	1,843.37
	iii	Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price).	Nil	Nil
		Performance obligation satisfied when the services related with the work was completed.	Nil	Nil
		due. The consideration receivable against the performanace obligation are veriable and the all the factor related with the estimation of veriable payment are considered at the the of recognistion.	Nil	Nil
	iv	An explanation of the significant changes in the contract asset and the contract liability balances during the reporting period	Nil	Nil
		There is no signifiact change in the contract assets and contract liability balance during the reporting period.	Nil	Nil
D	Significant judgement in the application of standard			
	i	An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following	Yes	Yes
		the timing of satisfaction of performance obligations	Yes	Yes
		the transaction price and the amounts allocated to performance obligations.	Yes	Yes
E	Determining the timing of satisfaction of performance obligations			
	i	the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied)	Yes	Yes
	ii	an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.	Yes	Yes

41 Disclosures for Some of the key disclosure requirements for lessee involves disclosing amounts relating to the reporting period for the following items :

	Particulars	2020-21	2019-20
i	Depreciation charge for right-of-use assets	11.13	14.73
ii	Interest expenses on lease liabilities	3.29	2.01
iii	Expenses relating to short term/low value assets accounted on straight line or other systematic basis over lease term	NIL	NIL
iv	Additions and carrying value of right-of use assets	34.28	45.42
v	Gain/loss arising from sale and lease back transactions	NIL	NIL

*Note - Refer accounting policy note no. 2.

"During the FY 19-20, the company has acquired the assets worth Rs. 58.52 Crores from SREI which were earlier under operating lease arrangement. As the title / ownership of the assets are transferred to the company during current financial year, as at the balance sheet date, there is no impact of adoption of New Ind AS 116 – Leases on these operating lease arrangement. Accordingly the recognition and disclosure requirements of New Ind AS 116 – Leases are not applied in respect of those operating lease arrangements.

The company has recognized the assets under the head Property, Plant and Equipment in the Audited Financial Statements."

42 Employees Benefit

(₹ in lacs)

Particulars	Gratuity plan		Leave encashment plan	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Table I: Assumptions				
Discount Rate	6.81 % per annum	6.88% per annum	6.81 per annum	6.88% per annum
Rate of increase in Compensation levels	7.00% per annum	7.00% per annum	7.00% per annum	7.00% per annum
Rate of Return on Plan Assets	6.88% per annum	7.77% per annum	NA	NA
Average future service (in Years)	24.59 Years	24.76 Years	24.59 Years	24.76 Years
Table II: Service Cost				
Current Service Cost	248.25	424.51	126.51	133.20
Past Service Cost (including curtailment Gains/Losses)*	-	-	-	377.15
Gains or losses on Non Routine settlements	-	-	-	-
Total	**248.25**	**424.51**	**126.51**	**510.35**

*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.

Particulars	Gratuity plan As at 31 March 2021	Gratuity plan As at 31 March 2020	Leave encashment plan As at 31 March 2021	Leave encashment plan As at 31 March 2020
Table III: Net Interest Cost				
Interest Cost on Defined Benefit Obligation	86.64	74.89	35.11	-
Interest Income on Plan Assets	11.40	11.99		-
Net Interest Cost (Income)	**75.24**	**62.90**	**35.11**	-
Table IV: Change in Present Value of Obligations				
Opening of defined benefit obligations	1,316.70	563.88	510.35	-
Service cost	248.25	424.51	126.51	510.35
Interest Cost	86.64	74.89	35.11	-
Benefit Paid	(161.82)	(63.34)	(433.06)	-
Actuarial (Gain)/Loss on total liabilities:	(299.65)	(83.24)	30.88	-
- due to change in financial assumptions	11.07	149.20	0.77	-
- due to change in demographic assumptions	0.00	-	-	-
- due to experience variance	(310.72)	(232.44)	30.10	-
Closing of defined benefit obligation	**1,190.13**	**1,316.70**	**269.78**	**510.35**
Table V: Change in Fair Value of Plan Assets				
Opening fair value of plan assets	165.75	154.36	-	-
Actual Return on Plan Assets	11.34	11.40	-	-
Employer Contribution	161.82	63.34	433.06	-
Benefit Paid	(161.82)	(63.34)	(433.06)	-
Closing fair value of plan assets	**177.10**	**165.75**	-	-
Table VI: Actuarial (Gain)/Loss on Plan Asset				
Expected Interest Income	11.40	11.99	-	-
Actual Income on Plan Asset	11.34	11.40	-	-
Actuarial gain /(loss) on Assets	**(0.06)**	**(0.60)**	-	-
Table VII: Other Comprehensive Income				
Opening amount recognized in OCI outside P&L account	-	-	-	-
Actuarial gain / (loss) on liabilities	299.65	83.24	-	-
Actuarial gain / (loss) on assets	(0.06)	(0.60)	-	-
Closing amount recognized in OCI outside P&L account	**299.59**	**82.65**	-	-
Table VIII: The amount to be recognized in Balance Sheet Statement				
Present Value of Obligations	1,190.13	1,316.70	269.78	510.35
Fair value of plan assets	177.10	165.75	-	-
Net Obligations	1,013.03	1,150.95	269.78	510.35
Amount not recognized due to asset limit	0.00	-	-	-
Net defined benefit liability / (assets) recognized in balance sheet	**1,013.03**	**1,150.95**	**269.78**	**510.35**
Table IX: Expense Recognized in Statement of Profit and Loss				
Service cost	248.25	424.51	126.51	510.35
Net Interest Cost	75.24	62.90	35.11	-
Net actuarial (gain)/loss	-	-	30.88	-
Expenses Recognized in the statement of Profit & Loss	**323.49**	**487.41**	**192.50**	**510.35**
Table X: Major categories of plan assets (as percentage of total plan assets)				
Government of India Securities	0%	0%	0%	0%
State Government Securities	0%	0%	0%	0%
High Quality Corporate Bonds	0%	0%	0%	0%
Equity Shares of Listed Companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Special Deposit Scheme	0%	0%	0%	0%
Fund Managed by Insurer	100%	100%	0%	0%
Bank Balance	0%	0%	0%	0%
Other Investments	0%	0%	0%	0%
Total	**100%**	**100%**	**0%**	**0%**
Table XI: Change in Net Defined Obligations				
Opening of Net defined benefit liability	1150.95	809.53	510.35	-
Service cost	248.25	424.51	126.51	510.35
Net Interest Cost	75.24	62.90	35.11	-
Re-measurements	(299.59)	(82.65)	30.88	-
Employer Contribution	(161.82)	(63.34)	(433.06)	-
Closing of Net defined benefit liability	**1,013.03**	**1,150.95**	**269.78**	**510.35**

V.K. SURANA & CO.
F.R.No.
110634W
CHARTERED ACCOUNTANTS, NAGPUR

43 Related Party Transactions

1. Relationships (Related Party relationships are as identified by the Company).

a Subsidiary Companies

1. SMS Envoclean Pvt. Ltd.	10. SMS Waste Management Pvt. Ltd.
2. SMS Infolink Pvt. Ltd.	11. PT. SMS Minerals International
3. SMS Mine Developers Pvt. Ltd.	12. Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
4. Spark Mall & Parking Pvt. Ltd.	13. Patwardhan Infrastructure Pvt. Ltd.
5. SMS Taxi Cabs Pvt. Ltd.	14. Maharashtra Enviro Power Ltd.
6. SMS Vidyut Pvt. Ltd.	15. PT. SMS Mines Indonesia
7. SMS Water Grace BMW Pvt. Ltd	16. SMS Bhatgaon Mines Extension Pvt Ltd (Under Process of Striking Off)
8. SMS Tolls And Developers Ltd.	17. Solar Bhatgaon Extention Mines Pvt Ltd (Under Process of Striking Off)
9. SMS-AABS India Tollways Private Limited	

b Associates

1. RCCL Infrastructure Ltd.	2. SMS AAMW Tollways Pvt. Ltd.

c Joint Venture

1. SMS Infrastructure Ltd. & D. Thakkar Construction P	11.Bhartia SMSIL (JV)
2. SMS Infrastructure Ltd. & B. P. Construction Co. Pvt	12.SMSIL-MBPL-BRAPL (JV)
3. SMS Infrastructure Ltd. & Brahamaputra Infrastructur	13.GDCL-SMSIL (J.V.)
4. SMS Infrastructure Ltd. & Brahamaputra Consortium	14. SMSL-SRRCIPL (J V)
5.SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd.	15.SMSIL-MBPL (JV)
6.SMS Infrastructure Ltd. Shreenath Enterprises J.V.	16. MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV)
7.SRRCIPL-SMSL-BEKEM-JV	17. AGIPL-SMSIL (JV)
8.Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	18.Sanbro Corporation
9.GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.	19. Saket - SMSIL (JV)
10. SMSIL KTCO (JV)	

d Key Management Personnel

1. Anand S. Sancheti -Managing Director	5 Akshay Sancheti - Whole Time Director
2. Dilip B Surana - Whole Time Director	6. Paramveer Sancheti - Whole Time Director
3. Ramendra Gupta- Independent Director	7. Hemant Lodha - Additional Director-Non Executive Director
4. Ajay Kumar Lakhotia - Independent Director	8.Nirbhay Sancheti -Whole Time Director

e Other related parties

1. Ponda Envocare Limited	13. San Finance Corporation
2. SMS Envocare Ltd.	14. Sanson Developers
3. SMS Waluj CETP Pvt. Ltd.	15. KPANV Mines and Mineral LLP
4. SMS Multi Objective Organisation	16. SPANV Medisearch Life Secience Private Limited
5. Atul Multi Objective Organisation	17. Best Power Plus Private Limited
6. Valencia Constructions Pvt. Ltd.	18. Kingsway Foundation
7. Veet Rag Exploration & Minerals Pvt. Ltd.	19. Pinnacle
8. Veet Rag Hospitality Pvt. Ltd.	20. BSS Associates
9. San Commercials Pvt. Ltd.	21.Nilawar Water Grace Waste Management Private Limited
10. Adinathbhav Developers Pvt. Ltd.	22.Ponda Envocare Limited
11. Bio-waste Management (U) Ltd.	
12.Grey Mountain Private Limited	

V.K.SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

SMS Limited

Notes to standalone financial statements for the year ended 31 March 2021

2) Transaction carried out with related parties referred to above

(₹ in Lacs)

	Related Parties		
Nature of Transaction	Subsidiary Companies	Associates, JVs & Other Related Parties	Key Mangement Personnel
Advance Given\Repaid	934.00	21.52	-
	(46.66)	(1549.49)	-
Advance Received\ Recovered	934.00	315.05	-
	(46.66)	(725.11)	-
Loan Given\ Repaid	31,698.62	27,057.59	-
	(9191.97)	(29350.2)	-
Loan Received\ Recovered	33,399.61	24,074.99	-
	(8811.07)	(25836.94)	-
Donations	-	1.08	-
	-	(0.40)	-
Interest Income	117.92	183.83	-
	(177.55)	(80.11)	-
Interest Expenses	-	237.68	-
	-	(1218.38)	-
Other Services Rendered	159.74	18.21	-
	(8.24)	(8.99)	-
Rent Expenses	13.74	14.40	-
	(266.62)	(14.4)	-
Rent Income	31.98	1.12	-
	(21.09)	(0.37)	-
Revenue from operations	362.89	9,364.60	-
	(696.91)	(16063.45)	-
Sale of Assets	4.60	-	-
	(5868.92)	(3.21)	-
Services Taken	963.35	630.52	-
	(969.82)	(579.61)	-
Sitting Fees	-	-	124.00
	-	-	(130)
Managerial Remuneration	-	-	884.62
	-	-	(515.68)
Commission & Brokerage	-	47.70	-
	-	-	-
Security Deposit	32.25	-	-
	-	-	-
Change in Investment	-	2,721.48	-
	(-3292.44)	(9.66)	-
Purchase	-	4.29	-
	-	-	-
Profit on Foreign Exchange	588.33	-	-
	(-395.12)	-	-
Outstanding balances include in Current Asset & Current Liabilities & Investment Outstanding	9,877.47	2,724.78	-33.91
	(7700.84)	(5924.99)	(31.51)

*All figures in brackets are related to previous financial year 2019-2020

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

SMS LIMITED

Notes to standalone financial statements for the year ended 31 March-2021

(₹ in Lacs)

Party Name/ Nature of Transactions	Loan \ Advances Given(Repaid)	Loan \Advances Taken (Recovered)	Profit Due to Foreign Exchange Variation	Donation	Advance Written off)	Purchase	Other Services Rendered	Rent Expenses	Rent Income	Interest Expense	Interest Income	Security Deposit	Commission & Brokerage	Revenue from Operations	Sale of Asset	Services Taken	Sitting Fees	Managerial Remuneration	Change in investment	Outstanding balances include in Current Asset & Current Liabilities
Subsidiaries																				
Ayodhya Gorakhpur SMS Tolls Pvt	14,473.98	18,396.19		-	-	-	5.33	-	10.10	-	-	-	-	363.48	-	-	-	-	-	2,160.28
	(3756.67)	(1546.6)		-	-	-	(0.65)	-	(17.58)			-		-	(5868.92)				-	(5678.02)
Maharashtra Environment Pvt Ltd	-	-		-	-	-	162.45	-	-	-		-	-	9.41	4.60	60.93			-	120.78
	(0.04)	-		-	-	-	-	-	-	-	-	-	-	(370.73)	-	(35.96)	-	-	-	(206.05)
Patwardhan Infrastructure Pvt Ltd	0.83	0.83		-	-	-		-		-	-	-	-	-	-	-	-	-	-	-
	(1.92)	(1.92)		-	-	-		-				-			-				-	-
SMS Mine Developers Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37.00
	(36.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37.00)
SMS Bhatgaon Mines Extension Pvt	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(5.12)	-		-	(7.13)	-		-				-			-				(-51.00)	-
SMS Envoclean Pvt Ltd	534.00	534.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-		-		-	-	-	(3.00)	-	-	-	-	-	-	-	-	-	-	-
SMS Infolink Pvt Ltd	1.00	4.10					-	-	0.51	-	-	-	-	-	-	-	-	-	-	-
	(1.05)	-		-					(0.51)			-			-				-	(3.70)
SMS Minerals International	-	-	635.63	-			-	-	-	-	117.92	-	-	-	-	-	-	-	-	5,916.86
			(-360.10)	-	-	-	-	-	-	-	(117.55)	-	-	-	-	-	-	-	-	(5288.45)
SMS Mines Indonesia	-	-	52.71		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(-35.07)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SMS Tolls & Developers Ltd	-	-		-	-	-	51.95	-	-	-	-	-	-	-	-	912.42	-	-	-	-89.19
	(46.61)			-	-	-	(7.54)	-				-			-	(1165.1)	-	-	-	(-54.76)
SMS Vidhyut Pvt Ltd	1,400.05	1,228.74		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(5429.37)	(7309.22)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(-245.94)
SMS Taxicab Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,802.94
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1802.94)
SMS Waste Management Pvt Ltd	1.45	-		-			-	-	-	-	-	-	-	-	-	-	-	-	-	7.19
	(0.85)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.74)
SMS Watergrace BMW Pvt Ltd	400.00	400.00		-			-	-	21.37	-	-	32.25	-	-	-	-	-	-	-	-32.25
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spark Mall & Parking Pvt Ltd	15,621.27	13,769.74		-	-	-	-	13.74				-			-				-	-46.13
	(2000.86)	(6037.36)		-	-	-	-	(14.42)	-	-	-	-	-	(320.18)	-	(0.65)	-	-	(-3190.44)	(-2087.06)
2 Associates, JVs & Other Related Parties																				
Atul Multi Objective Organisation	-	-		-			-	-	-	-	-	-	-	-	-	-	-	-	-	-
				(0.20)								-			-				-	-
Bharka-SMSIL JV	-	-		-			-		-	-	-	-	-		-	-	-	-	7.11	11.38
	-	-		-	-	-	-	-	-	-	-	-	-	(265.03)	-	-	-	-	-	(4.27)
BSS Associates	-	-		-			-	14.40	-	-	-	-	-	-	-	-	-	-	-	-3.33
	-	-		-	-	-	-	(14.40)	-	-	-	-	-	-	-	-	-	-	-	(-3.24)
CSJ Envo Ltd in consortium with SM	930.73	396.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-37.18	156.65
	(176.60)	(502.00)		-	-	-	(7.71)	-	-	-	-	-	-	-	-	-	-	-	-	(-110.00)
SMSIL-BCL JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.16
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.16)
KPANV Mines & Minerals LLP	-	-		-			-	-	0.06	-	-	-	-	-	-	-	-	-	-	
	-	-		-	-	-	-	-	(0.32)	-	-	-	-	-	-	-	-	-	-	(0.37)
MECHE SMS HEALTH SCIENCES CONSORTIUM (SPV)	-	69.40		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.84
	(108.31)	(3.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.20)	(104.74)
Ponda Envocare Ltd	-	-	-	-			-	-	0.42	-	-	-	-	699.71	-	-	-	-	-	128.17
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(423.53)
Sam Finance Corporation	26,002.14	22,136.82		-	-	-	-	-	-	237.60	-	-	47.70	-	-	-	-	-	-	-1,880.95
	(27808.94)	(24780.60)		-	-	-	-	-	-	(1218.38)	-	-	-	-	-	-	-	-	-	(-4138.03)
Sanbio Corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.11	-69.10
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(-68.99)
Shreenath Enterprise-SMSIL JV	-	-		-			-	-	-	-	-	-	-	-	-	-	-	-	-	288.66
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(349.52)
SMS Envocare Ltd	-	-									-	-	-	-	-	557.47	-		-	-341.74
	(829.20)	(200)		-	-	-	-					-			-	(505.06)			-	(245.96)
SMS Multiobjective Organisation	-	-	-	1.08	-	-	-					-		-	-	-	-	-	-	-
	(0.40)	(0.20)		(0.20)	-	-	-					-		-	-	-	-	-	-	-
SMSIL KTCO JV	-	-		-	-	-	-					-	-	-	-	-	-	-	-0.35	3.30
	(0.64)	(0.26)		-	-	-	-					-	-	-	-	-	-	-	(0.13)	(3.65)
SMSIL-DTCPL JV	-	-		-	-	-	-				-	-	-	1,085.46	-	32.27	-	-	-2,720.94	-979.78
	(1813.60)	-		-	-	-	-				-	-	-	(4409.75)	-	-	-	-	-	(1804.52)
SMSIL-GDCL JV	-	-	-	-	-	-	-				-	-	-	3,958.98	-	-	-	-	-	873.30
	(87.34)	(59.26)		-	-	-	-					-		(2854.36)	-				-	(-100.92)
SMSIL-MBPL-SRAPL JV	146.21	409.86	-	-	-	-	-					-	-	2,681.75	-	-	-	-	5.20	421.21

SMS LIMITED

Notes to standalone financial statements for the year ended 31 March 2021

(₹ in Lacs)

Party Name/ Nature of Transactions	Loan / Advances Given(Repaid)	Loan Advances Taken (Recovered)	Profit Due to Foreign Exchange Variation	Donation	Advance Written off)	Purchase	Other Services Rendered	Rent Expenses	Rent Income	Interest Expenses	Interest Income	Security Deposit	Commission & Brokerage	Revenue from Operations	Sale of Asset	Services Taken	Sitting Fees	Managerial Remuneration	Change in Investment	Outstanding balances include in Current Asset & Current Liabilities
	(72.98)	(7.07)	-	-	-	-	-					-		(5690.99)	(2.66)				-	(1509.48)
SMSIL-SNT JV	-	-		-	-	-	-	-	-	-	-	-	-	244.28	-	-	-	-	2.92	1,143.23
	-	-	-	-	-	-	-	-	-	-	-	-	-	(383.89)	-	(8.25)	-	-	-	(1095.55)
SMSL-SRRCIPL JV	-	-		-	-	-	-	-	-	-	-	-	-	24.18	-				-0.07	44.66
	-	-		-	-	-	-	-	-	-	-	-	-	(470.18)	-	-	-	-	(1.22)	(34.51)
SPANV Medisearch Life Science Pvt	-	495.00		-	-	-	-	-	-	-	583.83	-	-	-	-	-	-	-	-	220.63
	-	-		-	-	-	-	-	-	-	(80.11)	-	-	(1419.10)	-	-	-	-	-	(1433.81)
SRRCIPL-SMSIL-BEKEM-JV	-	-		-	-	-	-	-	-	-	-	-	-	669.04	-	-	-	-	0.13	716.34
	-	-		-	-	-	-	-	-	-	-	-	-	(834.01)	-	-	-	-	(0.12)	(350.54)
Veetrag Exploration & Minerals Pvt Ltd	-	3.24		-	-	-	-	-	0.13	-	-	-	-	0.20	-	-	-	-	-	-
	(50)	(50)		-	-	-	(0.88)	-	-	-	-	-	-	(1.17)	(0.55)	-	-	-	-	(7.70)
Veetrag Hospitality Pvt Ltd	-	-		-	-	-	-	-	-	-	-	-	-	-	-	0.78	-	-	-	0.29
	-	-		-	-	-	(0.35)	-	-	-	-	-	-	-	-	-	-	-	-	(0.46)
SMS-AAMW- Tollways Pvt Ltd	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038.89
	(1.78)	-		-	(7.06)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1038.89)
SMSIL-AIPPL JV	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.04	52.47
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(-0.07)	-52.50
SMSIL-BIFL(JV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.34
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.34)
Pinnacle	-	-		-	-	4.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.29)	-	-	-	-
SMS Waluj CETP Pvt Ltd							18.21					-			-				-	-
	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Nilawar Watergrace Waste Management	-	-	-	-	-	-	-	-	0.51	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAKET-SMSIL(JV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21.86	21.86
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Managerial Personnel																				
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ajay Kumar Lakhotia	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	-0.93
												-			-		(4.00)		-	(-0.90)
Ramendra Gupta	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	-0.93
												-			-		(4.00)		-	(-0.90)
Renu Challu	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
												-			-		(4.00)	-	-	-
Abhay Sancheti	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(98.07)	-	-
Akshay Sancheti	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	152.80	-	-6.88
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19.83)	-	(-7.63)
Anand Sancheti	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	59.00	226.11	-	-5.09
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	(59.00)	(204.06)	-	(-9.43)
Dilip Surana	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	59.00	138.10	-	-9.81
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	(59.00)	(134.97)	-	(-9.42)
Nirbhay Sancheti	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	217.96	-	-2.71
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38.92)	-	(-2.27)
Param Sancheti	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	150.84	-	-6.88
	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19.83)	-	(-7.06)

*All figures in brackets are related to previous financial year 2019-2020

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

44 Capital Management

The primary objective of the company capital management is to maximize 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.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current Borrowings	26,403.87	17,788.94
Current Borrowing	34,647.18	33,040.14
Current Maturities of Non current Borrowing	5,241.33	6,390.09
Total Debt	66,292.37	57,219.17
Less : Cash & Cash Equivalent and other bank balance	4,331.57	5,047.51
Net debt	61,960.80	52,171.66
Equity	62,359.61	64,348.84
Total capital	62,359.61	64,348.84
Capital and net debt	1,24,320.41	1,16,520.50
Gearing Ratio	49.84%	44.77%

45 Earnings Per Share (EPS)

Face Value Per Equity Share (`)	10.00	10.00
Basic Earnings Per Share (₹) – After Exceptional Item	(21.28)	47.08
Basic Earnings Per Share (₹) – Before Exceptional Item	5.26	20.98
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (` in lacs) – After Exceptional Item	(2,184.13)	4,830.98
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (` in lacs) – Before Exceptional Item	539.46	2,152.50
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,02,61,382	1,02,61,382
Diluted Earnings Per Share (₹) – After Exceptional Item	(21.28)	47.08
Diluted Earnings Per Share (₹) – Before Exceptional Item	5.26	20.98
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (` in lacs) – After Exceptional Item	(2,184.13)	4,830.98
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (` in lacs) – Before Exceptional Item	539.46	2,152.50
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,02,61,382	1,02,61,382
Reconciliation of Weighted Average Number of Shares Outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,02,61,382	1,02,61,382
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,02,61,382	1,02,61,382

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

46 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if require, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category (₹ in Lacs)

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	12,208.82	-	-	12,208.82	12,208.82
Trade receivables	29,812.08	-	-	29,812.08	29,812.08
Loans	8,487.32	-	-	8,487.32	8,487.32
Others financial assets	24,680.24	-	-	24,680.24	24,680.24
Cash and cash equivalents	566.16	-	-	566.16	566.16
Other bank balances	3,765.41	-	-	3,765.41	3,765.41
Liabilities:	-				
Borrowings	61,051.04	-	-	61,051.04	61,051.04
Trade payables	16,152.57	-	-	16,152.57	16,152.57
Other financial liabilities	16,137.88	-	-	16,137.88	16,137.88

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	12,789.33	-	-	12,789.33	12,789.33
Trade receivables	34,281.17	-	-	34,281.17	34,281.17
Loans	6,545.63	-	-	6,545.63	6,545.63
Others financial assets	27,900.17	-	-	27,900.17	27,900.17
Cash and cash equivalents	576.23	-	-	576.23	576.23
Other bank balances	4,471.29	-	-	4,471.29	4,471.29
Liabilities:					
Borrowings	50,829.08	-	-	50,829.08	50,829.08
Trade payables	15,927.54	-	-	15,927.54	15,927.54
Other financial liabilities	18,955.94	-	-	18,955.94	18,955.94

V.K. SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

(₹ in Lacs)

47 Financial risk management

The Company's activities expose it to the following risks:

Credit risk

Interest risk

Liquidity risk

A Credit risk

Credit Risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

I Trade receivables

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Credit risk exposure

The Company's credit period generally ranges from 30 – 60 days are as below.

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	29,812.08	34,281.17
Work in progress	21,601.01	18,772.19
Total	**51,413.09**	**53,053.37**

The Company evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple industries.

Exposure to the Credit risk on the LC / guarantee:

Particulars	As at 31 March 2021	As at 31 March 2020
Letter of credit not yet accepted	2,633.53	4,009.82
Bank guarantees	72,135.07	84,062.80
Total	74,768.60	88,072.62

II Financial instruments and deposits with banks

Credit risk is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by International and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below.

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalent	566.16	576.23
Bank balance other cash and cash equivalent	3,765.41	4,471.29
Total	4,331.57	5,047.51

V.K. BURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

C Market Risk

Foreign excalhnge rates

The Company has balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

48 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

a) Gross amount required to be spend by the company during the year Rs 82.68 Lacs (Previous year March 31st 2020, Rs 99.51 Lacs).

b) The company has spend Rs 180.98 Lacs during the current financial year (Previous year March 31st 2020: Rs 0.50 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

c) Total unspent towards Corporate Social Responsibility works out to Rs. 0.71 Lacs as on 31.03.2021.

Particulars	Amount Spend
Year ended March 31, 2021	
i) Construction/ acquisition of any Asset	-
ii) On Purpose other than (i) above	180.98
TOTAL	180.98
Year ended March 31, 2020	
i) Construction/ acquisition of any Asset	-
ii) On Purpose other than (i) above	0.50
TOTAL	0.50

49 A **Reconciliation of total comprehensive income and other equity consequent to restatement of prior period error**

Reconciliation of comprehensive income	As on 31 March 2020	As on 31 March 2019
Total comprehensive income as per the last audited financial statement	4,884.74	3,053.19
Prior Period item	-	43.27
Total comprehensive income as per the current year financial statement	4,884.74	3,009.92

B

Reconciliation of other equity	As on 31 March 2020	As on 31 March 2019
Total amount of other equity as per the last audited financial statement	63,333.60	58,801.00
Prior period item	(10.90)	43.27
Total amount of other equity as per the current year financial statement	63,322.70	58,757.73

50 Company is having verious works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st July, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the original contract. This resulted in increased tax liability on the company against which company filed the claimed with the concern Department. Outcome of few claims is still pending with the Department. But on the basis of opinion taken from the legal advisior, the company made the provision for the GST impact turnover in books of account.

V.K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R.No. 110634W

51 The company had made investments to the tune of Rs. 1,747 lacs and 3320.67 lacs in two subsidiaries, SMS Taxicabs Pvt Ltd and Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited)

SMS Taxicabs P Ltd. (STPL) was floated to run a fleet of Radiocabs in the city of Mumbai taxis. STPL owns licenses to run 2800 taxis and the same are perpetual in nature. STPL, though was making good profits in the initial years, is in to losses due to severe competition from large corporates. However, the licenses owned by the company are of perpetual in nature and SMS will be able to recoup substantial revenue by sale of these licenses.

Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited) was floated to Develop and Operate a Multilevel Fully Automated Car Parking System and Commercial Complex in Kamlanagar, Delhi. Since inception, it is in losses. This was due to recession in the retail sales of the malls across India. However, The company has changed the product mix and had shifted its focus from retail trade to services and food outlets and gaming zones are being introduced including Cinema, Healthcare, Pharmacy and allied Business. The company is also in an advanced stage of starting two 40 seater miniplexes. Also from FY 21-22, the company has started Pharmacy Business and entered into service agreement with the hospitals for supplying Medical Drugs & Consumables. The managemnt is hopeful of revival of economy and boost to property market and consequently will be able to generate revenue to repay the loan.

However, outbreak of COVID-19 pandemic in India has significantly impacted the operation of the Company whereby due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines.
But as stated above the new services will generate the sufficient revenue to repay the loan. Hence, the parent company is optimistic that over the period, the project, will make good money over and above the invested amount.
Considering these facts, despite substantial losses in these two companies, the managemnt intends to carry these investments at its historical cost without any impairment.

52 SMS Ltd had invested an amount of Rs. 148.26 lacs towards equity, Rs. 3769.80 lacs as unsecured loan and Rs. 2147.06 lacs as debtor to its foreign JV in Indonesia with the name Pt. SMS Minerals International. The company is in Business of Coal Trading in the province of Sumatra. In the past this JV Company had huge reserves of coal and substantial portion of the same has been mined. However due to river diversion issue the mining of balance reserve could not be initiated.Since last few years there is no business in JV Company as the balance portion of the coal reserves is stuck beneath a River. The approval for river diversion has already been put with the concerned authorities in Indonesia. Due to Covid-19 it has been delayed but SMS Ltd. is optimistic that once the approval for the diversion of river is obtained, it can extract the balance portion of coal and recoup its entire investment in the JV Company along with the recovery of loan.

In addition to above company is also exploring the option to sell and transfer the business interest.

53 SMS Limited had invested an amount of Rs. 992 lacs in SMS Vidyut Private Limited. The company is engaged in the business of Hydro Power generation across the river Pench. The concessioning authority had ensured a minimum guaranteed supply of water and a power purchase agreement was already in place. However, the concessioning authority had failed to supply the minimum guaranteed water, owing to which desired output was not generated, resulting into losses to the company on a year or year basis. The company had already taken up this matter with the concessioning authority and claimed compensation for the losses of the previous years. The company is confident of getting an award and hence, The management continous to carry the value of investment in SMS Vidyut Private Limited at its historical cost.

54 The Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an 'associate company'). As at year end the outstanding amount is Rs. 1,038.89 Lakhs.

Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation which is disputed by later. Against this, Associate company had approached Hon. High Court of Delhi, which vide its order dated 17.06.2016, appointed Sole Arbitrator. However, the same was challenged by South Delhi Municipal Corporation in Hon. Supreme Court and the same was granted by Hon. Court in their favour. Thereafter on 22/11/2018, the Associate company had again filed a Special Leave Petition for clarification of earlier Order of the Hon. Supreme Court. The company is of view that Hon. Supreme Court will allow appointment of Arbitrator. The Company is hopeful of outcome of claim of Associate company and consequently the money will be recovered from it associate company.

Due to Covid-19, no personal hearing against the Special Leave Petition for clarification of earlier Order of the Hon. Supreme Court was happened.

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55 The Novel Coronavirus disease which spread to countries throughout the world including India, was declared as global pandemic by the WHO in Feb-2020. The Govt. of India declared a nationwide total lockdown on 22nd of March 2020. The continuing lockdown adversely affected the turnover and profit.

Post March 2020 with partial and staggered lockdown and the prolonged restriction on movement of manpower and material, closure of many allied businesses engaged in supply of necessary resources for working of sites, the performance at site were in downward tread. The sudden lockdown in March 2020 witnessed a major exodus of skill manpower which did not return after the easing of the lockdown. Moreover, severe shortage of supplies, essential spare and consumables require for effective functioning of machineries, restrictions on working hours and number of manpower permitted to work as per directives of local, state and central Governments at various places from time to time – both at client side and the company's side – all of these directly affected the productivity and resulted in a significant drop in the turnover. The company had to suffer the same situation during the 2nd wave.

With some ease of restrictions, work at sites started during 2nd quarter of FY 20-21, however the sites were not yet fully functional due to significant delay and non-availability of supplies and services, major delay in delivery of ordered machineries, hurdles in getting skilled manpower for the sites also frequent non-availability of clients officers. All these issues resulted in:

1. Project could not be made 100% functional as was during the pre-covid level.
2. Non availability of clients officers resulted in delayed approvals of work done, delay in processing of bills and in turn major delay in getting payments.
3. Significant loss of time and money due to non-approval of drawings and work permits.
4. Restrictions on transport affected the timely receipt of goods at sites.
5. Shortage of supplies on transport with surge in demand and constraints of movements led to inflation in price of raw materials such as steel, cement, etc.
6. Restriction on movement of manpower resulting in shortage of manpower at site – both skilled and unskilled.
7. Moreover, social distancing measures to be followed at site also added to the costs.

Due to the above events, the completion of work at site has been low and hence resulting in lower turnover.

Taking into view the all above mentioned factors, the management has initiated various measures to overcome the issues faced and improve upon the turnover. The company intends to mechanize the site operations with purchase of more technical advanced machineries. This will help increase the production minimize delay and dependencies on manpower and in long run will result the cost optimization.

With a healthy order book and considering the improvements in work conditions in the last few months, the company expects to have a better improved top line and bottom line. With better finance planning, the coming period will see an overall improvement in the company's financial performance. As such the management does not envisage threat to any of its projects and also to the company as a whole.

56 Previous Years Figures are regrouped and rearranged wherever necessary
56 Figures in bracket denotes figures of previous year

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 07/10/2021

V.K.SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR
F.R.No. 110634W

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

RAJESH GUPTA
Chief Financial Officer

UDIN 21043414AAAAE07182

V. K. SURANA & CO.
CHARTERED ACCOUNTANTS
V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001
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INDEPENDENT AUDITOR'S REPORT

To the Members of
SMS Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of SMS Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statement of subsidiaries, associates and jointly controlled entities except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2021, their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

A) SMS Taxicabs Private Limited – Subsidiary of the Holding Company Bank Confirmations, Reconciliations and Trade Receivable / Payable Confirmation.

i) No statement of accounts were available in respect of current account with HDFC Bank, Punjab National Bank (Erstwhile - Oriental Bank of Commerce), Union Bank of India (Erstwhile - Corporation Bank Malad & Mulund Branch,) State Bank of India Fort & Malad Branch and United Bank of India.

F.R.No. 110634W

Also loans pending for settlement of Abhyudaya Bank, Union Bank of India (Erstwhile - Corporation Bank), and Punjab National bank (Erstwhile - Oriental Bank of Commerce) are pending confirmation and reconciliations if any.

Unsecured loans from Shri Gurudatta Sugar Ltd, Adeshwar Gems Pvt Ltd and Jinendra Diamonds Pct Ltd, trade receivables, trade payables and employee advances are subject to confirmation and reconciliations if any. In absence of the account statements, reconciliation / confirmations, we are unable to determine the effect of these transactions on the financial statements of the company.

Assets held for sale.

We invite your attention to Note No. 19 of the Consolidated Financial Statement sub heading "Assets held for Sale" which is reproduced as under:

According to the agreement for sale of taxis, entire sale consideration is received / receivable in advance and is accounted as "Advance received / receivable against assets held for sale". Accordingly, the Gross Block & Accumulated Depreciation of the "taxi cars" assets is reduced from tangible assets and disclosed in current assets under "asset held for sale Rs. 3.32 Lacs.

The company has also transferred Gross Block & Accumulated Depreciation of few "taxi cars" from tangible assets and disclosed in current assets under "asset held for sale" Rs.20.96 Lacs for "taxi cars" for which it is obligated to transfer to DBO subscribers the "taxi cars" for which all necessary obligations are fulfilled for transfer of the "taxi cars" in the name of subscriber.

In respect of GST on assets held for the sale, in the opinion of the management no GST is payable as GST is not attracted on assets held for sale since the assets are fully depreciated. Accordingly company has not provided for GST on the same.

We are however not in agreement with this treatment for GST. The GST liability is attracted and is due to government on transfer of assets on the profit element of each asset which will get ascertained on actual sale & transfer of the asset.

B) Spark Mall and Parking Private Limited– Subsidiary of the Holding Company

As discussed in Note No. 63 of the Consolidated Financial Statement, the Company earns revenue majorly from renting of shops and multilevel car parking receipts from Mall constructed. However, outbreak of COVID-19 pandemic in India has significantly impacted the operation of the Company whereby due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines.

F.R.No.
[illegible]

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Even after unlock, the interrupted supply chain & lower footfall / customer base were likely to continue which impacts business model of tenants of mall resulting into disruption in the sustainability of business of tenants. The Company has offered waiver on rent & other charges to tenants in order to recover from present slowdown.

During FY 20-21, the revenue from operations were substantially reduced as compared to FY 19-20 and consequently the Company has incurred and reported substantial amount of net loss after tax including cash loss, mainly due to huge amount of finance cost.

Due to this the net worth of the Company turns out to negative as at 31st March'2021. And the total borrowings from Banks and financial institutions is substantially higher as compared to last year.

As informed to us, the Company is exploring alternative source of revenue of the current infrastructure available / built for the Mall. The Company expects to sustain and overcome the impact and recover from the present slowdown.

Further to this company has plans to reorient and re-engineer entire Mall FSI area by exploring business opportunities in Cinema, Healthcare, Pharmacy and allied Business. The Company also exploring options raising Funds by way of issuing Equity Shares or Redeemable Preference Shares. The Company is also exploring to outright sale of entire Mall & Parking Business.

This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However in view of the ongoing operations in the Company and the proposed plan to expand operations, the financial statement has been prepared on Going Concern Basis.

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

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Emphasis of Matter

1. We draw attention to Note No. 71 of the consolidated financial statements regarding substantial amount of share in Loss of joint venture (JV) – SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (DTC) wherein due to sudden demise of the working director of DTC, execution of part of the work of DTC was affected including the finances of the Company. This incident led DTC to insolvency and due to this the work advances given by JV to DTC became doubtful and for which JV made the provision of Bad & Doubtful debt for Rs. 3960.67 lacs which ultimately resulted in losses in the JV in that year.

2. We draw attention to Note No. 72 of the Consolidated Financial Statements wherein balance confirmations of some of the parties are not received as on the date of signing of financial statement and are subject to confirmations. Our opinion is not modified in respect of these matters.

2. We draw attention to Note No. 63 of the Consolidated financial statements related to effect of Covid- 19 on the Consolidated financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the holding company. The Holding Company expects to sustain and overcome the impact and recover from the present slowdown.

3. **Jointly Controlled Entities and associate company not consolidated**

   We draw attention to Note No.8 and 56 of the Consolidated Financial Statements, which is reproduced as under:

   In the absence of the financial statements of four Jointly Controlled Entities and one associate company, the balances appearing as investment in the books of accounts of holding company is considered as it is, without consolidating proportionate share in respective assets & liabilities and Income & expenditure of Jointly Controlled Entities. In case of associate, holding company's share of profit / (loss) for the financial year 2020-21 (as per equity method) has not been considered.

   According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

4. **SMS Vidhyut Private Limited- Subsidiary of the Holding Company**

   We draw attention to Note No. 17 of the Consolidated Financial Statement wherein the subsidiary company has entered into MOU with Satellite Developer Private Limited ("the developer") to block/earmark a residential premises for Rs. 10600 lacs against deposit of Rs. 7500 Lacs which will be refunded upon payment of entire sales consideration of Rs. 10600 Lacs.

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After the due diligence and proposed additional cost, the Company has cancelled the agreement and converted the said amount into refundable deposit till the same is repaid by developer out of its project revenue. Pending repayment of the said amount, the EMI due to the lender will also be paid by the developer.

The developer has also given an undertaking for repayment of deposit of Rs. 7500 Lakhs along with replenishment of debt service reserve account (DSRA) in respect of the said Credit Facilities for a period of 3 months and also 4 post-dated cheques equivalent to 3 months EMI Payment due to the lender amounting to Rs. 206.25 Lakhs.

5. **Patwardhan Infrastructure Private Limited- Subsidiary of the Holding Company**
We draw attention to Note No. 70 of the financial statements wherein the Company has applied for merger with Holding Company – SMS Limited. The appointed date of meger petition is 01.04.2020. However, final order / approval of merger from National Company Law Tribinal (NCLT) is still not yet received till the approval of financial statement of the Company. Due to which, the Company has prepared its financial statement without considering the merger despite the fact that the appointed date was 01.04.2020. After approval from NCLT, the Company will incorporate the effect of merger in the tear in which the approval will be received.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the above and our report in terms of sub-sections (3) of Section 143 of the Act, is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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- **SMS Taxicabs Private Limited – Subsidiary of the Holding Company**

  GOING CONCERN

  We draw attention to Note No.2(c) to the financial statements which is reproduced as under:

  The net-worth of the subsidiary company has significantly eroded and turned negative as at the end of the previous year. The subsidiary company has closed its phone a fleet taxi operation in the earlier years and the financial viability of the subsidiary company greatly depends on its ability to pursue new business ventures and /or strategic business plans. The subsidiary company started DBO subscription scheme in place of existing taxi operations from the earlier years. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

- **SMS Limited – Holding Company**

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	**Impact of COVID-19 on the Holding Company's operations and Consolidated financial statement.** On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and restriction on movement of people by the Government of India which has significantly impacted business operation of the Holding Company. We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key event and consideration for Company's Operations on account of: - Short and long term effect on company's business operations and its consequential cascading negative impact on revenue; - Impact of the pandemic on the Revenue and Expenses.	**Our audit procedures included and were not limited to the following:** - Obtained and reviewed the management impact assessment on account of reduction in revenue during current financial year, including judgement and estimates applied in determining the areas of impact. - Assessed the determination of impact on contract receipts on restrictions due to nationwide lockdown consequent to COVID-19. - Assessed the determination of reduction in direct operating expenses during lockdown period consequent to COVID-19. - Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19. - Assessed management's cost reduction measures taken by the holding company in order to reduce the impact COVID-19. - Assessed and evaluated the possible recovery in other operating segment. - Assessed and evaluated expenditure incurred towards preventive health measures as an additional cost for prevention of COVID-19.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	Refer Note 63 to the Consolidated financial statements.	- Performed subsequent event procedures upto the date of the audit report - Assessed and tested the disclosure relating to COVID-19 Impact on financial position.
2.	**Evaluation of impairment of Non-Current Investments, Non-Current & Current Loans.** Investments and Loans are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such evidence exists, impairment loss is determined and recognised of accounting policies to the Consolidated financial statements. We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment as a key audit matter because of • The significance of the amount of these investments in the Consolidated Balance Sheet. • Performance and net worth of these entities and • The degree of management judgement involved in determining the recoverable amount of these investments including: Valuation assumptions, such as discount rates. Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments. Refer Note No.8 and 9 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures in respect of impairment of investment in and Loans given, included the following : • Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; • Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models; • Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; • Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products; • Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management; • Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; • Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and • Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.
3.	**Evaluation of Contingent Liabilities** Claims against the holding company not acknowledged as debts is disclosed in the Note No- 43(A) to the Consolidated Financial Statement.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the holding company;

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Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of the contingent liabilities. The Holding Company is undergoing legal proceedings on disputed tax demands. The Holding Company's management has assessed that the probability of success of the demand is remote and accordingly not provided for the disputed demands. Management judgement is involved in assessing the accounting for demands, and in considering the probability of a demand being successful and accordingly designated this as a key audit matter.	• We along with our internal tax experts – a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards; c) Assessed management's estimate of the possible outcome of the disputed cases.
4.	**Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:** Company is having various works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st july, 2017, exempt contract become taxable and also in cases of inclusive contract there in increase in tax rate from the rates prevailing at the time of execution of original contract. This resulted in increased tax liability and reduced margin on the holding company against which company has raised the claim on concerned Department. Outcome of some claim is still pending with the Department. But on the basis of opinion taken from the legal advisor, the holding company made the provision for the GST impact turnover in books of account. Management estimation is involved in assessing the outcome of the claim raised by the holding company, and in considering the probability of a recovery of the claims and accordingly designated this as a key audit matter. Refer Note No. – 58 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department. • Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not. • Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law. • Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; • Assessed management's estimate of the possible recovery of the claim raised to the Department.

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Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

Responsibilities of Management and for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act- read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Holding Company's Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with management of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management 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.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements / financial information of three subsidiaries, and fourteen jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 76038.73 Lacs as at 31st March, 2021, total revenues of Rs.64170.53 and net cash inflows amounting to Rs.4264.00 Lacs for the year ended on that date, as considered in the consolidated financial statements whose financial statements / financial information have not been audited by us. The consolidated financial statements also disclosed the unrecognised losses of Group's share of net loss of Rs. 0.06 Lacs for the year ended 31st March' 2021 in Note No. 8, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

The financial statement of jointly controlled entities are prepared in accordance with accounting principles generally accepted in India (Indian GAAP) and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statements are consolidated based on conversion adjustments prepared by the management of the company, which have been checked and considered by us.

b) We did not audit the financial statements / financial information of two foreign subsidiaries, whose financial statements / financial information reflect total assets of Rs. 3671.31 Lacs as at 31st March, 2021, total revenues - Nil and net cash outflows amounting to Rs. 11.13 Lacs for the year ended on that date, as considered in the consolidated financial statements, whose financial statements / financial information have not been audited by us.

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These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these foreign subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

The two foreign subsidiaries had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments prepared by the management of the company, which have been checked and considered by us. (Refer Note No. 56 to the Consolidated Financial Statements)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Auditor's Report on Consolidated Financial Statement.

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint controlled entities, we report, to the extent applicable, that:

   a) We have sought and except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraphs, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraphs, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

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c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) The basis of qualified opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Spark Mall and Parking Private Limited– Subsidiary of the Holding Company. In the absence of specific reporting in Auditors report of subsidiary company – SMS Taxicabs Private Limited, on whether the matters described in Basis of Qualified Opinion paragraph have an adverse effect on the functioning of the subsidiary company or not, we are unable to comment on the same.

f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, one of the director of the Subsidiary Company-SMS TAXICABS PRIVATE LIMITED is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act *by virtue of suo-motu action initiated by Registrar of Companies vide order dt. 11.09.2017 to strike off of another company (in which above director of Subsidiary Company, was also a director of that company.)*
Further the company has also defaulted in e-filing of annual returns for 2016-17, 2017-2018, 2018-2019 and 2019-2020 which is continuous period of 4 years and hence the remaining directors are technically disqualified in terms of section 164 (2) of the Act.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above in case of Spark Mall and Parking Private Limited– Subsidiary of the Holding Company. In the absence of specific reporting in Auditors report of Subsidiary company - SMS Taxicabs Private Limited on whether qualifications as stated in the *Basis of Qualified Opinion paragraph* is related to the maintenance of accounts and other matters connected therewith, or not, we are unable to comment on the same.

h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the Company and its twelve subsidiaries companies and one associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting of those companies, for the reasons stated therein.

In case of SMS Taxicabs Private Limited – Subsidiary of the Company and SMS-AAMW Tollways Private Limited - Associate of the Company, the opinion on the Internal financial controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

In case of RCCL Infrastructure Private Limited – Associate Company, the financial statements / financial information are not available and in the absence of reporting under Internal Financial Controls over the financial reporting, we are unable to comment on the same.

In case of two foreign subsidiary companies, the reporting under Internal Financial Controls over the financial reporting is not applicable as these companies are not incorporated in India, due to which we are unable to comment on the same.

In case of all the jointly controlled entities, the reporting under Internal Financial Controls over the financial reporting is not applicable as the nature of entities are partnership firms and association of persons and not companies, due to which we are unable to comment on the same.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and associates companies:

i. Except for the possible effects of the matters described in *the Basis for Qualified Opinion paragraph*, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities. Refer 46 A to the Consolidated Financial Statements.

The Subsidiary of the Company - SMS Taxicabs Private Limited has not disclosed the details of following pending litigation under the contingent liability in its financial statement:

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a) Litigation of Corporation Bank in The Mumbai Debts & Recovery Tribunal for unpaid amount of secured term loan – Rs. 854.39 Lacs

b) Litigation of Employees Shri Surendra Pal and Shri Ajit Rajapure in The Labour Court, Mumbai for unpaid amount of salary, full & final settlement and other salary related dues. – amount not ascertained (The working for these amounts is disputed hence it is unable to quantify the same)

ii. The Group and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate companies.

j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid by the Holding Company, its subsidiaries and associate companies to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No.110634W

F.R.No.
110634W

CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, November 29, 2021
UDIN - 22043414AAAAAJ1891

Annexure "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMS 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")

In conjunction with our audit of the **consolidated** financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **SMS LIMITED** (hereinafter referred to as "the Company"), its twelve subsidiary companies which are companies incorporated in India, as of March 31, 2021.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its twelve subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its twelve subsidiary companies which are companies incorporated in India, 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 the Institute of Chartered Accountants of India and 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 respect.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company and its twelve subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

F.R.No.
110634W

V. K. SURANA & CO.
CHARTERED ACCOUNTANTS
V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001
Ph. No.: (0712) 6641111, Fax: (0712) 6641122
e-mail:info@vksca.com

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its twelve subsidiary companies, which are companies incorporated in India, have, 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 March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

A) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

B) In case of SMS Taxicabs Private Limited – Subsidiary of the Company and SMS-AAMW Tollways Private Limited - Associate of the Company, the opinion on the Internal financial controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

C) In case of RCCL Infrastructure Private Limited – Associate of the Company, the audited financial statements / financial information are not available and in the absence of reporting under Internal Financial Controls over the financial reporting, we are unable to comment on the same.

D) In case of two foreign subsidiary companies, the reporting under Internal Financial Controls over the financial reporting is not applicable as these companies are not incorporated in India, due to which we are unable to comment on the same.

V. K. SURANA & CO.
CHARTERED ACCOUNTANTS
V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001
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e-mail:info@vksca.com

E) In case of all the jointly controlled entities, the reporting under Internal Financial Controls over the financial reporting is not applicable as the nature of entities are partnership firms and association of persons and not in the nature of companies, due to which we are unable to comment on the same.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No.110634W

F.R.No. 110634W

CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, November 29, 2021
UDIN - 22043414AAAAAJ1891

SMS Limited

Consolidated Balance Sheet as at 31 March 2021

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
Assets			
(1) **Non-current assets**			
(a) Property, plant and equipment	3A	29,428.52	29,918.89
(b) Capital work in progress	3B	1,693.30	1,039.79
(c) Investment property	4	1,763.46	1,553.25
(d) Goodwill	5	680.93	680.93
(e) Other intangible assets	6	43,578.58	56,897.15
(f) Intangible assets under development	7	10,954.48	12,882.08
(g) Investments accounted for using the equity method	8	(0.00)	(0.00)
(h) **Financial assets**			
(i) Investments	8	47,084.41	39,369.01
(ii) Loans	9	625.15	5,146.50
(iii) Other financial assets	10	15,347.42	14,453.49
(i) Deferred tax assets (Net)	11	17,995.28	15,390.24
(j) Other non-current assets	12	678.14	373.99
Total non-current assets		**1,69,829.68**	**1,77,705.33**
(2) **Current assets**			
(a) Inventories	13	34,555.62	32,029.57
(b) **Financial assets**			
(i) Investments	14	1,300.30	-
(ii) Trade receivables	15	32,638.47	36,782.94
(iii) Cash and cash equivalents	16	7,601.54	2,471.72
(iv) Bank Balance other Than (iii) above	16	4,955.35	4,825.46
(v) Loans	9	21,451.40	17,488.82
(vi) Other financial assets	17	21,840.65	19,293.11
(c) Current Tax Assets (Net)	11	3,715.84	3,600.32
(d) Other current assets	18	27,202.88	22,168.52
Total current assets		**1,55,262.03**	**1,38,660.46**
(3) Assets classified as held for Sale	19	24.28	24.28
Total assets		**3,25,116.00**	**3,16,390.07**
Equity and liabilities			
(1) **Equity**			
(a) Equity Share Capital	20	1,026.14	1,026.14
(b) Other Equity	21	66,654.67	62,896.67
Equity Attributable to owners of the parent		**67,680.81**	**63,922.81**
(c) Instruments entirely equity in nature	22	604.82	604.82
(d) Money received against share warrants	23	8,031.22	8,031.22
(e) Non-controlling interests	24	11,147.98	6,661.85
Equity Attributable to Non-controlling interests		**19,784.02**	**15,297.90**
Total equity		**87,464.83**	**79,220.71**
(2) Liabilities			
I) **Non-current liabilities**			
(a) **Financial Liabilities**			
(i) Borrowings	25	84,687.14	79,088.88
(ii) Other financial liabilities	26	7,882.03	7,612.22
(b) Provisions	27	26,419.45	37,965.17
(c) Deferred tax liabilities (Net)	11	424.97	151.81
(d) Other non current liabilities	28	2,495.07	4,089.94
Total Non-current Liabilities		1,21,908.66	1,28,908.01

SMS Limited

Consolidated Balance Sheet as at 31 March 2021

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
II) **Current liabilities**			
(a) **Financial Liabilities**			
(i) Borrowings	29	57,027.75	46,279.20
(ii) Trade payables dues to	30		
Micro and Small Enterprises		177.14	233.86
Other than Micro and Small Enterprises		19,737.75	22,455.70
(iii) Other financial liabilities	31	29,500.78	32,192.92
(b) Other current liabilities	32	6,157.42	5,006.97
(c) Provisions	27	2,612.60	2,055.45
(d) Current Tax liability (Net)	11	505.06	13.25
Total Current liabilities		1,15,718.50	1,08,237.34
III) Liabilities classified as held for Sale	19	24.00	24.00
Total liabilities		2,37,651.16	2,37,169.36
Total equity and liabilities		3,25,116.00	3,16,390.07

Significant Accounting Policies 2

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

As per our audit report of even date.

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

F.R. No. 110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 29/11/2021
UDIN : 22043414AAAAAJ1891

For and on behalf of the Board of Directors of SMS Limited

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B SURANA
Director
DIN: 00953495

RAJESH KUMAR GUPTA
Chief Financial Officer

SMITA AGARKAR
Company Secretary

SMS Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(₹ in Lacs)

Particulars	Note No.	Year Ended 31 March 2021	Year Ended 31 March 2020
Revenue from operations	33	1,48,789.52	1,62,201.39
Other income	34A	5,034.99	3,843.09
Exchange Fluctuations	34B	191.82	-
Total Income		1,54,016.33	1,66,044.48
Expenses			
Cost of Raw/project material consumed	35	18,064.07	23,594.01
Direct Expenses	36	52,901.32	57,356.18
Purchase of Stock-in-trade	37	215.79	217.85
Change in Inventories of Stock in trade and Work in Progress	38	(1,507.25)	1,952.44
Employee benefits expense	39	15,771.20	19,543.86
Finance costs	40	21,420.91	19,579.47
Depreciation and amortization expense	41	23,620.17	22,617.68
Other expenses	42	6,283.31	9,022.59
Total expense		1,36,769.51	1,53,984.07
Profit Before Share of profit/(loss) of an Associate Companies, Exceptional Items and Tax		17,246.82	12,060.41
Share of profit / (loss) of associate companies		-	-
Profit Before Exceptional Items and Tax		17,246.82	12,060.41
Exceptional items	72	2,772.47	-
Profit before tax		14,474.35	12,060.41
Tax Expense	43		
Current Tax		3,716.37	3,809.43
Adjustment of tax relating to earlier periods		(409.47)	14.80
Deferred Tax		(2,041.46)	(782.97)
Profit for the year		13,208.92	9,019.14
Attributable to			
Non controlling interest		7,281.49	4,603.59
Owners of the parent		5,927.42	4,415.55
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or (loss)			
Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value		15.61	(24.77)
Remeasurement benefit of defined benefit plans		320.86	2.18
Income tax effect on the above		(105.44)	(19.64)
Items that will be reclassified to profit or (loss)			
Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value		42.22	25.30
Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value		(3,958.74)	(2,353.97)
Unwinding interest on preference share issued		264.99	147.05
Unwinding interest income on investment in Preference Shares		(38.70)	(34.87)

SMS Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(₹ In Lacs)

Particulars	Note No.	Year Ended 31 March 2021	Year Ended 31 March 2020
Income tax effect on the above		(12.29)	(7.37)
Other comprehensive income / (loss) for the year (net of taxes)		**(3,471.49)**	**(2,266.08)**
Attributable to			
Non controlling interest		(1,806.56)	(1,099.63)
Owners of the parent		(1,664.93)	(1,166.45)
Total comprehensive income for the year		9,737.42	6,753.06
Attributable to			
Non controlling interest		5,474.93	3,503.96
Owners of the parent		4,262.49	3,249.10
Earning per equity share after exception item			
Basic	45	57.76	43.03
Diluted		57.76	43.03
Earning per equity share before exception item	45		
Basic		84.78	43.03
Diluted		84.78	43.03
Significant Accounting Policies	2		

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

As per our report of even date

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

For and on behalf of the Board of Directors of SMS Limited

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B SURANA
Director
DIN: 00953495

F.R.No. 110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 29/11/2021
UDIN : 22043414AAAAAJ1591

RAJESH KUMAR GUPTA
Chief Financial Officer

SMITA AGARKAR
Company Secretary

SMS Limited

Consolidated Cash flow statement for the year ended 31 March 2021

	Year Ended 31 March, 2021	(₹ in Lacs) Year Ended 31 March, 2020
Cash flow from operating activities		
Total Comprehensive Income before tax	11,120.59	10,929.85
Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and Intangible assets	23,620.17	22,617.68
Finance Cost	21,420.91	19,679.47
Profit on sale of Fixed Assets	(229.67)	(1.63)
Profit on sale of Investments including redemption thereof	(736.81)	(23.51)
Gain arising on financial assets measured at fair value through profit or loss	(7.33)	-
Rental income on Investment Property	(11.72)	-
Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	-	104.14
Effect of Ind AS 115 and Prior period errors in Retained Earnings	-	(11.31)
Fair valuation loss on equity instrument routed through P&L	-	1,754.03
Share of Loss from Joint Venture & Partnership Firm (which are not consolidated)	147.04	506.13
Loss on Sale of Property, Plant and Equipment including derecognition thereof	23.61	110.28
Investment written off consequent to liquidation of subsidiary company	-	102.00
Interest income	(1,713.87)	(1,761.41)
Dividend income	-	(0.38)
Operating profit before working capital changes	53,632.92	54,005.33
Adjustment for :		
Increase / (decrease) in trade payables	(2,774.67)	(5,290.50)
Increase / (decrease) in non current provisions	(11,545.72)	(12,452.18)
Increase / (decrease) in current provisions	557.15	(1,054.94)
Increase / (decrease) in other current liabilities	1,150.45	826.28
Increase / (decrease) in other non current liabilities	(1,594.87)	(2,805.84)
Increase / (decrease) in other current financial liabilities	(2,692.14)	1,620.31
Increase / (decrease) in other non-current financial liabilities	269.81	(751.01)
Decrease / (increase) in current trade receivables	4,144.48	(2,868.15)
Decrease / (increase) in other non-current financial assets	(893.93)	8,197.75
Decrease / (increase) in other current financial assets	(2,547.54)	5,119.45
Decrease / (increase) in other current assets	(5,034.36)	(1,775.46)
Decrease / (increase) in other non-current assets	(304.15)	(60.26)
Decrease / (increase) in Other Bank balances	(129.89)	(1,734.21)
Decrease / (increase) in inventories	(2,526.05)	2,849.97
Decrease / (increase) in Income Tax assets	(2,720.56)	(2,324.95)
Decrease / (increase) in Liabilities classified as held for Sale	-	12.00
Decrease / (increase) in Income Tax liabilites	764.98	165.05
	27,755.91	**41,678.58**
Direct taxes paid (net of refunds)	1,383.16	3,068.28
Net cash flow from/ (used in) operating activities (A)	**26,372.74**	**38,610.30**
Cash flow from investing activities		
Purchase / Sale of fixed assets, including intangible assets, CWIP and capital advances	(8,541.29)	(11,742.24)
Proceeds from Sale / Purchase of investments	(8,418.59)	(5,207.49)
Decrease / (increase) in non current loans and advances	4,521.34	(283.07)
Decrease / (increase) in current loans and advances	(3,962.58)	(3,525.46)
Rental income on Investment Property	11.72	-
Interest received	1,713.87	1,761.41
Dividends received	-	0.38
Net cash flow from/(used in) investing activities (B)	(14,675.53)	(18,996.32)

SMS Limited

Consolidated Cash flow statement for the year ended 31 March 2021

	Year Ended 31 March, 2021	(₹ in Lacs) Year Ended 31 March, 2020
Cash flow from financing activities		
Proceeds from long-term borrowings	5,598.26	12,868.15
Proceeds from short-term borrowings	10,748.55	(12,464.83)
Finance Cost	(21,420.91)	(19,679.47)
Increase/ (decrease) in Non controlling interest for dividend paid	(988.81)	(590.49)
Dividend & DDT paid on equity shares	(504.50)	(676.30)
Net cash flow from/(used in) in financing activities (C)	**(6,567.41)**	**(20,542.94)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	5,129.81	(928.95)
Cash and cash equivalents at the beginning of the year	2,471.72	3,400.67
Cash and cash equivalents at the end of the year	**7,601.54**	**2,471.72**
Components of cash and cash equivalent		
Cash on hand	390.85	425.34
With banks- on current account	5,140.85	1,941.50
Other Cash and cash equivalents	2,069.83	104.88
Total cash and cash equivalents	**7,601.54**	**2,471.72**

Significant Accounting Policies

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

As per our report of even date
For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

CA Suchir Surana
Membership No. 043414
Place : Nagpur
Date : 29/11/2021
UDIN : 22043414AAAAAJ1691

For and on behalf of the Board of Directors of SMS Limited

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

RAJESH KUMAR GUPTA
Chief Financial Officer

SMITA AGARKAR
Company Secretary

SMS Limited

Consolidated Statement of changes in Equity for the year ended 31 March 2021

(₹ in Lacs)

Refer Note No. 20 & 21

A. Equity share capital

Issued, subscribed and fully paid up share capital

Particulars	Amount
Balance as at 31 March 2019	1,026.14
Changes in equity share capital during the year	-
Balance as at 31 March 2020	1,026.14
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1,026.14

B. Other equity, Instruments entirely equity in nature, Money received against share warrants and Non-controlling interests

Particulars	Reserves and Surplus				Items of Other Comprehensive Income					Total other equity	Others		Non controlling Interest
	Capital reserve	Securities premium	General reserve	Holding reserve (including retain earning)	Gain/(Loss) on Recognition of Investment In Debt Instruments at Fair Value	Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value	Re-measurement gains or losses on defined benefit plans	Unwinding Interest Income on Investment in Preference Shares	Unwinding interest on Preference Shares Issued		Equity component of Preference share capital	Money Received against Share Warrants	
Balance as at 1 April 2019	101.50	10,647.69	1,116.85	48,579.27	13.70	(1,244.58)	(93.75)	36.33	(30.45)	59,117.56	604.82	8,031.22	3,759.35
Adjustment of Associate Company for reversal of unrecognised losses (Refered Note No. [illegible])				1,108.51						1,108.51			
Restatement / Prior Period Errors / Change in Accounting Policies	-	-	-	(6.34)	-	-	-	-	-	(6.34)	-	-	(4.97)
Restated balance as at 1 April 2019	101.50	10,647.69	1,116.85	49,672.45	13.70	(1,244.58)	(93.75)	36.33	(30.45)	60,219.73	604.82	8,031.22	3,748.38
Profit for the year	-	-	-	4,415.54	-	-	-	-	-	4,415.54	-	-	4,603.59
Other Comprehensive Income for the year	-	-	-	-	16.52	(1,218.52)	(21.65)	75.00	(17.78)	(1,166.45)	-	-	(1,099.63)
Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	-	-	-	104.14	-	-	-	-	-	104.14	-	-	(590.49)
Interim Dividend paid	-	-	-	(676.30)	-	-	-	-	-	(676.30)	-	-	-
IND AS impact on prior period	-	-	-	-	-	-	-	-	-	-	-	-	-
As At 31 March 2020	101.50	10,647.69	1,116.85	53,515.83	30.21	(2,463.10)	(115.40)	111.32	(48.24)	62,896.67	604.82	8,031.22	6,661.85
Balance as at 1 April 2020	101.50	10,647.69	1,116.85	53,515.83	30.21	(2,463.10)	(115.40)	111.32	(48.24)	62,896.67	604.82	8,031.22	6,661.85
Restatement / Prior Period Errors / Change in Accounting Policies	-	-	-	0.00	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	101.50	10,647.69	1,116.85	53,515.84	30.21	(2,463.10)	(115.40)	111.32	(48.24)	62,896.68	604.82	8,031.22	6,661.85

Particulars	Reserves and Surplus				Items of Other Comprehensive Income					Total other equity	Others		Non controlling interest
	Capital reserve	Securities premium	General reserve	Holding reserve (including retain earning)	Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value	Gain/(Loss) on Recognition of investment in Equity Instruments at Fair Value	Re-measurement gains or losses on defined benefit plans	Unwinding Interest income on investment in Preference Shares	Unwinding interest on Preference Shares issued		Equity component of Preference share capital	Money Received against Share Warrants	
Profit for the year				5,927.42						5,927.42			7,281.49
Other Comprehensive income for the year					17.56	(2,010.02)	202.12	(19.74)	135.14	(1,664.93)			(1,806.56)
Others										-			
Retained earnings reversed due to elimination of subsidiary company consequent to liquidation				-						-			
Interim Dividend paid				(504.50)						(504.50)			(988.81)
IND AS Impact on prior period				-						-			
As At 31 March 2021	101.50	10,847.68	1,116.85	58,938.70	57.77	(4,471.11)	86.72	91.39	86.91	66,654.67	604.82	8,031.22	11,147.98

Capital reserve
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

General reserve
The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Significant Accounting Policies
The accompanying notes are an integral part of the Consolidated financial statements.
As per our audit report of even date.

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 29/11/2021
UDIN : 22043414AAAAAJ1891

For and on behalf of the Board of Directors of SMS Limited

ANAND S. SANCHETI
Managing Director
DIN: 00003162

DILIP R. SURANA
Director
DIN: 00053445

RAJESH KUMAR GUPTA
Chief Financial Officer

SMITA AGARKAR
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1 Corporate information

SMS Limited (the "Company" or "parent") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company having CIN U45201MH1997PLC107906, is located at IT Park, 20 S.T.P.I. Gayatri Nagar, Parsodi, Nagpur-440022, Maharashtra, India.

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is principally engaged in the business of providing engineering and construction services, infrastructure, mines, waste management and urban development and management.

These consolidated financial statements ("the financial statements") of the Group for the year ended March 31, 2021 were authorised for issue in accordance with resolution of the Board of Directors on 29th Nov, 2021.

2. Significant Accounting Policies

a. Basis of preparation:

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

In case of certain companies of the Group, operating cycle for the business activities, based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents have been ascertained as twelve months for the purpose of current / non-current classification of assets and liabilities.

The Group's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

b. **Principles of consolidation:**

The financial statements have been prepared on the following basis:

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

c. **Going Concern**

The net-worth of one subsidiry (SMS Taxicabs Pvt. Ltd.), has significantly eroded and turned negative as at the end of the year. The subsidiary has closed its phone a fleet taxi operation and the financial viability of the company greatly depends on its ability to pursue new business ventures and /or strategic business plans. The company has started a DBO subscription scheme in place of existing taxi operations. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

d. **Accounting Estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

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

Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recoverability of claims

The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The reliability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact reliability of these claims.

Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Overlay Expenditure:

As per the concession Agreement entered with NHAI , the company has a contractual obligation to carry out resurfacing /overlay of the roads under concession.Provision for overlay in respect of toll roads maintained by the company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facilities to a specified level of serviceability in respect of such asset and hence has recognised the same as an upgrade service and as intangible asset , the timing and amount of such asset are estimated and recognised on a discounted basis. Estimate of the provision is measured using a number of factors such as contractual requirements ,technology , expert opinions and expected price level . Because actual cash flows can differ from estimates due to changes in laws ,regualtions, public expectation ,technology ,prices and conditions and can take place many years in the future , the carrying amounts of provisions is reveiwed at regular intervals and adjusted to take account of such changes.

Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

Discounting of long-term financial instruments:

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

e. **Measurement of fair values:**

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. When measuring the fair value of a financial asset or a financial liability, fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

The Company recognises transfers due to change between levels of the fair value hierarchy at the end of the reporting period.

f. **Property, Plant and Equipment**

"Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated

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depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Advances paid towards acquisition of property plant & equipment outstanding at each balance sheet date is classified as capital advances under other non current assets and the cost of asset not put to use before such date are disclosed under " Capital work in progress".

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure."

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

Non-monetary grant has been recognised at a nominal amount as per Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the 'Rules') on 20 September 2018.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such Reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such Reversal is not recognized.

g. **Investment Property**

"Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

h. **Intangible Assets**

Intangible assets comprise of lease rights, toll collection rights and assets that are incidental for the purpose of Toll Collection and license fees & implementation

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cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortization and accumulated impairment losses, if any.

i. In case of toll collection, the expenditure on Operation and Maintenance Contracts which are in the nature of enduring nature like construction of new facilities and relaying of Roads are classified as Intangible assets and carried forward, to be written off systematically during the project concession period.

ii. In case of toll collection, the total capital cost towards Project are estimated for the entire Concession period which are measured at the initially present value of estimated cash outflows as on date of financial statement thereafter every year the amortisation is deducted from the cost initially recognised plus/minus changes in the estimate if any after actual expenditure.

In case of SMS-AABS India Tollways Private Limited,

i) these assets include all duties, non-refundable taxes, levies and costs incurred (which are directly attributable) for bringing assets into working conditions for its intended use. Intangible assets include assets that are incidental for the purpose of toll collection and which will be handed over at the end of the concessional period. Fees incurred, if any, in order to arrange long-term financing are capitalized and amortized over the life of the asset.

ii) The expenditure on Operation and Maintenance Contracts which are in the nature of enduring nature like construction of new facilities and relaying of roads are classified as intangible assets and carried forward, to be written off systematically during the project concession period.

iii) The total capital cost towards project is estimated for the entire concession period which is measured at the initially present value of estimated cash outflow as on date of financial statement thereafter every year the amortization is deducted from the cost initially recognized plus/minus in the estimate if any after actual expenditure.

iv) In respect of Amortisation of Project expenditure company follows cost Model (i.e., an intangible asset after initial recognition is carried at cost less accumulated depreciation)

Further the amount of amortization used is such that reflects the pattern in which the asset's future economic benefit is expected to be consumed by entity. Wherein the case of the company it is calculated as a proportion of actual revenue for the year bears to the estimated total revenue for the entire concession period. The estimates of toll are based on the projected revenue submitted to the bank for financing the project.

The cost of an item of Intangible assets comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of intangible assets if the recognition criteria are met.

i. **Service concession arrangements**

The Group recognizes an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortizations and accumulated impairment losses.

j. **Depreciation/ Amortization**

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation method, useful lives and residual values are reviewd periodically, including at each financial year.

In respect of Amortisation of Project expenditure the Group follows Cost Model (i.e. An intangible asset after initial recognition is carried at cost less accumulated depreciation).

Further the amount of amortisation used is such that reflects the pattern in which the asset's future economic benefit is excepted to be consumed by the entity, wherein the case of the company it is calculated as a proportion of actual revenue for the year bears to the estimated total revenue for the entire concession period. The estimates of toll are based on the projected revenue submitted to the bank for financing the Project.

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In case of one subsidiary (Maharashtra Enviro Power Limited), for Depreciation of Landfill Asset, the Company evaluates the cost of construction of Landfill and also the capacity of landfill in Metric Ton (MT). Based on this the company evaluates Per MT Rate of depreciation to be charge on landfill. Every year the company evaluates the quantity of waste disposed off in landfill and charge depreciation on landfill by multiplying the Per MT depreciation rate with the quanitity of waste disposed during the year.

In case of one subsidiary (SMS WATER GRACE BMW PRIVATE LIMITED), Residual value of the asset is considered at 0.20% of Gross Block of Asset.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

For overseas subsidiaries, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies and local laws. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

In case of one subsidiary (SMS Taxicabs Private Limited), as per Ind AS 38 – Intangible Assets presumes that useful life of intangible assets is unlikely to exceed 10 years, Motor Car Operating Licensee (Under Specified Phone Fleet Taxi Scheme) is amortized on straight line method over 30 years since in the opinion of the management, the licensee which is renewable after 5 years over further periods of 5 year blocks, would be further renewed for an estimated period of 25 years or 5 blocks.

Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and wherever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operation results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating unit is determined based on higher of value-in-use and fair value less cost to sell.

k. **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.

i. Financial Assets

Initial Recognition

Financial assets, not recorded at fair value through profit or loss (FVPL), are recognised initially at fair value plus transaction costs that are directly 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.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual 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 included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Group has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Group on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.
Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

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Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

ii. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. 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.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

I. Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred including taxes (not refundable) in bringing the inventories to their present location and condition.

The stock of construction material, stores spares, tools, components, embedded goods and fuel is valued at cost or net realizable value whichever is lower. Cost is determined on weighted average basis.

The Parent is classifying shuttering material and the machine spares as inventory. The management is of the opinion that these inventories are a very large number of indistinguishable minor items and are used in more than one accounting period. Even though they meet the definition of Property Plant and Equipment, the management feels that it would be appropriate to aggregate individually all insignificant items and apply recognition criteria to the aggregate value. Further the company after the technical assessment has found that the estimated life of the shuttering material is five years and thus shuttering material shall depreciated in five years from the date of purchase. The value of machine spares will be depreciated within the life of machine to which the spares relate.

Work-in-progress and finished goods

They are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost is determined on weighted average basis. Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.
Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
In case if any payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost in such cases are recognised as interest expense over the period of financing under the effective interest method.

m. Revenue Recognition:

1. Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 - 'Revenue from Contracts with Customers' ('Ind AS 115') with modified retrospective approach. Accordingly, the comparative information for previous year has not been restated. According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the five step model specified in Ind AS 115 based on satisfaction of performance obligations.

The company has adopted modified retrospective approach and the effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 11.

The impact of adoption of the standard on the Standalone financial statements of the Company is insignificant.

In respect of fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation, which is based on the physical measurement and survey of work actually completed and which is certified by the client. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue from supply contract is recognised when threat the point in time when control is transferred to the customer.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

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Work in progress at the balance sheet date are quantities executed but not certified by the client therefore valued at itemized contract rate less taxes and profit i.e. against which revenue is not recognised as recognition criteria's are not fulfilled.

The Company disaggregates revenue from contracts with customers by nature of services.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in Revenue Recognition

The Company's contracts with customers could include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The Company's contracts with customers could include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of project whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Accounting for Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favorable arbitration award.

Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

In case of SMS-AABS India Tollways Private Limited,

i. **Construction contracts-**

i) Claim and variations for escalation/damages are recognized only when accepted by client.

ii) Claim under Arbitration/disputes are accounted as income based on final award. Expenses on arbitration are accounted as and when incurred.

B) Toll collection- BOT & OMT and other Contracts-

i) Revenue from services concession arrangement is recognized on actual collection basis which is in accordance with IND AS-115 'Revenue from Contracts with customer'. The Operator has received Right to collect toll charges from public.

ii) Sale of discounted toll coupons/swipe card is recognized as income at the time of sale.

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

ii. Accounting of Supply Contracts-Sale of Goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

iii. Accounting for Claims

claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favorable arbitration award.

iv. Dividend Income

Divident is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

v. Direct Landfill and Landfill after Treatment:

Revenue has been recognized under direct landfill on accrual basis at the time of receipt of waste and billing.

vi. Incineration (Plasma based):

The service of disposal by incineration Facility consists of
(1) Collection of Hazardous waste (waste) from generators,
(2) Transportation of waste from generator's premises to waste disposal facility (common facility),
(3) Analysis of the waste at common facility,

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(4) Storage of the waste at common facility and
(5) Burning of it in incineration (plasma based) plant.

The activities with regard to this facility get completed from process (1) to (4) on receipt of waste material. Only burning in incineration plant is deferred up to the stage of collection of sufficient quantity of waste material so as to efficiently run the activity. Hence, revenue has been recognized in full under Incineration as substantial activities of this service are completed and substantial revenue from the billed amount has been realized.

Note: - The word waste used in this note shall mean "Hazardous waste" as defined in hazardous waste (Handling and Management) rules.

vii. **Membership Fees:**

Membership fees are collected from customers to let them use the facility of waste disposal. Fees collected are non-refundable in nature and provides customer the rights to use our services for the period for which membership fees is collected. Therefore, membership fees are recognized as income over the period of membership on pro rata basis.

viii. **Service Charges:**

Service charges are charged to customer for provision of service for a year with a right to adjust the same against billing, if any, in a year. Hence Services charges are recognized as income after expiry of the one calendar year if the same does not get adjusted against the billing done during that period.

ix. **Container Maintenance Charges:**

Container Maintenance Charges are being booked to income on receipt basis, which is as and when charges are collected from customers.

x. **Toll collection**

Revenue from toll collection is recognised on actual collections of toll and in case of contractual terms with certain customers the same is recognised on an accrual basis.

xi. **Operation and Maintenance Contracts**

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

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xii. **Operation of Phone fleet taxi / DBO subscription income**

The company recognizes income from operating phone fleet taxis on accrual basis for the period of deployment of cars (excluding initial waiver period). During the year the company closed its phone a fleet taxi operations in March 2018 and launched DBO subscription scheme. As per the DBO subscription scheme the taxi is offered for sale to prospective drivers on giving a deposit and daily subscription amount. On full payment of subscription amount the ownership of the taxi would get transferred in favour of the respective driver for his use. The entire subscription amount for the taxi is accounted as a receivable and collection against the same is reduced as and when received. The subscription proportionate to the year is offered as subscription income in the financials and indirect taxes on the same accrued till the time ownership is transferred after which it would be due for payment.

xiii. **Advertisement Income**

Advertisement Income is recognized after rendering of services for advertisement has been completed.

xiv. **Rent, Common Area Maintenance Charges and other charges with relation to the usage of the properties and various utility charges** are accounted for on accrual basis except in case where ultimate collection is considered doubtful.

xv. **Food Court charges**

Food court charges are accounted on revenue sharing / Fixed Rental basis as per the agreement entered with the Parties.

xvi. **Car Parking Collection** has been accounted on actual basis.

xvii. **Power Supply and Transmission Charges**

Revenue from Power Supply and Transmission Charges are accounted for on the basis of billing to State Transmission Utility i.e. Maharashtra State Electricity Distribution Corporation Limited.

xviii. **Finance and Other Income**

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Revenue is recognized 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 payments.

n. **Government grants:**

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in capital reserve as deferred income and are credited to Profit and Loss on a written down value over the remaining period of the project and presented within other income.

o. **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group chief operating decision maker has disclosed business segment as the primary segment the Group operation predominately relate to "Engineering and procurement constructions", "Tolls" "Mining", "Hazardous". The segment revenue, segment result, segment assets and segment liability includes respective amounts identifiable to each of the segment and also amounts allocated on reasonable basis.

p. **Foreign Currency Transaction:**

i. Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

ii. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

The Group's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

q. **Employee Benefits:**

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognize the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

i. Defined Contribution plans:

Defined contribution plans are Provident fund, Employee state insurance scheme, Labour welfare fund and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The the Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is

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recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

ii. Defined Benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

Leave entitlement and compensated absences

The cost of short term compensated absences is provided for based on estimates. The company presents the entire leave as a current liability in the balance sheet, since it does not have as unconditional right to defer its settlement for 12 months after the reporting date.

r. **Bills Receivables and Trade Payable**

The balance of Bills Receivables and Trade Payables are subject to reconciliation with some parties. Any difference which may arise on reconciliation will be dealt in by the Company in subsequent years.
In the opinion of management the net effect may not be material.

s. **Borrowing Cost**

Interest and other costs in connection with the borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to Profit & Loss Account.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted unless that period is a necessary part of the process for the construction of the asset.

t. Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

-Fixed payments, including in-substance fixed payments;

-Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

-Amounts expected to be payable under a residual value guarantee; and

-The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any,

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arising under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Under Ind AS 17

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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u. **Taxes on Income**

Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

i) Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. 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.

ii) Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

v. **Earnings per share:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

w. **Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Provision for Landfill Cover Charges

The technical team works out the likely total cost, that will be required to cap the landfill and the likely quantity of waste in Metric Ton (MT) to be dispose off in landfill and derives the Per MT cost of cover charges. Based on this the provision is being done every year for the quantity of waste disposed. The actual cost of capping incurred during the year is adjusted against this provision.

Provision for Escrow Charges (Post Monitoring Charges)

Against the required post monitoring activity, the technical team evaluates the likely cost required for maintenance of each landfill. Based on this, Per Metric Ton Post monitoring cost is work out and provided for in the books against the actual quantity disposed during the year.

In case of SMS-AABS India Tollways Private Limited, the provision is adjusted every year based on the present value of future expenditure and adjustment required is charged to profit and loss account as financial cost. Such cost where measured at Rs. .81 crore for F Y 2020-21 (F Y 2019-20 Rs. 4.87 crore).

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

Recent Amendments

Amendment to Ind AS 7:
The amendment to Ind AS 7 required the entities to provide disclosured that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Standards issued but not yet effective

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 1 April, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to theCompanies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments revise Division I, II and III of Schedule III and are applicable to the Company for the financial year starting 1 April, 2021. Key amendments relating to Division II which relate to companies whose standalone financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet :

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.

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- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosure of some ratios (Current Ratio, Debt-Equity ratio, Return of Capital Employed, Return of Equity)

Statement of Profit and Loss :

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(₹ in Lacs)

3A Property, plant and equipment

	Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Road	Right to use asset	Mining Assets	Total
I	Gross carrying amounts												
	At 1st April 2019	0.95	162.36	4,780.78	76,338.74	842.30	9,384.87	1,170.97	858.73	-	-	-	97,537.75
	Additions	-	-	[illegible]	[illegible]	45.68	584.20	70.62	55.33	14.76	60.93	819.56	13,138.15
	Disposals	-	-	1.59	6,777.56	26.97	611.07	27.40	17.31	-	-	-	6,961.90
	Interhead adjustment	-	(42.30)	-	-	(0.35)	-	0.35	-	-	-	42.30	-
	At 31st March 2020	0.95	120.06	9,164.87	81,155.61	860.69	9,358.00	1,214.54	896.75	14.76	60.93	861.86	1,03,709.01
	At 1st April 2020	0.95	120.06	9,164.87	81,155.61	860.69	9,358.00	1,114.54	896.75	14.76	60.93	861.86	1,03,709.01
	Additions		-	452.31	2,903.21	24.27	408.25	40.72	41.07	-	-	640.59	4,510.41
	Disposals			17.63	518.91	10.90	97.36	65.64	70.98	-			782.41
	At 31st March 2021	0.95	120.06	9,599.56	83,539.91	874.06	9,668.89	1,188.61	866.84	14.76	60.93	1,502.45	1,07,437.01
II	Accumulated Depreciation												
	At 1st April 2019	0.09	-	5,239.67	57,273.95	681.76	8,423.47	874.30	701.48	-	-	-	74,260.71
	Charge for the year	0.01	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	71.14	0.04	14.77	24.10	5,418.96
	Disposals	-	-	-	[illegible]	[illegible]	605.14	27.40	[illegible]	-	-	-	5,889.64
	At 31st March 2020	0.10	-	5,673.66	56,406.40	752.91	8,165.37	937.38	815.32	0.04	14.77	24.10	73,790.04
	At 1st April 2020	0.10	-	5,673.66	56,406.40	752.91	8,165.37	937.38	815.32	0.04	14.77	24.10	73,790.04
	Charge for the year	0.01		520.91	3,728.42	43.08	370.29	77.64	59.37	13.04	11.18	16.35	4,840.89
	Disposals	-		13.00	421.75	10.83	09.06	41.14	66.63	-			622.39
	Interhead adjustment				(0.04)	0.57	-	(0.58)	0.01				(0.04)
	At 31st March 2021	0.11	-	7,181.56	59,713.03	785.75	8,406.60	973.30	808.07	13.67	25.95	40.45	73,008.50
	Net carrying amounts												
	At 31st March 2020	0.85	120.06	2,491.21	24,749.21	107.78	1,192.63	277.16	81.43	14.72	46.16	837.76	29,918.89
	At 31st March 2021	0.84	120.06	2,417.99	23,826.88	88.30	1,202.30	215.33	58.77	1.08	34.98	1,462.00	29,428.52

3B Capital Work- in- progress

Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Road	Right to use asset	Mining Assets	Total
At 31st March 2020	-	-	81.01	921.65	-	34.67	2.46	-	-	-	-	1,039.79
At 31st March 2021	-	-	77.89	1,200.87	-	-	-	-	-	-	414.54	1,693.30

Note : Capital Work-in-Progress includes Capital assets in Stores / Bonded Warehouse, which are not yet ready for use.

With effect from financial year 2019-2020 consequent to introduction of IND AS 116, the existing operating lease having balance period more than 12 month recognise as Property, plant and equipment under the head "right to use" in consistent with the accounting policy followed by the Company for accounting of lease.

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Tangible and Intangible assets are subject to first charge to secured long-term borrowings from the lenders.

SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March , 2021

(₹ in Lacs)

4	Investment Property	LAND	BUILDING	TOTAL
a	**Gross Carrying Amounts**			
	Balance as at 31st March 2019	1,236.61	379.27	1,615.89
	Addition	-	-	-
	Balance as at 31st March 2020	1,236.61	379.27	1,615.89
	Addition	216.80	-	216.80
	Balance as at 31st March 2021	1,453.42	379.27	1,832.69
b	**Accumulated Depreciation**			
	Balance as at 31st March 2019	-	56.04	56.04
	Depreciation charged	-	6.60	6.60
	Balance as at 31st March 2020	-	62.64	62.64
	Depreciation charged		6.60	6.60
	Balance as at 31st March 2021	-	69.23	69.23
c	**Net Carrying Amounts**			
	Balance as at 31st March 2020	1,236.61	316.63	1,553.25
	Balance as at 31st March 2021	1,453.42	310.04	1,763.46

Information regarding income and expenditure of investment property	As at 31 March 2021	As at 31 March 2020
Rental income derived from investment properties	11.72	14.52
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	0.03	1.95
Depreciation charged on the investment property that generated rental income during the year.	3.45	4.02
Profit arising from investment properties that generated rental income after depreciation and direct expenses	8.24	8.55
Direct operating expenses including repairs and maintenance arising from investment property that did not generat rental income during the year.		-
Depreciation charged on the investment property that did not generat rental income during the year.	3.15	2.58
Less – Depreciation	-	-
Profit/(Loss) arising from investment properties that did not generat rental income after depreciation and direct expenses	(3.15)	(2.58)
Net Profit/(Loss) from Investment acitvity.	5.09	5.97

The Company's investment properties consist of flats and land in India. The management has determined that the investment properties consist of two classes of assets – Land and Building – based on the nature, characteristics and risks of each property.

The valuation of few of the properties are valued by accrediated independent valuer in the last three financial years based on consistent policy followed by the company.In absence of complete valuation of all the investmet property, the fair value of the property are not disclosed.

SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March , 2021

	As at 31 March 2021	As at 31 March 2020
		(₹ In Lacs)
5 Goodwill		
a Investment in Subsidiaries (Unquoted)		
Goodwill arising on account of Consolidation (valued at cost)	680.93	681.07
Addition during the year	-	-
Derecognised due to elimination of subsidiary company consequent to liquidation	-	(0.14)
Closing balance	680.93	680.93

Note:- there is no impairement loss on account of goodwill arrises at the time of consolidation.

(₹ in Lacs)

6 Other Intangible Asset

		Computer Software	General Arrangement Drawing	Motor Car Permits	Project Facilities on NH-28	Right to use Assets	Rights to Collect Toll	Total
A	Gross carrying amount							
	At 1st April 2019	1,326.27	581.14	7,309.60	93,491.52	-	20,117.51	1,22,826.04
	Additions	33.74	-	-	3,340.85	60.32	319.72	3,754.63
	Disposal	-	-	-	1,016.73	-	47.53	1,064.26
	At 31st March 2020	1,360.01	581.14	7,309.60	95,815.64	60.32	20,389.70	1,25,516.41
	At 1st April 2020	1,360.01	581.14	7,309.60	95,815.64	60.32	20,389.70	1,25,516.41
	Additions	0.82	-	-	2,540.07	-	179.32	2,720.21
	Disposal	-	-	-	-	1.81	-	1.81
	At 31st March 2021	1,360.83	581.14	7,309.60	98,355.71	58.51	20,569.02	1,28,234.81

		Computer Software	General Arrangement Drawing	Motor Car Permits	Project Facilities on NH-28	Right to use Assets	Rights to Collect Toll	Total
B	Accumulated Amortisation							
	At 1st April 2019	622.49	123.75	1,678.63	48,842.88	-	2,460.89	53,728.65
	Charge for the year	156.42	22.40	243.41	13,987.80	18.10	490.12	14,918.25
	Disposal	-	-	-	-	-	27.65	27.65
	At 31st March 2020	778.91	146.15	1,922.04	62,830.69	18.10	2,923.36	68,619.25
	At 1st April 2020	778.91	146.15	1,922.04	62,830.69	18.10	2,923.36	68,619.25
	Charge for the year	137.90	22.40	243.41	15,106.83	17.32	509.12	16,036.98
	Disposal	-	-	-	-	-	-	-
	At 31st March 2021	916.81	168.55	2,165.45	77,937.52	35.42	3,432.48	84,656.22
C	Net carrying amounts							
	At 31st March 2020	581.11	434.99	5,387.56	32,984.95	42.23	17,466.33	56,897.15
	At 31st March 2021	444.03	412.59	5,144.15	20,418.19	23.09	17,136.53	43,578.58

Rights includes, Capital expenditure made for Cinema Construction which is not put to use as on Mar 21 due to non receipt of permission to operate. However Infrastructural part is completely ready to use & Operate, hence we have charged depreciation on the same.

7 Intangible Assets Under Development

(₹ in Lacs)

Particulars	Admin Building	Rights	Project Expenditures*	Other Intrangible assets under development	Total
Gross block					
Opening 01.04.2019	0.00	7.78	19,250.77	64.13	19,322.68
Addition	-	149.55		-	149.55
Disposal	-	7.78		-	7.78
Closing 31.03.2020	0.00	149.55	19,250.77	64.13	19,464.45
Opening 01.04.2020	0.00	149.55	19,250.77	64.13	19,464.45
Addition	-	-	952.73	5.74	958.47
Capitalised During the year	-	149.55			149.55
Closing 31.03.2021	0.00	-	20,203.50	69.87	20,273.37
Accumulation					
Opening 01.04.2019	-	-	4,305.14	-	4,305.14
Depreciation for the year	-	-	2,272.71	0.00	2,272.71
Depreciation on Disposal	-	-		(4.52)	(4.52)
Closing 31.03.2020	-	-	6,577.85	4.52	6,582.37
Opening 01.04.2020	-	-	6,577.85	4.52	6,582.37
Depreciation for the year	-	-	2,734.85	1.67	2,736.52
Depreciation on Disposal	-	-	-	-	-
Closing 31.03.2021	-	-	9,312.70	6.19	9,318.89
At 31st March 2020	0.00	149.55	12,672.92	59.60	12,882.08
At 31st March 2021	0.00	-	10,890.80	63.67	10,954.48

*Note- Provision for Construction and overlay Expenses represent the amount to be incurred in future years for execution of the project of Operate, Maintain and transfer Contract of Muzaffarpur-Darbhanga-Purnea, however the same has been provided in accordance with the Indian Accounting standard 37 "Provision, contingent liabilities and contingent assets". Further the same is also required for arriving at the correct amount of amortisation in accordance with matching principal of accounting.

For Spark Mall And Parking Private Limited-Food Court Construction amounting Rs 149.55 Lakhs in mall, has been put to use from 22.09.2020 and hence has been capitalised.

SMS Limited
Notes to Consolidated financial statements for the year ended 31 March 2021

		As at 31 March 2021	(₹ in Lacs) As at 31 March 2020
8	**Non-current Investments**		
a	**Investments accounted for using the equity method**		
	In Equity Instrument		
	i RCCL Infrastructure Pvt. Ltd # *15,65,200 (31 March 2020: 15,65,200)Equity shares of ₹ 10 each fully paid* *Including Goodwill 1.71 Lacs*	(0.00)	(0.00)
	ii SMS-AAMW Tollways Pvt. Ltd.# *2,600 (31 March 2020: 2,600)Equity shares of ₹ 10 each fully paid* *Including Goodwill Nil, Capital Reserve Nil*	-	-
		(0.00)	(0.00)
b	**Investment in Preference Instrument**	3,394.62	2,203.95
c	**Investment in Joint Ventures**	31.05	77.69
d	**Investment in Partnership Firm**	40,435.58	35,019.48
e	**Investment in Equity Instruments**	2,385.34	859.44
f	**Investment in Government Securities**	1.54	1.54
g	**Investment in Mutual Fund**	567.18	519.17
h	**Investment in Debt Instruments**	-	500.00
i	**Other Investments (unquoted): (At Fair Value through Other Comprehensive Income)**		
	Edelweiss Infrastructure Yelid Plus	269.00	187.75
		47,084.41	39,369.01

Note :-
In the absence of the financial statement of four Jointly Controlled Entities and one associate company, the same has not been consolidated in the consolidated financial statements and the balances appearing in the books of accounts of the company are considered. On the basis of information and explanation received from respective Jointly Controlled Entities, there are no substantial transaction initially during the financial year 2020-21.

\# 1 The investment in associate company accounted through equity method recognised at Nil. Considering the fact that the associate companies share in losses exceeds the carring value of investment.

2 Total unrecognised losses of associate company is Rs. -1109 Lacs as at 31/03/2021. (F.Y 2019-20 Rs.-1108.97 Lacs)

3 During F.Y 2020-21 the share in loss of associate company not accounted for amounts to Rs. -0.06 Lacs (F.Y 2019-20 Rs. -0.46 Lacs)

4 Total amount of accumulated losses of associate company recongised till 31.03.2019 after adjusting original cost of investment is reversed and debited to Holding reserve as on 01.04.2019 amounting to Rs. 1108.51 Lacs.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

Details of Non Current Investments

		As at 31 March 2021	As at 31 March 2020
A	**Investment in Equity Instruments**		
	Unquoted (Valued at cost)		
1	Equity Shares of Abhyudaya Co-operative Bank Limited 99990 (31 March 2020 : 99990) Equity Shares of ` 10/- each issued at Par	9.99	9.99
2	Khamgaon Urban Co-Operative Bank Ltd. 100 (31 March 2020: 100) Equity shares of ` 10/- each issued at Par	0.01	0.01
3	Nandura Urban Co-Operative Bank Ltd. 43 (31 March 2020: 43)Equity shares of ` 100/- each issued at Par	0.04	0.04
4	Malkapur Urban Co-Operative Bank Ltd. 1,000 (31 March 2020: 1000) Equity shares of ` 100/- each issued at par	1.00	1.00
5	Abhyudaya Co-operative Bank Limited	2.50	13.02
	Quoted (Valued at fair value through P&L		
6	Bharat Road Network Limited* 2730000 (31 March 2020: 2730000) Equity shares of ` 100/- each fully paid	-	835.38
7	Shares of Dhani Services** (14,10,944 shares of face Value Rs 10/- each) (31 March 2020 : Nil)	2,371.80	-
		2,385.34	859.44

* BHARAT ROAD NETWORKS LIMITED

1) The company sold 27,30,000/- number of share at total valuation of Rs 9,63,35,365/-. Hence, as on 31st March 2021 the value is Nil.

2) As on 31st March 2020 the value per share has reduced to Rs 30.60/-. Hence, Fair value of shares as on 31st March 2020 was Rs 8,35,38,000/-.

** DHANI SERVICES

1) The company purchased 14,10,944/- number of shares during the FY 20-21 at total valuation of Rs 23,07,94,986/- . Average purchase price per share is 163.57/-.

2) As on 31st March 2021 the value per share has increased to Rs 168.10/-. Hence, fair value of shares as on 31st March 2021 was Rs 23,71,79,686/-.

		As at 31 March 2021	As at 31 March 2020
B	**Investment in Preference shares of Associate Companies in India**		
	Unquoted (Valued at cost)		
1	Agroh Biaora Tollways Pvt Ltd *70,00,000, (previous year 70,00,000) 5% Non Cumulative Convertible Preference Shares of Rs.10 Each* *Note : As this are Convertible Preference shares, they are valued at cost*	700.00	700.00
2	Manawar Kukshi Tollways Pvt Ltd *6,00,000, (previous year 6,00,000)1% Cumulative Redeemable Preference Shares* *Note : Redeemable preference shares purchased for Rs. 6.00 Crores cumulative valued at Fair Value.*	171.50	154.50
3	Ayushajay Construction Pvt. Ltd. 4,34,03,730 (previous year 2,37,47,730) 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 10 Each Note : Redeemable Preference Shares purchased for Rs. 43.40 Crores valued at Fair Value. (previous year 23.75 Crores cumulative valued at Fair Value	1,095.88	576.46
4	Charu Infotech Pvt. Ltd. 62,26,600 (previous year 37,96,600), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 10 Each	156.25	89.98

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SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

Details of Non Current Investments

		As at 31 March 2021	As at 31 March 2020
	Note : Redeemable preference shares purchased for Rs. 6.23 Crores valued at Fair Value.(previous year 3.80 Crores) cumulative valued at Fair Value)		
5	Khalghat Manawar Toll Pvt. Ltd. 29,30,000, (previous year 29,30,000), 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares of Rs. 10 Each Note : Redeemable Preference Shares purchased for Rs. 2.93 Crores cumulative valued at Fair Value.	83.76	75.46
6	Madhav Infracon (BK Corridor) Pvt. Ltd. 15,00,000 (previous year : 15,00,000) 6.5% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.10 Each) Note : Redeemable Preference shares purchased for Rs. 1.50 Crores cumulative valued at Fair Value.	42.88	38.63
7	Sarangpur Agar Road Pvt. Ltd. 14,75,000 (previous year 14,75,000), 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares purchased for Rs. 1.47 Crores cumulative valued at Fair Value.	42.21	37.97
8	Shilpy Finlease Pvt. Ltd. 50,20,600 (previous year 36,16,600), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased OF Rs. 10 Each Note : Redeemable Preference shares purchased for Rs. 5.02 Crores valued at Fair Value.(previous year 3.62 Crores) cumulative valued at Fair Value	127.86	65.848
9	Agroh Infrastruture Developers Private Limited 3,30,39,452 (previous year 1,76,39,452), 6% Non Convertible Redeemable Preference Shares of Rs. 10 Each Note : Redeemable Preference Shares purchased for Rs. 33.04 Crores valued at Fair Value. (previous year 17.64 Crores) cumulative valued at Fair Value)	829.13	425.09
10	BE Infratech Private Limited 9,00,000,(Previous Year : Nil) 0.0001% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased OF Rs. 100 Each Note : Redeemable Preference shares purchased for Rs. 9.00 Crores cumulative valued at Fair Value.	125.15	-
11	Spark Mall and Parking Pvt Ltd 1,00,00,000 Preference shares of Spark Mall and Parking Pvt Ltd (No - 1,00,00,000 shares of Face Value Rs 10/- each)	20.00	20.00
		3,394.62	2,203.95

*Spark Mall And Parking Private Limited (Formerly known as SMS Parking Solutions Private Limited)

The Company has entered in to an agreement for purchase of 58,45,540 number of equity Shares of Spark Mall & Parking Private Limited with SMS Limited (Holding Company) for consideration amounting to Rs.58,68,92,216/-

The equity shares have been pledged with the India bulls Housing Finance Ltd. against loan taken by Spark Mall & Parking Pvt. Ltd. for providing security to India bulls Housing Finance Ltd w.e.f 04.04.2020

C Investments in Mutual Funds (At Fair Value through Other Comprehensive Income)

Quoted

1	Aditya Birla Sun Life Dynamic Bond Fund-Growth-Regular Plan	152.53	135.42
2	Aditya Birla Sun Life Credit Risk Fund - Gr. REGULAR	8.48	7.57
3	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth		-
3	SBI Credit Risk Fund Regular Growth	14.72	13.63
4	SBI Dynamic Bond Fund - Regular Plan - Growth	142.58	134.45
5	Axis Banking & PSU Debt Fund - Growth (BDGPG)	3.63	3.37

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

Details of Non Current Investments

		As at 31 March 2021	As at 31 March 2020
6	IDFC Banking & PSU Debt Fund - Growth	85.21	44.55
7	IDFC Corporate Bond Fund	-	21.88
8	Nippon India Banking & PSU Debt Fund - Growth (earlier Reliance Banking & PSU Debt Fund - Growth)	-	23.97
9	Nippon India Floating Rate Fund - Growth Plan - (Earlier Reliance Floating Rate Fund - Growth Plan -)	-	23.80
10	UTI Equity Fund - Regular Growth Plan	38.61	12.42
11	ICICI Prudential Multicap Fund- Growth	33.30	10.29
12	Edelweiss Balanced Advantage Fund - Growth	62.40	24.13
13	HDFC Small Cap Fund-Regular	-	7.75
14	Mirae Asset India Equity Fund	-	8.99
15	Nippon India Large Cap Fund (Earlier Reliance Large Cap Fund)	-	8.37
16	State Bank of India mutual fund	25.72	14.82
Unquoted			
17	ICICI Prudential Banking & PSU Debt Fund - Growth	-	23.75
		567.18	519.16

D Investments in debentures or bonds (Valued at fair value through Other Comprehensive Income)

Quoted

	As at 31 March 2021	As at 31 March 2020
SREI Perpetual Debentures instrument	-	500.00
	-	500.00

E Investment in Partnership firm : (At amortised cost)

Unquoted

	As at 31 March 2021	As at 31 March 2020
SAN Finance Corporation (Related Party)	40,435.68	35,019.84
	40,435.68	35,019.84

F Other Investments (unquoted): (At Fair Value through Other Comprehensive Income)

		As at 31 March 2021	As at 31 March 2020
1	Edelweiss Infrastructure Yield Plus	269.00	187.75
		269.00	187.75

Additional Disclosure :

	As at 31 March 2021	As at 31 March 2020
Aggregate value of quoted investment at Cost	436.50	955.00
Agrregate value of quoted investment at Market Value	541.46	980.60
Agrregate value of Unquoted investment	40,704.68	35,230.98
Agrregate value of Impairment in value of Investment	-	-

Details of Partnership Firm as on 31st March 2021

Name of Partnership Firm: SAN Finance Corporation

Sr.no	Partners Name	Partners Capital (current)	Partners Capital (Fixed)
1)	Ajay Sancheti	(3,715.93)	0.13
2)	Anand Sancheti	(18,028.84)	0.13
3)	Paramveer Sancheti	(2,801.98)	0.06
4)	Akshay Sancheti	(2,479.95)	0.05
5)	Maharashtra Enviro Power Limited	40,435.68	0.13
	Total	13,408.97	0.50

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

Details of Non Current Investments

As at 31 March 2021 | As at 31 March 2020

Details of Partnership Firm as on 31st March 2020

Name of Partnership Firm: SAN Finance Corporation

Sr.no	Partners Name	Partners Capital (current)	Partners Capital (Fixed)
1)	Ajay Sancheti	(3,330.70)	0.13
2)	Anand Sancheti	(18,164.18)	0.13
3)	Paramveer Sancheti (Legal Heirs of Mr. Abhay Sancheti)	(4,874.06)	0.06
4)	Akshay Sancheti (Legal Heirs of Mr. Abhay Sancheti)	(2,650.22)	0.06
5)	Maharashtra Enviro Power Limited	35,019.36	0.13
	Total	6,000.20	0.50

Note :-

1. Loss in share of Rs. 217.93 lacs of San Finance Corporation for the F.Y 18-19 is accounted for in F.Y 19-20 as the audited finanacial statements of F.Y 18-19 were received in F.Y 19-20

3. Following Mutual Funds & Debenture Instrument are Pledged as security against Axis Bank Cash Credit Limit.

(a) Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan having Folio No. 1037221761.

(b) Aditya Birla Sun Life Credit Risk Fund Gr. Regular having Folio No.1018373855

(c) SBI Dyanamic Bond Fund - Regular Plan - Growth Folio No. 20003588

(d) SBI Credit Risk Fund Regular Growth Folio No.16544310.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

F Investments in Joint Venture (Valued at cost)

Name of the Venture	Name of Venture Partner/s	Constitution of Entity	Share of Interest	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
				Total Capital of Firm	Investment	Total Capital of Firm	Investment
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)	Brahamaputra Infrastructure Pvt. Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Infrastructure Ltd. 49%	48.95	17.34	48.91	17.34
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V)	Brahamaputra Consortium Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	(1.40)	11.59	(1.49)	11.59
SMS Infrastructure Ltd. & Shree Nath Enterprises(J.V)	Shreenath Enterprises	Partnership Firm	SMS Ltd. 36.50% Shreenath Enterprises 63.50%			383.50	40.50
MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV)	(1) M/s Datta Meghe Institute of Medical Science (DMIMS) (2) M/s Nagar Yuwak Shikshan Sanstha (NYSS) (3) M/s Shri Sainath Textile Private Limited (SSTPL)	Association of Person	SMS Limited 50% DMIMS 10% NYSS 30% SSTPL 10%			200.33	8.26
SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)	B. P. Construction Co. Pvt Ltd (JV)	Partnership Firm	SMS Infrastructure Ltd. 61% B. P. Construction Co. Pvt. Ltd. 39%	(2.56)	-	(2.56)	-
M/S SAKET - SMSL JV	Saket Infraprojects Pvt Ltd	Partnership Firm	SMS Ltd. 40% & Saket Infraprojects Pvt Ltd. 60%	46.84	2.12		-
					31.05		77.69

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ In Lacs)

	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
9 Loans				
A Loan to related parties				
Loans receivables considered good Unsecured				
Joint Controlled entitites	-	-	9,171.37	6,819.49
B Other loans				
Loans receivables considered good Unsecured				
Other Parties*	625.15	5,146.50	12,280.03	10,669.33
Total	625.15	5,146.50	21,451.40	17,488.82

SMS ENVOCLEAN PRIVATE LIMITED (Non Current)

*Loan given to Gaya Railway Infra Pvt Ltd @8% (CY : Rs. Nil, PY : Rs 171.55 Lacs) , GHR Education Foundation Society @ 6.78% (CY : Rs. 425.00 Lacs, PY : Rs 706.27 Lacs), Active Infrastructure Pvt Ltd @8% (CY : Rs. Nil, PY : Rs 146.33 Lacs)and SGR Education Foundation @ 5% (CY : Rs. 200.15 Lacs, PY : Rs Nil)and these loan does not have specific repayment term but the company expects the repayment after 12 month from the date of Balance Sheet.

SMS Hazardous Waste Management Private Limited (Current)

Unsecured loan (CY : Rs. 35.19 Lacs, PY : Rs Nil) given to Veetrag Exploration and Minerals Private limited is non-interest bearing. The terms of repayment are not stipulated and accordingly classified as current loans.

Spark Mall and Parking Private Limited (Current)

Loan given to SPANV Medisearch Lifesciences Pvt Ltd are repayable on demand (CY : Rs. 6275.44 Lacs, PY : Rs Nil). Loan to all other related parties are repayable on demand.

SMS VIDHYUT PRIVATE LIMITED (Current)

Unsecured loan given to Veetrag Exploration and Minerals Private limited (CY : Rs. 5.74 Lacs, PY : Rs Nil) and SMS Limited (CY : Rs. Nil, PY : Rs 245.98 Lacs) is non-interest bearing. The terms of repayment are not stipulated and accordingly classified as current loans.

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED (Current)

Loans given to related parties are repayable on demand.(CY : Rs. 12.90 Lacs, PY : Rs 64.57 Lacs)

Loans given to parties other than related parties are repayable on demand(CY : Rs. 15.54 Lacs, PY : Rs 45.95 Lacs)

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March 2021	As at 31 March 2020
10	**Non current financial assets**		
	(Unsecured considered good)		
	Fixed Deposit with remaining maturity for more than 12 months*	4,402.92	4,441.78
	Earnest Money Deposits	509.42	1,037.32
	Retention Money	4,581.76	5,619.82
	Security Deposit	3,985.20	3,313.65
	Other Receivables	35.56	40.92
	Share Application Money pending allotment**	1,432.57	-
		15,347.42	14,453.49

* Note:- Most of the Fixed Deposit receipts are held as a Margin Money/ Security Deposit against Letter of Credit/ Bank Guarantee/ Colateral security against Loans/ Other Commitment.

Share Application Money pending allotment**

		As at 31 March 2021	As at 31 March 2020
1	Shilpy Finlease Private Limited 10,80,000 (previous year : nil), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares applied at Rs. 10 Each Note : Redeemable Preference shares applied for Rs. 1.08 Crores valued at Fair Value.(previous year nil)	22.57	-
2	Surya International Private Limited (141, (previous year nil) 1% Convertible Debentures of Rs.10 Lakhs Each) Note : As this are Compulsorialy Convertible Debentures, they are valued at cost	1,410.00	-
		1,432.57	-

F.R.No.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March 2021	As at 31 March 2020
11	**A Current Tax Assets (Net)**		
	The details of income tax assets and liabilities		
	Income tax assets in case of some entities	14,094.21	14,002.38
	Income tax liabilities in case of some entities	(10,378.38)	(10,402.06)
	Net balance	3,715.84	3,600.32
	B Deferred Tax Assets (Net)		
	Deferred tax assets in case of some entities	16,471.56	15,390.24
	Minimum Alternate Tax Credit Entitlement	1,523.72	-
	Net deferred tax assets	17,995.28	15,390.24
	C Current Tax liability (Net)		
	Income tax liabilities in case of some entities	1,111.86	185.45
	Income tax assets in case of some entities	(606.79)	(172.20)
	Net balance	505.06	13.25
	D Deferred Tax liability (Net)		
	Deferred tax liabilities in case of some entities	424.97	151.81
	Net deferred tax liabilities	424.97	151.81

Note :-

1. In case of SMS Infolink Private Limited , SMS Hazardours Waste Management Pvt. Ltd., Pt. SMS Mines Indonesia & Waste Management Private Limited, as per the explanation of management, due to non-virtual certainty of future profits the deferred tax to the extent of the deferred tax asset on unabsorbed depreciation and carry forwarded business losses, has not been recognised.This is in accordance with Accounting Standard IND AS -12.

2. Jointly controlled operations have not consider & calculated the deferred tax on the timing differences arrises between the income tax law & books of accounts prepared in accordance with applicable Financial reporting framwork.

Due to which, the deferred tax expenses / Income , and corresponding deferred tax assets / liabilities of jointy controlled operations has been considerd as Nil for the purpose of consolidated finacial statement.

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

No further Deferred Tax assets have been recognised in the FY 2018-19 since the company is under tax holiday period and the same is expected to be reversed in the tax holiday period itself.

The company has not exercised the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 as company is under tax holiday period as per section 80IA of the Income Tax Act, 1961.

F.R.No.
110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

		As at 31 March 2021	As at 31 March 2020
			(₹ in Lacs)
12	**Other Non Current Assets**		
	(Unsecured considered good)		
	a Capital advances	526.56	348.72
	b Advances other than Capital Advances		
	Security deposit to vendors & utilities	135.57	9.03
	Other	9.53	4.82
	c Prepaid expenses	6.48	11.41
		678.14	**373.99**

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

	As at March 31, 2021	As at March 31, 2020
13 Inventories (As taken and Valued at lower of Cost* or Net realisable Value and certified by management)		
Construction & Project Inventory	9,651.39	10,171.57
Work in progress	22,508.42	21,041.82
Stock-in-trade	1,617.33	63.02
Chemicals	69.87	47.11
Stores and spares	708.60	705.64
	34,555.62	32,029.57

*Note:- Refer significat accounting policy as per note no 2

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

			As at 31 March 2021	As at 31 March 2020
14	**Current Investments**			
	A	Investment in Listed Equity Shares	595.87	-
	B	Investment in Mutual Fund	204.43	-
	C	Investment in Debentures	500.00	-
	D	Investment in Limited Liability Partnership*	-	-
			1,300.30	-

Details of Current Investments

A	**Investment in Listed Equity Shares**		
1	Ashapura Minechem	41.06	-
2	Dilip Buildcon Ltd	256.50	-
3	Gammon Infra Projects	14.20	-
4	Gammon Infra Projects	90.16	-
5	HDFC Bank Ltd	7.77	-
6	Hindustan Construct	0.01	-
7	IDBI Bank Ltd	7.73	-
8	Infosys Ltd	13.86	-
9	JITF Infralogistic	0.19	-
10	JMC Projects India	0.02	-
11	Lemon Trees Hotels	8.94	-
12	MCNALLY Bharat	0.00	-
13	Moil Limited	15.61	-
14	NCC Ltd	2.25	-
15	NTPC Ltd	21.54	-
16	Patel Engineering	0.00	-
17	PTC India Financial	5.39	-
18	PTC India Ltd	9.76	-
19	Reliance Power Ltd	6.81	-
20	Sadbhav Engineering	0.03	-
21	Suven Life Science	1.78	-
22	Tata Motors	44.54	-
23	TCS Ltd	47.40	-
24	Union Bank	0.09	-
25	Yes Bank	0.25	-
		595.87	-
B	**Investment in Equity Instruments**		
	Investment in Mutual Funds : (At Fair Value through OCI)		
	Quoted		
1	IDFC Corporate Bond Fund	38.37	-
2	Nippon India Banking & PSU Debt Fund - Growth (Earlier Reliance)	40.45	-
3	Nippon India Floating Rate Fund - Growth Plan (Earlier Reliance)	40.51	-
4	HDFC Small Cap Fund - Regular Growth	15.77	-
5	Mirae Asset Large Cap Regular Growth	15.17	-

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SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March 2021	As at 31 March 2020
6			
	Nippon India Large Cap Fund - Growth (Earlier Relaince)	14.04	-
	Unquoted		
7	ICICI Prudential Banking & PSU Debt Fund - Growth	40.13	-
		204.43	-
C	**Investment in Debentures**		
	Investment in Debentures (Quoted) : (At Fair Value through OCI)		
1	SREI Perpetual Debentures Instrument**	500.00	-
		500.00	-

<u>**Additional Disclosure :**</u>

Aggregate value of quoted investment at Cost	1,240.37	-
Agrregate value of quoted investment at Market Value	1,260.18	-
Agrregate value of Unquoted Investment	40.13	-
Agrregate value of Impairment in value of Investment	53.61	-

Note:

Spark Mall and Parking Private Limited

*In F.Y. 2018-19, Company entered into LLP agreement with Cine Square Entertainment Pvt Ltd named as Reel Cine Square Cinemas LLP but has not made any investment till date. The LLP is in the process of striking off.

Maharashtra Enviro Power Limited

**SREI Perpetual Debentures Instrument are pledged as security agsinst Axis Bank cash credit limit.

F.R.N. 110534W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
		(₹ in Lacs)
15 Trade receivables (Current)		
Trade receivables Considered good, Unsecured		
Related Party	3,908.36	6,223.16
Other parties	28,730.11	30,559.79
	32,638.47	**36,782.94**

SMS VIDHYUT PRIVATE LIMITED

The trade receivables are subject to confirmation from the customer - MSEDCL. (CY : Rs. 34.17 Lacs, PY : Rs 46.25 Lacs)

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

The carrying amounts of trade receivables (CY : Rs. 172.06 Lacs, PY : Rs 164.61 Lacs)as at the reporting date approximate fair value. Trade receivables are predominantly non-interest bearing. Trade receivables are shown net of an allowance for bad or doubtful debts.

(₹ in Lacs)

		As at 31 March 2021	As at 31 March 2020
16 A	**Cash and cash equivalents**		
	Balances with banks in current accounts***	3,595.17	1,939.76
	FDR with maturity less than 3 months inculudes interest there on	1,545.68	1.74
	Cash on hand		
	a) In local currency	390.73	425.21
	b) In foreign Currency	0.13	0.13
	Marketable securities (Stated at Fair Value)		
	(Purchase at Cost Rs. 19,00,09,500/- (Previous Year nil)	1,907.43	-
	POS Receivable	0.22	-
	Paytm Wallet	0.00	-
	Debit balance in cash credit account**	95.62	104.88
	Fastag Receivables	66.56	
		7,601.54	2,471.72
B	**Other bank balances**		
	Fixed Deposits with Banks		
	FDR with remaining maturity for more than 3 months but less than 12 months*	4,955.35	4,825.46
		4,955.35	4,825.46

* Note:- Most of the Fixed Deposit receipts are held as a Margin Money/ Security Deposit against Letter of Credit/ Bank Guarantee/ Colateral security against Loans/ Other Commitment.

SMS ENVOCLEAN PRIVATE LIMITED**

Secured by First Hypothecation charge on entire current assets of the company both present and future. Also secured by way of collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters owned by Mr. Rajiv Nilawar, Mrs. Kusum Nilawar and Mrs. Shilabai Nilawar along with personal guarantee of Shri Paramveer Sancheti (land owners of above stated land). Total sanction limit from Axis bank CC account is Rs. 75 lacs (dated 28.12.2018) and the current rate of interest is 9.40% (MCLR 1 +2% PA). (CY : Rs. 121.36 Lacs, PY : Rs 109.88 Lacs)

SMS WATER GRACE BMW PRIVATE LIMITED**

The Cash credit limit issued by axis bank is freezed by bank due to Mortgage issues.

The other details are as follows : -

Secured by first charge by way of hypothecation on entire current assets of the company both present and future,also by first charge on entire fixed assets constructed out of the term loan, collateral security in the form of equitable mortgage/registered mortgage on Plot No 1 to 33, survey no 48/1-B, Mouza -Arni Suitated at Arni, Opp Tahasil OFfice, Arni, Yawatmal having total Plot Area 13500 sq. meters owned by Mr. Rajiv Nilawar, Mrs. Sheelabai Nilawar and Mrs. Kusum Nilawar. Also secured against the personal guarantees of Mr Paramveer Sancheti and owner of above stated of land. The current rate of interest is 9.55% (MCLR+2.00%) p.a for Cash Credit. Since there is a debit balance in cash credit accounts, the same is grouped under cash and cash equivalent.(CY : Rs. 95.62 Lacs, PY : Rs 104.88 Lacs)

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

***Bank balances and term deposits with banks by the company on a short-term basis with original maturity of three months or less (CY : Rs. 19.11 Lacs, PY : Rs 20.64 Lacs). The carrying amount of cash equivalents as at reporting date at fair value.

*Fixed Deposits include DSRA of Rs 15,00,00,000/- given as a security to SBI against loan availed from them.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

		As at 31 March 2021	As at 31 March 2020
			(₹ in Lacs)
17	**Other Current Financial Assets**		
	Amount receivable on account of TDS deducted	747.80	569.87
	Interest accrued but not due	31.01	29.01
	Retention money	2,580.91	3,573.23
	Security deposits	3,432.82	5,655.59
	Other receivables*	8,378.05	333.82
	Earnest Money Deposit	15.64	16.80
	Amount due from Partners of Jointly controlled entities	44.76	25.77
	Withheld Amount	6,566.75	9,082.05
	Stamp Duty Recoverable	26.75	-
	Recoverable from Related Parties	4.38	2.91
	VAT refund receivable - WCT	-	4.05
	Recoverable from Directors	11.77	-
		21,840.65	19,293.11

SMS VIDHYUT PRIVATE LIMITED

*The company has entered into MOU with Satellite Developer Private Limited ("the developer") to block/earmark a residential premises for Rs. 10600 lacs against deposit of Rs. 7500 Lacs which will be refunded upon payment of entire sales consideration of Rs. 10600 Lacs. After the due diligence and proposed additional cost, the Company has cancelled the agreement and converted the said amount into refundable deposit till the same is repaid by developer out of its project revenue. Pending repayment of the said amount, the EMI due to the lender will also be paid by the developer.

The developer has also given an undertaking for repayment of deposit of Rs. 7500 Lakhs along with replenishment of debt service reserve account (DSRA) in respect of the said Credit Facilities for a period of 3 months and also 4 post-dated cheques equivalent to 3 months EMI Payment due to the lender amounting to Rs. 206.25 Lakhs.

F.R.No.
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SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ In Lacs)

		As at 31 March 2021	As at 31 March 2020
18	**Other Current Assets**		
	Advances other than Capital Advances		
	Advance against expenses & Salary	87.74	66.30
	Advance to suppliers	7,680.64	5,553.06
	Advance to sub-contractors	1,493.77	947.09
	Other advances	21.71	9.01
	Deposit under protest	5,972.85	4,806.87
	Deposit under Appeal	34.52	34.52
	Prepaid expenses	1,330.11	1,471.83
	Deposit with Sales Tax Department	0.22	0.16
	Security Deposit	220.75	213.34
	Rent Deposit	6.07	6.07
	Statutory dues receivable :		
	Goods & Service Tax Receivable	4,420.35	2,766.48
	Service Tax Receivable	109.52	108.72
	Works Contract Tax Receivable	9.22	72.80
	Value Added Tax Receivable	5,811.57	6,110.88
	Other Balance with Revenue authorities	0.97	0.97
	Others :		
	Debit Balance in HDFC credit card	1.31	-
	Interest Receivable on Security Deposit	0.24	0.14
	Other receivable	1.34	0.27
		27,202.88	**22,168.52**

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SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

	As at 31 March, 2021	As at 31 March, 2020
		(₹ in Lacs)
19 Assets / Liabilities Classified as held for Sale		
A Assets classified as held for Sale		
Assets held for sale- Taxi Cars*	24.28	24.28
	24.28	**24.28**
B Liabilities classified as held for Sale		
Advances against assets held for sale	24.00	24.00
	24.00	**24.00**

* According to the agreement for sale of taxis, entire sale consideration is received / receivable in advance and is accounted as "Advance received / receivable against assets held for sale". Accordingly, the Gross Block & Accumulated Depreciation of the "taxi cars" assets is reduced from tangible assets and disclosed in currentassets under "asset held for sale Rs. 332,216/-.

The company has also transferred Gross Block & Accumulated Depreciation of few "taxi cars" from tangible assets and disclosed in current assets under "asset held for sale" Rs. 2,096,249/- for "taxi cars" for which it is obligated to transfer to DBO subscribers the "taxi cars" for which all necessary obligations are fulfilled for transfer of the "taxi cars" in the name of subscriber. In respect of GST on assets held for the sale, in the opinion of the management no GST is payable as GST is not attracted on assets held for sale since the assets are fully depreciated. Accordingly company has not provided for GST on the same.

F.R.No. 110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020
20 Equity Share capital		
a Authorized shares		
15,000,000 [31st March 2020 : 15,000,000] equity shares of par value ` 10/- each	1,500.00	1,500.00
b Issued, subscribed and fully paid-up shares		
10261382 ((31st March 2020 : 1,02,61,382) equity shares of par value ` 10/- each	1,026.14	1,026.14
Total issued, subscribed and fully paid-up share capital	1,026.14	1,026.14

c Reconciliation of the shares outstanding at the beginning and at the end of the financial year

Equity shares	As at 31 March, 2021 No.	Amount	As at 31 March, 2020 No.	Amount
At the begining of the year	1,02,61,382	1,026.14	1,02,61,382	1,026.14
Add : Issued During the Year	-	-	-	-
Outstanding at the end of the year	1,02,61,382	1,026.14	1,02,61,382	1,026.14

d Terms/Rights attached to shares

The company has only one class of equity shares having par value of ` 10 per share. each holder of equity shares is entitled to one vote per share. The dividend proposed by directors is subject to the approval of shareholders in the ensuing annual general meeting except in case of interim dividend.

In the event of liquidation of the company , the holders of equity shares will be entitled to receive assets remaining after prefrential payment of the company in proportion to the number of equity shares held by the shareholders.

e Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March, 2021 No.	% holding in the class	As at 31 March, 2020 No.	% holding in the class
Equity shares of par value ` 10/- each fully paid				
Shri Abhay Harakchand Sancheti	-	0.00%	3214656	31.33%
Shri Ajay Shaktikumar Sancheti	592687	5.78%	2410997	23.50%
Shri Anand Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Shri Paramveer Abhay Sancheti	1607348	15.66%	-	0.00%
Shri Nirbhay Ajay Sancheti	1818310	17.72%	-	0.00%
Shri Akshay Abhay Sancheti	1607348	15.66%	-	0.00%
Best Power Plus Private Limited	2224374	21.68%	2224374	21.68%

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020
21	**Other Equity**		
A	**Reserves & Surplus**		
	General Reserve		
	Balance as per the last financial statements	1,116.85	1,116.85
	Closing Balance	**1,116.85**	**1,116.85**
B	**Holding Reserve (Including Retained Earnings)**		
	Balance at the beginning of financial year	53,515.83	48,570.27
	Restatement / Prior Period Errors / Change in Accounting Policies	-	(6.34)
	Adjustment of Associate Company for reversal of unrecognised losses	-	1,108.51
	Restated Balance at the beginning of financial year	53,515.83	49,672.45
	ADD		
	Profit for the year	5,927.42	4,415.54
	Interim Dividend Paid including Dividend Distribution Tax	(504.50)	(676.30)
	Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	-	104.14
	Net surplus in the statement of profit and loss	58,938.76	53,515.83
C	**Other Comprehensive Income**		
	i Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value		
	Balance as per last financial statements	30.21	13.70
	Addition during the year	27.56	16.52
	Closing	**57.77**	**30.21**
	ii Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value		
	Balance as per last financial statements	(2,463.10)	(1,244.58)
	Addition during the year	(2,010.02)	(1,218.52)
	Closing	**(4,473.11)**	**(2,463.10)**
	iii Re-measurement gains or losses on defined benefit plans		
	Balance as per last financial statements	(115.40)	(93.75)
	Addition during the year	202.12	(21.65)
	Closing	**86.72**	**(115.40)**
	iv Unwinding Interest Income on investment in Preference Shares		
	Balance as per last financial statements	111.32	36.33
	Addition during the year	(19.74)	75.00
	Closing	91.59	111.32
	v Unwinding Interest on Preference Shares Issued		
	Balance as per last financial statements	(48.24)	(30.45)
	Addition during the year	135.14	(17.78)
	Closing	86.91	(48.24)
	Total Closing Balance	(4,150.13)	(2,485.20)

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SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020
D	**Securities Premium Account**		
	Balance as per the last financial statements	10,647.69	10,647.69
	Add: Additions during the year	-	-
	Less: amounts utilized during the year	-	-
	Closing Balance	**10,647.69**	**10,647.69**
E	**Capital Reserve**		
	Balance as per the last financial statements	101.50	101.50
	Add: Created during the year	-	-
	Less : Utilised during the year	-	-
	Closing Balance	**101.50**	**101.50**
	Total of other equity	**66,654.67**	**62,896.67**

SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March , 2021

(₹ In Lacs)

	As at 31 March 2021	As at 31 March 2020
22 Instruments entirely equity in nature		
Equity portion of Preference Share Capital		
Opening Share Capital	-	-
Equity portion of Preference Share Capital	604.82	604.82
Closing Share Capital	**604.82**	**604.82**

(Shares are 6% cumulative, non-convertible, redeemable preference shares after 15 years from the date of issue)

(This Note Covers the equity component of the issued non-convertible preference shares, and the liability component is disclosed as a part of financial liability)

Details of Shareholders holding :-		
Ayushajay Construction Private Limited (No. of Shares 2157840 & % Holding 21.60%)	215.78	215.78
Agroh Infrastructure Developers Private Limited (No. of Shares 2697300 & % Holding 27%)	269.73	269.73
Surya International Private Limited (No. of Shares 999000 & % Holding 10%)	99.90	99.90
B E Infratech Private Limited (No. of Shares 999000 & % Holding 10%)	99.90	99.90
Charu Infotech Private Limited (No. of Shares 539460 & % Holding 5.40%)	53.95	53.95
	739.26	739.26

As per the records of the company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.

F.R.No.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

	As at 31 March 2021	As at 31 March 2020
23 Money received against Share Warrants		
Precinct Concorde Private Limited– Associate Company of SMS TAXICABS PVT LTD	8,031.22	8,031.22
Closing Balance	8,031.22	8,031.22

M/s Precinct Concorde Private Limited - Associate Company, The Company has issued 50,000,000 share warrants which will be convertible into 50,000,000 equity shares of Rs. 10 each at a premium of Rs. 10 after completion of locking period.

SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March , 2021

(₹ in Lacs)

	As at 31 March 2021	As at 31 March 2020
24 Non-controlling interest		
Opening Balances	6,661.85	3,753.35
Restatement / Prior Period Errors / Change in Accounting Policies	-	(4.97)
Restated balance	**6,661.85**	**3,748.38**
Profit for the year	7,281.49	4,603.59
Other Comprehensvie Income for the year	(1,806.56)	(1,099.63)
Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	-	(590.49)
Interim Dividend paid	(988.81)	-
	11,147.98	6,661.85

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

	As at 31 March, 2021	As at 31 March, 2020
		(₹ in Lacs)
25 Non-current Borrowings		
I. Secured		
A Term loans		
i Banks		
Axis Bank Limited	6,755.85	71.77
Indian Overseas Bank	505.85	815.78
Indusind bank	66.87	117.35
State Bank of India	1,224.41	1,744.26
ICICI Bank Limited	556.05	513.00
Kotak Mahindra Bank Limited	4.17	144.48
HDFC Bank limited	211.17	85.25
Abhyudaya Co-operative Bank Limited	-	3,621.23
Punjab National Bank (GECL)	1,886.99	
ii Financial Institution		
Indiabulls Housing Finance	57,344.25	57,876.11
SREI Equipment Finance Private Limited	12,337.65	12,556.83
II. Unsecured		
A Preference Share Capital		
Liability portion of preference shares		
Liability component of Financial Instrument		
Non-Convertible Redeemable Preference shares (Refered Note No.22)	316.18	277.48
B From Related Parties	-0.00	224.59
C Others Parties		
Dhani Loan & Services	2,500.00	-
Rian Ventures Private Limited	-	258.35
Shri Gurudatta Sugars Limited	181.41	160.66
Adeshwar Gems Private Limited	322.41	297.63
Jinendra Diamonds Private Limited	71.52	65.46
PT Sinamarinda Lintas Nusantara	291.07	258.64
Others	111.28	-
	84,687.14	79,088.88

Note : For details of Securities other terms and conditions refer individual bank wise

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lacs)

25.1 Details of Securities and Terms of Repayments

I. SMS Limited

I. Secured

(A) Term Loans From Banks

(1) ICICI Bank Ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
LANAG00038272968	6.37	9.20%	28/11/2018	11	0.65	11 months
LANAG00038897641	8.71	9.25%	02/04/2019	15	0.65	1 year 3 months
LANAG00039405149	3.95	9.60%	04/06/2019	14	0.26	1 year 2 months
LANAG00039654714	4.44	9.60%	02/07/2019	19	0.26	1 year 7 months
LANAG00039789936	8.63	9.25%	09/07/2019	19	0.50	1 year 7 months
LQNAG00036832436/ 36503325	6.65	7.35%	21/12/2017	3	3.01	3 months
LQNAG00037183400	11.94	8.60%	31/03/2018	29	0.47	2 years 5 months
LQNAG00037304565	91.91	9.00%	03/05/2018	17	5.90	1 year 5 months
LQNAG00040788458/ 774/749/610/702/524 /565	36.82	10.50%	11/09/2019	23	1.83	1 years 11 months
LQNAG00041149057/ 976/032/743/944	115.16	10.79% 9.18% 9.03%	27/11/2019	26	5.07	2 years 2 months
LQNAG00042505239	179.01	9.18%	21/11/2020	31	6.54	2 years 7 months
LQNAG00043038691	54.16	9.51%	22/12/2020	45	1.40	3 years 9 months
LQNAG00043279407	55.03	8.12%	30/01/2021	46	1.39	3 years 10 months
LVNAG00043279314/L VNAG00043279236	58.87	8.01%	22/03/2021	46	1.49	3 years 10 months
UQNAG00041012049/ 104/172/884/082/097	307.13	8.00%	30/10/2019	25	14.12	2 year 1 month
Total	948.76					

(2) Kotak Mahindra Bank Ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
CE-571940	5.20	9.00%	02/09/2017	4	1.32	4 months
CE-582371/388/394/408/359/342/365/287/320/336/582489/582567	45.25	7.89% / 7.54% / 8.25%	29/09/2017	5	9.24	5 months
CE-645641	70.13	9.00%	13/04/2018	12	6.12	12 months
Total	120.58					

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ In Lacs)

(3) Indusind Bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
NNN00495E, NNN00494E	34.05	9.55%	05/02/2020	25	1.66	2 years 1 month
NNN00496E	19.15	9.55%	05/02/2020	26	0.81	2 years 2 months
NNN01115L,16L,17L,18L,19L,20L,21L,22L	40.06	9.57%	28/01/2020	26	1.78	2 years 2 months
NNN01124L, NNN01125L, NNN01126L	30.96	9.55%	07/02/2020	21	1.33	1 years 9 months
Total	124.22					

(4) Axis Bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
Various Contracts Bundled	1,874.24	9.50%	05/12/2020	45	49.67	3 years 9 months
Various Contracts Bundled	6,254.93	9.50%	05/12/2020	57	136.77	4 years 9 months
Various Contracts Bundled	236.24	9.50%	05/12/2020	33	8.16	2 years 9 months
Total	8365.41					

(5) HDFC Bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
85246517/85246521/85246527	50.71	8.66%	20/02/2021	34	3,12,183.00	2 years 10 months
116746861	8.23	7.45%	11/02/2021	35	26,312.00	2 years 11 months
117257454	23.73	7.50%	20/02/2021	35	75,682.00	2 years 11 months
116999012	14.33	7.45%	11/02/2021	35	45,796.00	2 years 11 months
Total	136.99					

(6) Punjab National Bank

Secured by second charge by way of hypothecation of current assets as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
3761002PD00000511	1,970.32	8.35%	19/01/2021	60	55,58,334.00	5 years
Total	1970.32					

(a) From Financial Institution

(1) SREI Equipment Finance Pvt. Ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
186515	2,342.19	12.99%	05/12/2019	47	27.47	3 year 11 months

F.R.No.

(₹ In Lacs)

187072/186516/187071	12,712.57	12.99%	05/12/2019	47	33.12	3 year 11 months
Total	15,054.75					

(2) Indiabulls Housing Finance Ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2021	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
HLLANAG00490113	4,924.17	14.00%	27/12/2019	54	62.54	4 years 6 months
Total	4,924.17					

II. SMS WATER GRACE BMW PRIVATE LIMITED

1) Secured :

(1) HDFC Bank Ltd

Secured by first charge by way of hypothecation of specific vehicle as specified in the schedule annexed to the agreement, vide sanction letter dated 22nd June 2017. The details of individual loans are as under.

Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Outstanding Balance as on 31.03.2021	Effective Rate of interest %	Total No. of installments	No of instalments due	Amount of instalment including interest
3 years 1 Month	23-Mar-19	5.07	10.30%	60	23	0.16

(2) Kotak Mahindra Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter dated 5th July 2018. The details of individual loans are as under.

Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Outstanding Balance as on 31.03.2021	Effective Rate of interest %	Total No. of installments	No of instalments due	Amount of instalment including interest
1 years 3 Months	5-Jul-18	6.02	9.60%	47	39	0.43

III. SMS ENVOCLEAN PRIVATE LIMITED

(i) Secured Term Loan From Bank

(1) Axis Bank Ltd

Secured by First Hypothecation charge on entire current assets of the company both present and future. Also First charge on entire fixed asset constructed out of the proposed term loan. Also secured by way of collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters along with personal guarantee of Shri Paramveer Sancheti(land owners of above stated land).

Total No. of Installments	Outstanding as on 31.03.2021	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of Instalment (Excluding interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
45	8.63	10.90%	7 Months	1.32	8.63	-
60	60.00	9.40%	1 Years	5.00	60.00	-
60	10.39	9.40%	7 months	1.54	10.39	-

(2) Kotak Mahindra Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of Instalment (Including Interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
25/01/2019	47	9.95%	1 Year 11 Months	0.30	3.19	-3.19

(3) HDFC Bank Ltd.

F.R.No.
112020W

(₹ in Lacs)

Secured by first charge by way of hypothecation of specific vehicle as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (Including interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
5-Feb-21	48	9.01%	3 Years 10 Months	0.45	3.97	13.40
5-Nov-20	48	9.12%	3 Years 7 Months	0.44	8.02	24.43
5-Nov-20	48	9.12%	3 Years 7 Months	0.45	8.11	24.72
15-Jan-20	48	9.10%	2 Years 9 Months	0.74	7.22	14.33
15-Jan-20	48	9.10%	2 Years 9 Months	0.28	2.70	5.35
15-Jan-20	48	9.10%	2 Years 9 Months	1.25	12.23	24.26
15-Jan-20	48	9.10%	2 Years 9 Months	0.29	2.81	5.58
15-Jan-20	48	9.10%	2 Years 9 Months	0.20	1.91	3.79

IV. MAHARASHTRA ENVIRO POWER LIMITED

The Long Term portion of Term loans are shown under Non Current borrowings and the current maturities of Non Current borrowings are shown under other current financial liabilities as per the disclosure requirement of Schedule III of Companies Act, 2013

(a) Other Loans

India Bulls Housing Finance Limited

The loan is secured against following property of the company viz. Plot No CHW-1 Butibori Industrial Area,Mandawa and Plot no. 56, Village Ranjagaon MIDC, Taluka Shirur MIDC, Maharashtra. Further, for this loan Co-applicant/ gaurantors are Bharti Sancheti, Abhay Sancheti (Through his leagal Heirs), Anand Sancheti, Vijaya Sancheti, Shruti Sancheti, Ajay Sancheti, Savita Sancheti, & SMS Limited.

Outstanding Balance as on 31.03.2021	Effective Rate of interest upto 31st March, 2021	Nature of Interst	Date of Agreement/ Sanction	Total No. of instalments	Amount of instalment including interest	Maturity period w.r.t. Balance Sheet date
25,853.50	12.50%	Fixed rate of Interst	26-Mar-18	103	465.18	8 years 7 Months

(b) Vehicle Loans

Secured by hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under. All Loans are having fixed interest Rate.

Outstanding Balance as on 31.03.2021	Effective Rate of interest %	Nature of Interst	Date of Agreement/ Sanction	No of instalments due	Amount of instalment including interest	Maturity period w.r.t. Balance Sheet date
1) ICICI Bank Ltd						
0.05	8.04%	Fixed rate of Interst	30-Dec-17	1	0.73	1 Months
0.05	8.04%		30-Dec-17	1	0.73	1 Months
0.05	8.04%		30-Dec-17	1	0.73	1 Months
0.05	8.04%		30-Dec-17	1	0.73	1 Months
0.03	8.32%		30-Dec-17	1	0.39	1 Months
0.05	8.04%		30-Dec-17	1	0.73	1 Months
0.04	8.09%		30-Dec-17	1	0.58	1 Month
0.04	8.09%		30-Dec-17	1	0.58	1 Month
0.05	8.04%		30-Dec-17	1	0.73	1 Months
0.05	8.04%		30-Dec-17	1	0.73	1 Months
11.56	10.50%		16-Dec-19	23	0.56	1 Years 11 Months
4.32	9.25%		07-Sep-18	30	0.16	2 Years 6 Months
4.32	9.25%		07-Sep-18	30	0.16	2 Years 6 Months
16.35	10.87%		15-Feb-20	25	0.74	2 Years 1 Months
0.05	8.04%		30-Dec-17	1	0.76	1 Months
0.05	8.04%		30-Dec-17	1	0.76	1 Months
8.97	9.60%		15-Jul-20	39	0.27	3 Years 3 Months
46.04						
2) Kotak Mahindra Bank Ltd						
6.66	7.98%		02-Sep-17	6	1.37	6 Months

F.R.No. 110534W

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lacs)

1.33	8.40%	Fixed rate of Interest	05-Jan-18	8	0.17	8 Months
1.33	8.40%		05-Jan-18	8	0.17	8 Months
4.82	7.76%		02-Sep-17	5	0.99	4 Months
14.12						

V. AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Installments falling due in respect of the above loan upto 31st March, 2022 (previous year: 31st March 2021) have been grouped under "Current maturities of long-term borrowings".

A Secured By :-

a) The term loans have been secured by the guarantee given by Maharashtra Enviro Power Limited, San Finance Corporation, BSS Associates, SPANV Medisearch Lifesciences Private Limited, Veetrag Hospitality Private Limited and Directors of the Holding Company.

b) Term Loans in respect of Rs 92.50 Crores from SBI:

i) Term Loan includes loan from bank/institutions which is secured by a first and exclusive charge as under:

i) Exclusive charge on all amounts owing to, and received by, the company in relation to Toll Receivables and all rights, titles, interests, benefits, claims and demands whatsoever in respect of Toll Receivables, both present and future

ii) Exclusive charge on all the bank accounts, both present and future, in relation to the Project, including the Escrow Account and all rights, titles, interests, benefits, claims and demands whatsoever in respect of such bank accounts or any replacement thereof, including all monies, securities, instruments, investments, and other properties deposited in such bank accounts, including investments in mutual funds and fixed deposits.

B Terms of Repayment are given as under:-

The term loans are repayable in monthly instalments with last instalment of SBI being in March 2022.

* In respect of Term Loan of Rs 50 Crores, the guarantee has been given by SMS Limited, Directors of SMS Limited, Relatives of Directors, Maharashtra Enviro Power Limited, San Finance Corporation, BSS Associates, Veetrag Developers Private Limited and Spanv Corporation.

* In respect of Term Loan of Rs 6.5 Crores, the guarantee has been given by SMS Limited and its Directors.

C Interest Rate :-

The Term loan have been sanctioned ar interest rate of 6M MCLR + 4.50% = 11.45%.

The above loans have been converted in FCNR-B (Foreign Currency Non Resident Bank) loan in $ with effect from 1st June 2021.

D Other Points :-

The above loan will be squared off in FY 21-22. However some portion has been reported in to Non Current Financial Liabilities to set off the Unamortised Processing Fees which will be expensed out in FY 2021-22 as it relates to that FY as per IND-AS rules.

VI. SMS Tolls and Developers Limited

Terms of repayment

1 Loan taken from SMS Limited is unsecured and non-interest bearing. The terms of repayment are not stipulated and accordingly considered as "Repayable on Demand".

VII. Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)

I) Details of Securities and Terms of Repayment

(a) Term Loans

Date of Agreement/ Sanction	Bank name & account no.	Maturity period w.r.t. Balance Sheet date	Effective Rate of Interest %	Balance No/ of Interest instalments	Principal Instalmet	Outstanding Balance as on 31.03.2021
12/06/2010	Indian Overseas Bank A/c- 87503271000003	2 years	12.00%	24	96.00	889.85
17/03/2009	SBI A/c no- 00000064060911 700	2 years	12.00%	24	96.00	898.66

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lacs)

17/03/2009	SBI A/c no-00000052132001 210	2 years	12.00%	24	110.67	953.19

Security (for all loan account under consortium arrangement)

Primary

1. On paripassu basis for a debt component of Rs. 109 Crores.

2. First charge by way of hypothecation of all movable assets and receivables/revenues both present and future.

3. First charge on all borrower's bank accounts including without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the borrower under any project document or contract.

4. A first charge /assignment /security interest on the borrower's rights under the projects document, concession agreement, contracts and all licenses, permits, approvals, consents and insurance polices in respect of the project.

Corporate Guarantee

1. Corporate guarantee given by its holding company SMS Limited.

Collateral

NIL

(b) Other Loans

1) India Bulls Housing Finance Limited

(₹ In lakhs)

Date of Agreement/ Sanction	Agreement No.	Maturity period w.r.t. Balance Sheet date	Effective Rate of interest %	Total No. of instalments	Amount of instalment including interest	Outstanding Balance as on 31.03.2021
28/05/2020	HLAPNAG004013 14 (91 Cr)**	-	-	-	-	-
14/08/2020	HLAPNAG004918 51 (35 cr)	9 years 6 months	14.00%	114	54.34	3,416.54
31/07/2020	HLAPNAG004918 26 (40 cr)	9 years 5 months	14.00%	113	62.11	3,888.06
19/12/2019	HLLANAG004900 94 (80 cr)	4 years 6 months	14.00%	54	100.06	8,575.09

The Company has entered in to an agreement for purchase of 58,45,540 number of equity Shares of Spark Mall & Parking Private Limited with SMS Limited (Holding Company) for consideration amounting to Rs.58,68,92,216/-.

The equity shares have been pledged with the india bulls Housing Finance Ltd. against loan taken by Spark Mall & Parking Pvt. Ltd. for providing security to India bulls Housing Finance Ltd w.e.f 04.04.2020.

Note : HLAPNAG00491314 (91 Cr) closure date was Jun-2021, however w.e.f. Apr-2021 this Loan a/c has been converted into Over Draft facility for 3 Years.

Property Mortagaged

Loan A/c	Properties Details	Properties Owned By
HLAPNAG00491314 (91 Cr) HLAPNAG00491851 (35 cr) HLAPNAG00491826 (40 cr) HLLANAG00490094 (80 cr)	Pehalwan Dhaba	SMS Infrastructure Ltd
	Paul Complex	BSS Associates
	Plot No M-7 Green Park New Delhi	Anand Sancheti
	PSB Dhantoli	Veetrag Hospitality Pvt Ltd
	Nagpur Club	Bharti Abhay Sancheti+ Savita Ajay Sancheti + Shruti Sancheti, Abhay Sancheti(HUF)+ Ajay Sancheti(HUF) + Anand Sancheti(HUF)
	P No 1 -21/23/28 Nandura	Shaktikumar Sancheti/ Anand Sancheti/ Abhay Sancheti/ Ajay Sancheti
	Shashwat	Paramveer Sancheti/ Akshay Sancheti/ Bharti Sancheti
	Saket	Ajay Sancheti/ Savita Sancheti
	Attulya Hindustan Colony	Anand Sancheti
	P no.5-A, Dharampeth	Savita Sancheti

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

₹ in Lacs)

II Repayment schedule and default

Name of Bank	Repayment Schedule	Rate of Interest as on 31.03.2021	Rate of Interest as on 31.03.2020
From Indian Overseas Bank Term Loan	41 quarterly	12.00%	16.00%
From State Bank of Hyderabad Term Loan	installments	12.00%	16.00%
From State Bank of Mysore Term Loan	commenced	12.00%	16.00%

W.e.f. Aug-2020, ROI has been reduced from 16% to 12%

III Delay and default of Loan

The delays and default of loan details as under:-

Interest Repayment default

Name of Loan-IOB-0003

Due date	Amount due	Date of Payment	Amount Paid	Overdue days
22/03/2021	10,22,091.00	30/03/2021	10,22,091.00	8

Bank Name : Indiabulls (80 CR)

APSID : 1087367

Due date	Amount due	Date of Payment	Amount Paid	Overdue days
05/03/2021	1,00,06,021	31/03/2021	1,00,06,021	26

Bank Name : Indiabulls (91 CR)

APSID : 1098655

Due date	Amount due	Date of Payment	Amount Paid	Overdue days
05/03/2021	1,10,71,900	31/03/2021	1,10,71,900	26

Bank Name : Indiabulls (40 CR)

APSID : 1099716

Due date	Amount due	Date of Payment	Amount Paid	Overdue days
05/03/2021	45,55,385	31/03/2021	45,55,385	26

Bank Name : Indiabulls (35 CR)

APSID : 1099915

Due date	Amount due	Date of Payment	Amount Paid	Overdue days
05/03/2021	40,02,665	31/03/2021	40,02,665	26

Principal Repayment default

Name of Loan-IOB-0003

Due date	Amount due	Date of Payment	Amount Paid	Overdue days
22/03/2021	96,00,009	30/03/2021	96,00,009	8

Bank Name : Indiabulls (40 CR)

APSID : 1099716

Due date	Amount due	Date of Paymer	Amount Paid	Overdue days
05/03/2021	16,55,272	31/03/2021	16,55,272	26

Bank Name : Indiabulls (35 CR)

APSID : 1099915

Due date	Amount due	ate of Payment	Amount Paid	Overdue days
05/03/2021	14,31,660	31/03/2021	14,31,660	26

The delays in repayment of interest and principal amount due during financial year 2020-21 were regularised before 31st March 2021.

(₹ In Lacs)

Terms of Preference Shares

a. The said preference shares shall carry preferential rights to receive dividend at the rate of 12% per annum in the year in which the company declares dividend and shall be Non Cumulative Optionally Convertible Redeemable Preference Share. The Dividend in the year in which shares are allotted will be in proportion to the period in respect of which such shares remain paid provided that dividend is declared.

b. Such Preference Shares Shall be nomenclature as " 12% Optionally Convertible Non Cumulative Redeemable Preference Share" (OCNCRPS)

c. The OCNCRPS shall be convertible at the option of the shareholder as well as the issuer. Each OCNCRPS shall be convertible after a period of 120 months from the date of allotment into one Fully paid Equity Share of Rs. 10/- each of the company at par ar the option of OCNCRPS Shareholders by giving one month's notice.

d. The said preference shares shall be redeemable at the option of the company at any time before 20 years. Terms of Redemption are as follows:

i. OCNCRPS are redeemable at the issue price of Rs. 50 at any time before the expiry of 36 months from the date of allotment.

ii. OCNCRPS are redeemable at Rs. 63 at any time after 36 months but before the expiry of 60 months from the date of allotment.

iii. OCNCRPS are redeemable at Rs. 74 at any time after expiry of 60 months from the date of allotment but before end of 120 months from the date of allotment.

iv. OCNCRPS are redeemable at Rs. 110 at any time after expiry of 120 months from the date of allotment but before end of 180 months from the date of allotment.

v. OCNCRPS are redeemable at Rs. 170 at any time after expiry of 180 months from the date of allotment but before end of 235 months from the date of allotment.

vi. OCNCRPS are redeemable at Rs. 270 at any time after expiry of 235 months from the date of allotment but before end of 240 months from the date of allotment.

e. Such preference shares shall carry preferential right for redemption of the capital on the winding up the company.

f. The voting rights on such Preference Shares shall be in accordance with the provisions of section 47 of the Companies Act, 2013, whenever applicable.

VIII. SMS VIDHYUT PRIVATE LIMITED

A **Details of Unsecured Loans**

1 Interest paid to Raan Ventures Pvt Ltd @ 7% (2019-20)and Ohani Loans & service @ 11% (2020-21)

B **Details of Securities and Terms of Repayments Of secured borrowings**

1 **Mortgage on loan HLLANAG00490093**

1) FF.201,202 SF&THIRD FLR, PAUL COMMERCIAL COMPLEX, MI AJNI, CS NO.1228, NAGPUR;
2) PL NO.273 SAKAR, DHARAMPETH CLNY, NAGPUR
3) P. NO. 1TO23, S.NO.6, P.NO.1A,1B,2,3,4A,4B,5A,5B,6,7,8, 8B,9A,9B, 10TO15 ,17TO19 ,20 ,A, 20B, 21A, 21B, 22A, 22B,NANDURA , BULDHANA,
4) F. NO.2501,TWR B,OMKAR1973 WORLI, MUMBAI NAGPUR MAHARASHTRA 440024

2 **Mortgage on loan HL27000042**

RESIDENTIAL UNIT - 19, 43RD AND 44TH FLOOR OF "SESEN" AT MALABAR AND CUMBALA HILLS DIVISION, MUMBAI - 400006. The charge creation is in process.

3 **ROI & Other Details**

Sr No.	Agreement No.	Date of Agreement/	Maturity period w.r.t. Balance	Effective Rate of interest	Total No. of instalments
1	HLLANAG00490093	19/12/2019	10 years	14%	120 - Monthly
2	HL27000042	31/12/2020	15 years	11%	180 - Monthly
3	5000332566	22/01/2021	10 years	11%	40 - Quarterly

There are no defaults as on balance sheet date, however, the delay in repayment of interest in principal amount due during financial year 2020-21 were regularised before 31st March 2021.

IX. SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED

Terms of borrowings

Overdraft facility of Rs. 50.00 Crore From SBI is a reducible OD, repayable on demand subject to last instalment to be paid by 2022, and the Rate of Interest being 1.85% above MCLR (Marginal Cost of Fund Based lending rate).

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lacs)

X. SMS TAXICABS PRIVATE LIMITED

The Term Loan from Shri Gurudatta Sugars Limited is availed for 24 months which is renewable for 24 months and is repayable at the end of the period alongwith interest @ 14%

The Term Loan from Adeshwar Gems Pvt Ltd is availed for 24 months which is renewable for 24 months and is repayable at the end of the period alongwith interest @ 9%

The Term Loan from Jinendra Diamonds Private Ltd. is availed for 24 months which is renewable for 24 months and is repayable at the end of the period alongwith interest @ 10%

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020
26	**Other Non- Current Financial Liabilities**		
	Deposits from outsiders	440.51	74.65
	Membership Deposits*	3,951.86	3,679.11
	Retention Money from sub contractor	2,015.41	2,579.42
	Security Deposit	1,438.53	1,243.35
	Rent Payable	0.72	0.70
	Other Paybles	35.00	35.00
		7,882.03	7,612.22

*Note : -

Membership Deposit is measured at amortised cost on undiscounted basis considering the fact that the maturity period of liability is unacsertained. Also Includes Rs. 1 Lacs from Butibori CETP Pvt Ltd. (Related Party)

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		Non-current		Current	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
27	**Provisions**				
	Provision for Employee benefits				
	Provision for Gratuity	1,328.94	1,451.93	109.62	73.03
	Provision for Leave benefit	299.32	403.53	86.08	144.26
	Other Provisions				
	Provision for Overlay Expenses*	-	-	-	170.31
	Landfill cover charges payable	1,579.59	1,478.94	112.55	112.55
	Provision for Toll Rights	20,300.84	31,750.89	-	-
	Provision for Lease Rent Payable	25.26	44.95	-	-
	Provision for Installment Payable to NHAI	-	-	742.41	522.52
	Provision for Expenses Payable	-	-	254.99	37.85
	Provision for Incineration charges	-	-	1,306.94	994.94
	Provision for Post Monitoring Charges	2,885.50	2,774.92	-	-
		26,419.45	37,965.17	2,612.60	2,055.45

*Note:- Provision for Contractual obligation is created towards the obligation of construction of Project Facility on an estimation basis, which is in accordance with the principles laid down in the Ind AS -37.

F.R.No.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ In Lacs)

	As at 31 March, 2021	As at 31 March, 2020
28 Other Non-current liabilities		
a Advances		
Mobilisation Advance from customers	1,021.58	2,379.90
Secured Advance from customers	576.06	1,240.87
b Other Advance		
Deferred -Govt grant	428.25	276.54
Security Deposit	275.95	0.50
Security Deposit from Tenant against Rent	193.24	192.13
	2,495.07	4,089.94

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

	As at 31 March, 2021	As at 31 March, 2020
		(₹ in Lacs)
29 Current Borrowings		
Loans repayable on demand		
Secured		
(A) Cash credit from banks*	34,747.72	31,860.69
Unsecured		
Loans from related parties**	10,157.93	10,812.07
From others	12,122.10	3,606.44
	57,027.75	**46,279.20**

I SMS Limited

1 *Cash Credits ((Rs.33,803.87 (PY RS.30,861.31)) & EVFS Secured by way of

a) Primary Security on stocks comprising of raw-material, work in progress, consumable stores and spare parts, receivable claims and bills both present and future , collateral securities of properties of the company as specified in sanction terms, its Directors and relatives as mentioned in the Annexures to the Deed of Hypothecation dated 29.04.2019 and TDR to the extent of ` 500 lacs (principal amount) ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of Directors to the extent of ` 137000.00 lacs for fund based and non fund based limits.

c) Personal guarantee of relatives of Directors as mentioned in the sanction letter to the extent of value of properties provided by them.

d) The cash credit is repayable on demand and is carries interest within the range of 8.60% to 10.55% p.a.

e) Shares of Following promoters are pledge against this cash credit and Non Fund based Limit.

Name of Shareholder	No of Shares
Ajay Sancheti	5,92,687
Anand Sancheti	5,92,687
Param Sancheti	3,95,218
Akshay Sancheti	3,95,218

2 The company has not defaulted in repayment of any loans and interest thereon as on the date of Balance Sheet. Unsecured loan do not have any specific repayment schedule. it will be payable on demand and carries interest within the range of 7% to 12% p.a.

II SMS ENVOCLEAN PRIVATE LIMITED

**Loans from Vishwanath Infrastructure Ltd does not have specific repayment terms and it is repayable on demand.(CY : Rs. 9.10 Lacs, PY : Rs 9.10 Lacs)

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

III MAHARASHTRA ENVIRO POWER LIMITED

Note:-

*Cash Credits from Axis Bank of Rs. 943.85 Lacs (PY-Rs.999.38 lacs)

The Loan is secured by Hypothecated of entire current assets and movable fixed assets of the company both present and future. Further the loan is secured by Personal Gurantee of Mr. Paramveer Sancheti and Mr. Anand Sancheti and Recuring Deposit at Rs. 5 lacs per month is to be created over the two years period. Also having charge over following investments of the company.

1)Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan.

2)Aditya Birla Sun Life Credit Risk Fund Gr. Regular.

3)SBI Dyanamic Bond Fund - Regular Plan - Growth

4)SBI Credit Risk Fund Regular Growth

5)SREI Perpetual Debenture Instrument.

IV Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private

1. The loan from related parties are interest free and repayable on demand.

2.India Bulls Housing Finance Limited Agreement No. HLAPNAG00491314 (91 Cr) closure date was Jun-2021, however w.e.f. Apr-2021 this Loan a/c has been converted into Over Draft facility for 3 Years.

V SMS VIDHYUT PRIVATE LIMITED

Details of Securities and Terms of Repayments

The loan from related parties are interest free and repayable on demand.

VI SMS Waste Management Private Limited

Loan from SMS Limited is interest free and is in the nature of short term which is repayable on demand.

VII SMS INFOLINK PRIVATE LIMITED

The unsecured loan above does not have a specific repayment term and is non interest bearing.

VIII SMS MINE DEVELOPERS PRIVATE LIMITED

Loan taken from SMS limited is unsecured & is non interest bearing. The terms of repayment are not stipulated and accordingly considered as current borrowings.

IX SMS Tolls & Developers Limited

Loan taken from SMS Limited is unsecured and non-interest bearing. The terms of repayment are not stipulated and accordingly considered as "Repayable on Demand".

F.R.N.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

		As at 31 March, 2021	As at 31 March, 2020
			(₹ in Lacs)
30	Trade Payable (Current)		
a	Letter of Credit Issued and Outstanding	2,722.90	2,457.09
b	Dues to Micro and small enterprises	177.14	233.86
c	Trade Payables other than (i) & (ii) above	17,014.85	19,998.61
		19,914.89	22,689.56

Note - Trade Payables

"FA. Trade Payables The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-	As at 31 March 2021	As at 31 March 2020
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	177.14	233.86
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d)The principal amount remaining unpaid to any supplier at the end of each accounting year;	0.92	0.09
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	9.61	5.48
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	4.13

Notes

SMS TAXICABS PRIVATE LIMITED

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence discloser relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED

Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given.

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Trade Payables are non-interest bearing.

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors and accordingly no additional disclosures have been made.

SMS TOLLS AND DEVELOPERS LIMITED

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2020. This information is required to be disclosed under the Micro and Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information\available with the company.

F.R.No. 110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020
31	**Other Current Financial Liabilities**		
	Current Maturities of Long Term debt	19,354.78	14,636.64
	Expenses Payable*	3,401.01	4,761.52
	Salary & Consultancy Payable	1,107.52	1,342.31
	Security Deposit	636.97	1,147.87
	Interest Accrured	883.07	673.51
	Retention Money	248.19	256.75
	Withheld Amount	574.46	230.22
	MIDC & other Charges Payable	147.23	137.67
	Amount Payable for Capital Goods	62.29	284.71
	Bonus payable	61.02	66.48
	Audit Fees Payable	7.16	8.09
	Credit card dues	-	1.89
	Credit balance of Current A/c due to Reconciliation	234.57	5,624.18
	Lease outstanding payments	0.11	2,267.31
	Amount due from Partners of Jointly controlled entities	2,209.13	91.28
	Credit balances in JV (Partnership firm)	0.00	-0.00
	Gratuity Payable	150.88	146.26
	Dues to creditors	2.21	-
	Mobilisation Advance from (NHAI)	107.44	51.55
	Muncipal taxes payable	-	54.29
	Other Payable	312.74	410.40
		29,500.78	32,192.92

MAHARASHTRA ENVIRO POWER LIMITED

*The Expenses Payble includes amount Provided for Services received from SMS limited Rs. 1,02,42,561/-

F.R.No. 110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020
32 Other Current Liabilities		
Advances Received :		
Advance From Customers	2,483.03	1,121.17
Statutory Dues payable :		
Goods & Service Tax Payable	1,399.69	1,035.98
Dividend Distributed Tax Payable	-	216.49
Employee State Insurance Corporation Payable	52.02	50.93
Profession Tax Payable	6.53	4.52
Provident Fund Payable	142.84	284.93
Value Added Tax Payable	686.91	769.68
Service tax payable	140.24	94.00
Tax deducted & collected at source Payable	707.99	1,038.70
Workers Cess Payable	0.24	0.21
Withholding tax	123.11	98.53
Interest payable on Tax collected at source	-	0.53
Provision for disputed tax deposit	-	12.33
Labour welfare fund payable	0.03	0.03
Other Payables :		
Deferred Government grant	351.39	177.05
Security Deposits	27.41	76.83
Other Payables	35.98	25.06
	6,157.42	5,006.97

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ In Lacs)

		Year ended 31 March 2021	Year ended 31 March 2020
33	**Revenue from operations**		
	Contract Receipts	81,213.64	1,00,596.78
	Toll Receipt	50,204.93	45,896.18
	Waste Disposal Charges	14,802.70	12,625.86
	Logistic Revenue	1,252.46	1,469.03
	Rent Income (Operational)	176.33	408.56
	Sale of Bags	369.33	309.69
	Sale of Scraps (Operational)	162.60	198.95
	Parking Collection	136.00	153.46
	Revenue from Operating Taxi cabs	15.20	110.40
	Operation & Maintenance Receipts	0.45	(361.44)
	Laboratory Income	43.08	79.40
	Sale of Electricity	275.99	78.96
	Revenue from DBO Subscriptions	73.28	75.85
	AMC Charges recovered	63.52	74.79
	Supervision Income	-	447.79
	Sale of Coal	-	36.07
	Shared Services with Food Court	-	1.07
		1,48,789.52	1,62,201.39

Disaggregate revenue information

MAHARASHTRA ENVIRO POWER LIMITED

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2021 by Nature. The Company believe that this disaggregation best depict show the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry,market and other economic factors.

Revenue related to waste Disposal Services based on Nature of Services

Landfill after Treatment	2,243.20	2,757.59
Direct Landfill	1,004.55	987.35
Incineration	6,105.00	6,388.36
Total :	9,352.75	10,133.31

EPC	53,477.42	65,555.21
Toll	50,780.03	46,521.91
Mining	27,161.58	34,538.26
Hazardous	16,630.17	14,682.92
Other	740.32	903.09
	1,48,789.52	1,62,201.39

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
		(₹ in Lacs)
34A Other income		
Interest Income	1,713.87	1,761.41
Grant Received/amortised*	750.26	838.61
Consultancy Services	-	361.00
Miscellaneous income	445.78	325.86
Net Profit on Currency Flactuation	557.70	177.53
Scrap Sales	176.60	165.65
insurance claim received	19.80	77.70
Balances written back	200.51	72.20
Profit on sale of investments	712.27	12.98
Commission Received	22.98	11.00
Income from Redemption of Liquid Investments	24.54	10.53
Membership & subscription fees	3.53	9.41
Forefeiture of Expired card	-	8.35
Rent Received	2.04	4.95
Security charges	68.33	2.59
Profit on sale of Fixed Assets	229.67	1.63
Other Incomes	6.47	0.57
Dividend Income	-	0.38
Gain arising on financial instrument measured at fair value through profit or loss**	7.33	-
Rental income on Investment Property	11.72	-
Share of profit in Joint Ventures	8.50	-
Testing Charges (Reimbursement)	4.00	
Notice Pay Recovery	0.67	0.75
Damages & claims	50.00	
Interest on Income Tax Refund	18.41	-
	5,034.99	3,843.09
34B Exchange Fluctuations		
Fair Value Gain on Equity Instrument	191.82	-
	191.82	-

MAHARASHTRA ENVIRO POWER LIMITED

*During the current year the company has received subsidy/Grant from Government Amounting to Rs. 694.50 Lcas Towards Landfill which were already being depreciated in earlier year. Due to which same has been considered as current year income and shown under the head other Income.

SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED

**Fair Value gain on Financial Instruments at fair value through profit and loss relates to the amount of investment held by the company in Mutual Funds which are classified as Current Financial Assets and recorded at its Fair Value.

F.R.No. 110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		Year ended 31 March 2021	Year ended 31 March 2020
35	**Cost of Raw/project material consumed**		
	Inventory at the beginning of the year	10,680.77	11,528.04
	Add: Purchases	19,055.83	22,753.13
	Less: Transfer of Material	-	(6.38)
	Less : Inventory at the end of the year	(11,672.53)	(10,680.77)
		18,064.07	23,594.01
36	**Direct Expenses**		
	Works contract expenses	35,132.61	34,389.73
	Fees to NHAI	8,000.29	7,726.96
	Machine Hire Charges	208.38	3,785.11
	Transportion, logistic and fright Charges	1,221.27	1,815.30
	Repairs and maintenance- Machineries	1,032.21	1,419.92
	Waste Disposal Expenses	1,190.08	1,385.97
	Power and fuel	1,345.54	1,237.40
	Maintenance Charges	871.49	1,036.55
	Chemical, stores, spares & other consumption	539.06	889.22
	Royalty	423.53	887.48
	Toll and Plant Operation Maintenance Expenses	734.36	637.55
	Insurance Expenses	349.91	392.61
	Coal and OB removal expense	-	278.12
	Repairs and maintenance- Vehicles	122.80	270.67
	Site work expenses	120.90	215.60
	Safety & Security Expenses	212.13	184.69
	Change of Scope	76.90	150.15
	Legal, technical and professional consultancy fees	66.84	124.86
	GST expenses	127.96	106.40
	MIDC Charges	123.80	102.52
	Rates and taxes	32.73	75.65
	Labour expenses	57.41	69.10
	Water charges	55.17	52.52
	Annual Maintainance Charges	39.03	35.58
	Travelling and conveyance, Toll Tax and Car Parking Expenses	12.99	19.24
	Landfill charges	599.57	18.50
	Brokerage & commission	7.81	10.41
	Testing and certification expenses	10.60	9.81
	Custom Duty	3.09	8.18
	Incentive expenses	30.42	7.27
	Medical Expenses	86.51	6.91
	Freight & Carting Expenses	0.62	3.83
	Miscelleneous expenses	2.24	1.15
	Additional fee For Non fasting Vehicles	62.68	-
	Repairs and maintenance- Buildings	-	0.68
	Repairs and maintenance- Computers	0.38	0.52
		52,901.32	57,356.18

F.R.No. 110033W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

		Year ended 31 March 2021	Year ended 31 March 2020
37	Purchase of Stock in trade	215.79	217.85
38	Change in Inventories of Stock in trade & Work in Progress		
	Work in Progress		
	Opening WIP	21,046.28	22,931.24
	Closing WIP	(22,546.18)	(20,955.56)
		(1,499.90)	1,975.68
	Stock in Trade		
	Opening Stock in Trade	63.02	39.78
	Closing Stock in trade	(70.39)	(63.02)
		(7.36)	(23.24)
		(1,507.26)	1,952.44

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

		Year ended March 31, 2020	(₹ In Lacs) Year ended March 31, 2020
39	**Employee Benefit Expense**		
	Salaries & wages		
	Salaries, Wages, Ex-gratia and Bonus	14,001.89	16,890.39
	Leave encashment	222.23	542.73
	Gratuity expenses*	420.51	577.19
	Contribution to Provident and other funds		
	Contribution to Provident and other funds	883.18	1,229.06
	Contribution to Employees State Insurance Corporation	38.81	61.29
	Staff welfare expenses	204.59	243.21
		15,771.20	**19,543.86**

* Note:- Since the Gratuity is unfunded the same is clubbed under head Salaries & Wages as per the guidance note on Division-II INDAS of Schedule III to the Companies Act, 2013.

40	**Finance Costs**		
	Interest cost		
	To Bank & Financial Institutions	18,159.08	15,521.31
	To Others	443.93	1,616.82
	On Gratuity	8.34	8.08
	On Mobilisation Advance	117.37	119.66
	On Unwinding of interest and Change in discount rate of Provision for Contractual Obligation	-	487.19
	Statutory dues	149.27	331.35
	Charges for bank finance/bank guarantee/ letter of credit	2,078.76	1,595.06
	Loan Charges	464.15	-
		21,420.91	**19,679.47**
41	**Depreciation and Amortization Expenses**		
	Depreciation of property, plant & equipement	4,841.76	5,420.12
	Depreciation of Investment Property	6.60	6.60
	Amortization of intangible assets	16,036.97	14,918.26
	Amortization of Intangible assets under development	2,734.85	2,272.71
		23,620.17	**22,617.68**

(₹ in Lacs)

		Year ended March 31, 2020	Year ended March 31, 2020
42	**Other Expenses**		
	Legal, consultancy and professional fees	1,847.11	1,973.43
	Fair valuation loss on equity instrument routed through P&L	-	1,754.03
	Repairs and maintenance Expenses	416.82	659.89
	Share of Loss from Joint Venture & Partnership Firm (which are not consolidated)	147.04	506.13
	Security charges	418.48	482.75
	Power and fuel	288.32	360.01
	Net loss on Foreign currency fluctuations	281.75	392.57
	Travelling and conveyance	134.82	368.03
	Office Expenses	271.32	338.78
	Rates and taxes	183.41	254.96
	Rent expenses	239.43	235.22
	Lodging & Boarding Charges	92.00	176.22
	Advertising and sales promotion	95.03	166.31
	Corporate Social Responsibility	795.69	154.18
	Loss on Sale of Property, Plant and Equipment including derecognition thereof	23.61	110.28
	Investment written off consequent to liquidation of subsidiary company	-	102.00
	VAT expenses	0.10	101.00
	Postage, Telephone & Internet Cost	67.50	83.38
	Interest and penalty	28.00	78.09
	Insurance Expenses	92.56	77.71
	Payment to Internal Auditor	61.44	71.60
	Printing and stationary	39.87	55.15
	Machine Hire Charges	71.74	53.60
	GST expenses	21.69	50.74
	Fooding Expenses	37.18	50.50
	Payment to Statutory Auditor	44.33	43.72
	Brokerage & commission	48.18	39.81
	Vehicle hire charges	22.35	37.95
	Guest House Expenses	26.85	36.47
	Balances written off	89.85	36.36
	Service tax expense	0.11	35.71
	Donation	114.09	23.69
	Bank Charges	31.36	21.71
	Tender expenses	7.21	11.31
	Membership & Subscription fees	9.82	9.82
	Transporting Charges	3.27	5.96
	Payment to Cost Auditor	5.25	5.25
	Freight and Carting Charges	6.82	2.85
	Medical Expenses	0.23	0.73
	Director sitting fees	0.40	0.60
	Books & periodicals	-	0.39
	Loss on Sale of Listed Equity Shares	52.56	-
	Share Trading Expenses	2.99	-

F.R.No.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

	Year ended March 31, 2020	(₹ In Lacs) Year ended March 31, 2020
Pantry & Housekeeping Expenses	24.61	11.37
Miscellaneous expenses	133.35	34.47
ROC Charges	1.18	0.83
Compensation	-	2.83
Festival & Decoration Exp.	3.55	4.18
	6,283.31	**9,022.59**

43 Tax Expenses		
Adjustment of tax relating to earlier periods	(409.47)	14.80
Deferred Tax	(1,626.98)	(782.97)
Current Tax	3,716.37	3,809.43
MAT Credit Available	(414.49)	-
	1,265.43	3,041.27

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

44 Capital Management

The primary objective of the company capital management is to maximize 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.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current Borrowings	84,687.14	79,088.88
Current Borrowing	57,027.75	46,279.20
Current Maturities of Non current Borrowing	19,354.78	14,636.64
Total Debt	1,61,069.66	1,40,004.71
Less : Cash & Cash Equivalent	7,601.54	2,471.72
Net debt	1,53,468.13	1,37,532.99
Equity	87,464.83	79,220.71
Total capital	87,464.83	79,220.71
Capital and net debt	2,40,932.96	2,16,753.70
Gearing Ratio	63.70%	63.45%

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Earnings Per Share (EPS)		
Net profit after tax and exceptional items for calculation of basic EPS	5,927.42	4,415.55
Effect of dilution	-	-
Net profit after tax and exceptional items for calculation of diluted EPS	5,927.42	4,415.55
Net profit after tax but before exceptional items & tax thereon for calculation of basic EPS	8,699.89	4,415.55
Effect of dilution	-	-
Net profit after tax but before exceptional items & tax thereon for calculation of diluted EPS	8,699.89	4,415.55
Weighted average number of equity shares in calculating basic EPS	1,02,61,382	1,02,61,382
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	1,02,61,382	1,02,61,382
1,02,61,382 (1,02,61,382) equity shares of ` 10/- each		
Earnings per equity share after exception item		
Basic	57.76	43.03
Diluted	57.76	43.03
Earnings per equity share before exception item		
Basic	84.78	43.03
Diluted	84.78	43.03

F.R.No. 110834W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in Lacs)

46 A Contingent Liabilities and Guarantees

	As at 31 March 2021	As at 31 March 2020
Contingent Liability		
Claims against the company not acknowledged as debts		
Income Tax Act	1,531.77	1,816.17
Service Tax including Penalty of Rs. 18,593.58 Lacs (Rs. 18,830.24 Lacs) *	43,842.18	42,368.38
Custom	90.00	80.00
Sales Tax/VAT	3,199.46	3,310.11
Life Time road transport tax	721.79	721.79
Legal Cases against company	312.03	312.03
Liquidated Damages**	1,476.08	-
Stamp Duty demand from UP Treasury Department	4,300.00	4,300.00
Employee related dues- Disputed salary / Full & Final	4.52	4.52
Property Tax	42.12	42.12
Guarantees excluding Financial Guarantees		
Corporate Guarantees to associate companies and joint venture***	31,882.91	42,166.71
Performance Bank Guarantees of Subsidiries & Associates Co's.	6,177.60	9,427.87
	93,580.46	1,04,549.70

SMS Limited

Note :-

1 * Includes Rs. 14,185 Lacs against appeal number ST/86550/2017 pending before CESTAT, Mumbai, wherein it is contended that the total demand of irregular credit cannot exceed the actual amount of credit availed and that reversal of credit is equivalent to non-availment of credit. Further, the Commissioner (Appeal), Central Excise & GST, Nagpur in order in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 has accepted that computation of reversal of credit made by SMS and dropped the entire demand as the company had reversed credit of INR 104.52 Lacs. It may be noted that the order passed by Commissioner (Appeal) is also for the same period of dispute, i.e., 2011-12 to 2014-15, as in aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai.

In view of the aforesaid legal precedents and order dated 23.08.2018 passed by Commissioner (Appeal), company is of the view that the total demand which may arise as outcome of the aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai should not exceed INR 104.52 Lacs i.e., actual amount of common credit availed by SMS Limited.

** Liquidate damages paid to ONGC in contested under arbitration.

*** Out of this company have received the "No Dues Certificate" from State Bank of India for Rs. 1851.67 lacs as on 16.09.2021 and from Indian Overseas Bank for Rs. 889.85 lacs as on 18.09.2021.

(₹ in Lacs)

46 A Contingent Liabilities and Guarantees

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

1 The Treasury Department of Uttar Pradesh vide its letter dated 14.01.2020 raised a demand of Rs 43 Crores including penalty of Rs 21.50 Crores pertaining to stamp duty and put a hold on the escrow account and current accounts of the company. Consequently the company paid an amount of Rs 17.61 Crore to the Treasury Department in FY 19-20. The hold on the accounts was released after depositing 50% of demand amount that is Rs 21.50 Crores. The company vide its letter dated 19.05.2020 made a representation to NHAI to adjust the amount paid by the company to Treasury against the NHAI concession fees for the months of January and February 2020. Consequently no demand has been raised by NHAI against the pending concession fees. The company in its books of accounts has adjusted the amount paid to Treasury Department against the due Concession fees.

2 The above matter was objected by company in the court of law and the case was fied with Allahabad Bench of High Court on 18.02.2020 and the matter is pending for hearing as on date of signing of Balance Sheet.

3 The Income Tax Department vide its document number ITBA/AST/S/216/2020-21/1031686637(1) dated 23/03/2021 demanded an amount of Rs 6,76,51,151/- against Income Tax Assessment for AY 2017-18. The company has filed appeal CIT(Appeals) via Ack. No. 343037081190421.

4 The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

5 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable in its financial statements. The Company has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

B Contingent Assets

Claim raised to the client not acknowledged as receivable*	8,965.66	8,965.66
	8,965.66	8,965.66

*Note - The company had gone for arbitration and raised several claims under various heads against its client - Konkan Railway Corporation Limited amountinng to Rs. 8965.66 Lakhs. Subsequently, the case has been filled by the company in the Delhi High Court and the same is pending with Court for final adjudication. Due to which, the same is considered as Contingent Asset and disclosed in the notes to accounts.

F.R.No.
118034W

(₹ in Lacs)

46 A **Contingent Liabilities and Guarantees**

Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)

The company has received notice from NDMC demanding property tax Rs. 229.34/- Lakhs (additional Tax and Penalty during the previous year Rs. 93.61/- Lakhs) on parking area for the period 01.04.2014 to 2018-19. Company have gone for Hon'ble Supreme Court on this issue, Outcome of case cannot be predicted reliably at this point of time. However, during the year supreme court ordered to pay principal portion of liability for filing further petition and accordingly company has paid Rs 187 Lakhs being principal amount, balance Interest & Penality is still contingent in nature.

SMS ENVOCLEAN PRIVATE LIMITED

Capital commitment includes amount payable for purchase of Land at Atkargaon for Project against which Rs. 101.50 given advance to M/s. Sahuwala Pasta Bombay for purchase of Land.

Maharshtra Enviro Power Limited

The holding company "SMS Ltd" has issued bank guarantee for Performance security to the authorities on behalf of the company to the tune of Rs.754.22 Lacs

SMS-AABS Tollways Private Limited

Further contingent liability not accounted for in the books of accounts is as under Bank guarantee of Rs. 43.20 crore as performance and financial security to NHI for execution of projects.

B **Commitments**

Capital Commitment	11,493.36	7,757.08
Revenue Commitment	77,489.03	36,938.33
	88,982.39	44,695.41

47 **Payment to Auditors (Excluding Taxes)**

As Auditor:		
Audit fee	36.09	34.98
Tax audit fee	5.25	5.75
Reimbursment of Expenses	-	0.14
In other capacity:		
Other services (Certification Fees & ROC expenses)	2.98	2.85
	44.32	43.72

(₹ in Lacs)

48 For SMS Limited While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ' 834857 lakhs out of which 12.68% is expected to be recognised as revenue in the next year and the balance thereafter.

49 Disclosure in accordance with Ind AS 115 'Revenue From Contracts with Customers' -

	PARTICULARS	2020-21	2019-20
A	Contracts with customers		
i	Revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue	Yes	Yes
ii	Any impairment losses recognised (in accordance with Ind AS 109) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts	NA	NA
Contract balances			
i	Opening Balances		
	Contract Receivable	34,281.17	29,498.09
	Contract Assets	23,158.75	32,827.49
	Contract Liability	3,620.77	5,464.14
ii	Closing Balance		
	Contract Receivable	29,812.08	34,281.17
	Contract Assets	19,119.18	23,158.75
	Contract Liability	1,597.64	3,620.77
i	Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,023.13	1,843.37
ii	Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price).	Nil	Nil
	Performance obligation satisfied when the services related with the work was completed.	Nil	Nil
	The significant payment term are when the work completed the related payment is due. The consideration receivable against the performnace obligation are variable and the all the factor related with the estimation of variable payment are considered at the the of recognittion.	Nil	Nil
iii	An explanation of the significant changes in the contract asset and the contract liability balances during the reporting period	Nil	Nil
	There is no significant change in the contract assets and contract liability balance during the reporting period.	Nil	Nil
Significant judgement in the application of standard			
i	An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following	Yes	Yes
	The timing of satisfaction of performance obligations	Yes	Yes
	The transaction price and the amounts allocated to performance obligations	Yes	Yes
Determining the timing of satisfaction of performance obligations			
i	the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied)	Yes	Yes
ii	an explanation of why the methods used provide a faithful depiction of the transfer of goods or services	Yes	Yes

F.R.No.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ In Lacs)

	50 Operating Lease Disclosures as per IND AS 116		
	Particulars	**2020-21**	**2019-20**
i	Depreciation charge for right-of-use assets	11.13	14.73
ii	Interest expenses on lease liabilities	3.29	2.01
iii	Expenses relating to shon term/ow value assets accounted on straight line or other systematic basis ove	NIL	NIL
iv	Additions and carrying value of right'of use assets.	34.28	45.42
v	Gain/loss arising from sale and lease back transaction	NIL	NIL

"Note - Refer accounting policy note no. 2.

"During the FY 19-20, the company has acquired the assets worth Rs. 58.52 Crores from SREI which were earlier under operating lease arrangement. As the title / ownership of the assets are transferred to the company during current financial year, as at the balance sheet date, there is no impact of adoption of New Ind AS 116 – Leases on these operating lease arrangement. Accordingly the recognition and disclosure requirements of New Ind AS 116 – Leases are not applied in respect of those operating lease arrangements.

The company has recognized the assets under the head Property, Plant and Equipment in the Audited Financial Statements."

SMS Vidhyut Private Limited

Operating Lease Disclosures as per IND AS 116

[a] **The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:**

i. Not later than one year - Rs. 0.11 Lakhs (Rupees eleven Thousand)

ii. Later than one year and not later than five years - Rs. 0.52 Lakhs (Rupees Fifty Two Thousand Five Hundred and Twenty Two)

iii. Later than five years - Rs. 2.31 Lakhs (Rupees two lacs thirty one Thousand)

(b) **The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date - Nil.**

(c) **Lease payments recognized in the statement of profit and loss for the year ended 31st March, 2021, with separate amounts for minimum lease payments and contingent rents.**

i. Lease Payment - Rs.10842

ii. Contingent Rent - Nil.

(d) **Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year ended 31st March, 2021 - Nil.**

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(e) A general description of the lessee's significant leasing arrangements:

i.Name of Lessor : Government Of Maharashtra, Water Resources Department

ii.Assets Description:

Name of Village	Area in Ha.	Remark
Kamthi Khairy (Survey No. 2)	1.5 Ha	RBC Hydro power projects
Deoli (Survey No. 1)	3 Ha	LBC Hydro power projects

iii.Terms and condition of lease.

The term of the lease shall be same as that of Hydro Power Development Agreement dated 22"d October,200T if Hydro Power Development Agreement is terminated for any of the reasons as mentioned in Hydro Power Development Agreement Land Lease shall stand terminated accordingly..

Generating company shall pay to GOMWRD land lease charges. Land lease shall be RS. 1(Rupee One) per kw per annum to be calculated on the basis of installed capacity of the project as approved 'in Techno Economic Feasibility Report for the first year.

Land Lease charges will be increased in .every subsequent year by 5 % by compounding. Year for the calculation of Land Lease,shall be from 1st of April to 31st of March. Land Lease charges from the first year shall be applicable. from the first. date of; month in which GOMWRD intimates Generating Company about site, being ready for delivery to 31st March of next calendar year. Generating company shall pay the Lease Rent of first year till advance within 30 days from the date on which it is intimated about readiness of the land for delivery Land Lease charges of subsequent years shall also be paid in advance up to 30thof April of every subsequent year.

If Generating Company fails to pay the Land ;Lease charges in stipulated time, it will have to pay Land Lease charges with interest at SBI prime, lending rate plus 2% (Two percent) per annum on delayed payment for delayed period. However, if the Generating Company fails to pay the'Land Lease Charges with interest up to 31st of the March of that year GOMWRD. shall recover the same from Performance Security Deposit. And the Generating Company shall.be intimated to recoup the Performance Security Deposit within 30 days. And failure of the Generating Company to recoup Performance Security Deposit within stipulated period it will be treated as event of default and the agreement shall be terminated.

Land Lease charges as mentioned in section 4 above shall be reviewed after 30 years if GOMWRD decides to extend; the term of this agreement. . However, such extension shall be solely at the discretion of the GOMWRD.

Generating company shall hand over the land along with the structure,plant & equipment on it at free of cost to GOMWRD at the end of lease period.

Generating company shall keep all Dam Componet at intact position.Also the Generating Company shall provide for access in leased area to the dam authorities for inspection of Dam components.

F.R.No. 110834W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in lacs)

51 **Employees Benefit**

A. **Define Contribution Plan**

SMS TAXICABS PRIVATE LIMITED

Amount recognized as an expense in the Profit and Loss Account in respect of Defined Contribution Plans (Provident Fund) is Rs. 273,498/- (P.Y. 183,013/-).

B. **Define benefit plan**

This section provides the Report under IND AS 19 in respect of Gratuity Plan.

Table I: Assumptions

	Gratuity plan		Leave encashment plan	
Assumptions	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount Rate	6.88% per annum	6.88% per annum	6.81 per annum	6.88% per annum
Rate of increase in Compensation levels	10.00% per annum	7.00% per annum	7.00% per annum	7.00% per annum
Rate of Return on Plan Assets	7.74% per annum	7.74% per annum	NA	NA
Average future service (in years)	24.94 Years	26.16 Years	24.59 Years	24.76 Years

Table II: Service Cost

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current Service Cost	248.25	424.51	126.51	133.20
Past Service Cost (including curtailment Gains/Losses)*	-	-	-	377.15
Gains or losses on Non Routine settlements	-	-	-	-
Total	248.25	424.51	126.51	510.35

*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.

Table III: Net Interest Cost

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest Cost on Defined Benefit Obligation	86.64	74.89	35.11	-
Interest Income on Plan Assets	11.40	11.99		-
Net Interest Cost (Income)	**75.24**	**62.90**	35.11	-

Table IV: Change in Present Value of Obligations

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening of defined benefit obligations	1,817.65	1,295.58	510.35	-
Service cost	322.79	497.35	126.51	510.35
Interest Cost	117.92	100.22	35.11	-
Benefit Paid	(191.57)	(71.80)	(433.06)	-
Actuarial (Gain)/Loss on total liabilities:	(321.47)	(3.71)	30.88	-
- due to change in financial assumptions	16.45	234.58	0.77	-
- due to change in demographic assumptions	-	-38.39	-	-
- due to experience variance	(336.63)	-251.89	30.10	-
Closing of defined benefit obligation	**1,746.62**	**1,854.05**	269.78	510.35

Table V: Change in Fair Value of Plan Assets

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening fair value of plan assets	165.75	154.36	-	-
Actual Return on Plan Assets	11.34	11.40	-	-
Employer Contribution	161.82	63.34	433.06	-
Benefit Paid	(161.82)	(63.34)	(433.06)	-
Closing fair value of plan assets	177.10	**165.75**	-	-

Table VI: Actuarial (Gain)/Loss on Plan Asset

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Expected Interest Income	11.40	11.99	-	NA
Actual Income on Plan Asset	11.34	11.40	-	NA
Actuarial gain /(loss) on Assets	(0.06)	(0.60)	-	NA

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in lacs)

51 Employees Benefit

Table VII: Other Comprehensive Income

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening amount recognized in OCI outside P&L account	-	-	-	NA
Actuarial (gain) / loss on liabilities	305.56	26.48	-	NA
Actuarial (gain) / loss on assets	(0.06)	(0.60)	-	NA
Closing amount recognized in OCI outside P&L account	305.50	25.88	-	NA

Table VIII: The amount to be recognized in Balance Sheet Statement

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Present Value of Obligations	1,173.60	1,321.87	269.78	510.35
Fair value of plan assets	177.10	165.75	-	-
Net Obligations	996.50	1,156.11	269.78	510.35
Amount not recognized due to asset limit	-	-	-	-
Net defined benefit liability / (assets) recognized in	996.50	1,156.11	269.78	510.35

Table IX: Expense Recognized in Statement of Profit and Loss

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Service cost	322.79	497.35	126.51	510.35
Net Interest Cost	106.51	88.23	35.11	-
Net actuarial (gain)/loss			30.88	-
Expenses Recognized in the statement of Profit & Loss	429.30	585.58	161.63	510.35

Table X: Change in Net Defined Obligations

All Figures in INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening of Net defined benefit liability	1,297.21	870.95	510.35	-
Service cost	261.69	438.89	126.51	510.35
Net Interest Cost	83.52	67.23	35.11	-
Re-measurements	(296.03)	-14.07	30.88	-
Employer Contribution	(182.48)	(65.80)	(433.06)	
Closing of Net defined benefit liability	1,163.91	1,297.21	269.78	510.35

Note: While preparing consolidated disclosure of Employee benefit we considered only financial of those subsidiaries in which these disclosures are available.

F.R.No.

52 Segment Reporting

(₹ in lacs)

a The company's primary business segments comprises of EPC, Toll and Mining. The business segments have been identified in line with IND AS 108 on Segment Reporting.

b Segment Revenue Results & Other information

Particulars	2020-21						2019-20					
	EPC	Toll	Mining	Hazardous	Other	Total	EPC	Toll	Mining	Hazardous	Other	Total
Revenue												
External sales	53,830.90	51,697.63	27,161.58	16,681.10	758.32	1,50,129.53	65,555.21	47,490.20	34,538.26	14,646.96	929.51	1,63,160.14
Inter segment sales	353.48	917.61	-	50.93	18.00	1,340.01	-	968.29	-	(35.96)	26.42	958.75
Total revenue	**53,477.42**	**50,780.03**	**27,161.58**	**16,630.17**	**740.32**	**1,48,789.52**	**65,555.21**	**46,521.91**	**34,538.26**	**14,682.92**	**903.09**	**1,62,201.39**
Results												
Segment results	9,754.93	40,684.15	17,437.27	12,326.25	357.50	80,560.11	28,107.59	35,947.14	11,543.83	10,334.69	274.69	86,207.05
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	6,179.29
Inter segment Expenses	968.54	420.86	-	3.15	-	1,392.55	932.33	14.52	-	-	0.90	947.74
Operating profit	**8,786.40**	**40,263.29**	**17,437.27**	**12,323.10**	**357.50**	**79,167.56**	**27,175.26**	**35,932.63**	**11,543.83**	**10,334.69**	**273.79**	**79,080.91**
Other Income	2,827.26	638.59	227.60	1,022.85	820.16	5,536.45	1,405.88	525.09	448.67	1,175.78	504.76	4,050.18
Employee Benefit Expense	2,491.86	2,853.35	8,775.87	1,502.31	199.77	15,823.16	14,798.26	1,447.28	59.99	300.81	2,945.06	19,551.40
Other Expenses	2,208.12	1,394.63	1,459.68	1,133.64	226.40	6,422.48	4,343.25	1,806.34	29.22	194.35	2,683.42	9,055.58
Finance costs	6,758.31	2,196.29	3,955.10	3,885.57	4,743.56	21,538.83	5,502.22	3,415.14	3,494.71	4,472.25	2,972.71	19,857.03
Depreciation / Amortisation	1,059.97	17,954.87	2,332.96	1,267.61	1,004.77	23,620.17	1,009.33	16,364.69	1,392.06	1,800.41	2,051.19	22,617.68
Inter segment	295.89	(120.67)	(117.92)	(0.51)	(4.25)	52.54	191.77	(3.00)	(177.55)	0.39	(22.61)	(11.00)
Profit before Exceptional Items & tax	**(1,200.50)**	**16,623.40**	**1,259.18**	**5,557.34**	**(4,992.60)**	**17,246.82**	**2,736.33**	**13,428.26**	**7,184.07**	**4,742.26**	**(9,851.21)**	**12,060.41**
Exceptional Items	2,772.47	-	-	-	-	2,772.47	-	-	-	-	-	-
Profit before tax	**(3,972.97)**	**16,623.34**	**1,259.18**	**5,557.34**	**(4,992.60)**	**14,474.35**	**2,736.33**	**13,428.26**	**7,184.07**	**4,742.26**	**(9,851.21)**	**12,060.41**
Current tax	(134.90)	543.41	-	-	2,898.39	3,306.90	1,423.16	220.15	-	-	2,180.92	3,824.23
Deferred Tax	168.22	(330.82)	-	(1,485.54)	(393.32)	(2,041.46)	(111.32)	3.18	-	(653.50)	(21.32)	(782.97)
Profit after tax	**(4,006.29)**	**16,410.75**	**1,259.18**	**7,042.88**	**(7,497.66)**	**13,208.92**	**1,424.49**	**13,204.93**	**7,184.07**	**5,395.76**	**(12,010.81)**	**9,019.14**
Assets												
Segment assets	1,00,386.85	67,117.24	59,440.07	59,694.48	57,101.89	3,43,740.53	1,10,662.53	78,520.19	51,132.22	54,072.25	42,244.77	3,36,631.97
Intercompany assets	10,456.15	5,236.58	515.44	37.39	2,378.97	18,624.53	11,391.48	5,202.15	491.77	822.64	2,333.85	20,241.89
Total assets	**89,930.70**	**61,880.66**	**58,924.63**	**59,657.09**	**54,722.92**	**3,25,116.00**	**99,271.05**	**73,318.04**	**50,640.45**	**53,249.61**	**39,910.92**	**3,16,390.07**
Liabilities												
Segment liabilities	60,952.19	35,206.78	49,896.76	43,138.04	66,896.55	2,56,090.31	96,995.81	55,394.70	13,391.13	42,972.21	48,472.01	2,57,225.87
Intercompany liabilities	318.94	3,382.04	6,469.29	133.11	8,135.78	18,439.15	495.18	5,899.78	5,817.24	235.00	7,609.31	20,056.51
Total liabilities	**60,633.25**	**31,824.74**	**43,427.46**	**43,004.93**	**58,760.77**	**2,37,651.16**	**96,500.63**	**49,494.92**	**7,573.89**	**42,737.21**	**40,862.70**	**2,37,169.36**

53 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:

1 Relationships (Related Party relationships are as identified by the Company and relied upon by the auditors)

A Joint Ventures

1. SMSIL-MBPL-BRAPL (J.V)
2. SMSIL-KTCO (JV)
3. SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
4. Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
5. SMS Infrastructure Ltd. Shreenath Enterprises J.V.
6. SRRCIPL-SMSL-BEKEM-JV
7. SMSL-SRRCIPL (J.V)
8. GDCL-SMSIL (J.V.)
9. Bhartiya SMSIL (JV)
10. SMSIL-BIL JV-(BRAMHAPUTRA PROJET)
11. SMSIL-BCL JV-(BRAMHAPUTRA PROJET)
12. SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
13. GSJ Envo Ltd. in consortion with SMS Infrastructure Ltd.
14. Sanbro Corporation
15. SMSIL-MBPL(J.V)
16. BSS Associates
17. Meghe Sms Health Sciences Consortium (SPV)
18. AGIPL-SMSIL (JV)
19. Saket - SMSIL (JV)

B Associates

1. RCCL Infrastructure Ltd.
2. SMS AAMW Tollways Pvt. Ltd.

C Key Management Personnel

1. Anand S. Sancheti -Managing Director
2. Dilip B Surana - Whole Time Director
3. Paramveer A Sancheti- Whole Time Director
4. Nirbhay A Sancheti- Whole Time Director
5. Akshay A Sancheti- Whole Time Director
6. Ajay Kumar Lakhotia-Independent Director
7. Ramendra Gupta-Independent Director
8. Hemant Ludha- Additional Director (Non Executive)
9. Vijay Kisanlal Sancheti
10. Dattatrya Laxmanrao Kinage
11. Saurabh Gautam
12. Chetan Bora
13. Amit Nilawar
14. Anup Nilawar
15. Asif Hussain
16. Chittaranjan Sarkar
17. Rajesh Kawale
18. Pranav Akhileshwar Kumar
19. Amit Kedarnath Somani
20. Rakesh Mishra
21. Prashant Maske
22. Avinash Sankholkar
23. Prabal Pratap Singh

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110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

53 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:

1 Relationships (Related Party relationships are as identified by the Company and relied upon by the auditors)

24 Dilip Ganguly
25 Jayant Padgilwar
26 Shailendra Shingla
27 Ajay Agrawal
28 Ayush Agrawal
29 Shakuntala Agrawal
30 Usha Agrawal
31 Neha Agrawal
32 Kishor Malviya-Director

D Other Related Parties

1 SMS Envocare Ltd.
2 SMS Waluj CETP Pvt. Ltd.
3 SMS Multi Objective Organisation
4 Atul Multi Objective Organisation
5 Valencia Constructions Pvt. Ltd.
6 Veetrag Explorations & Minerals Pvt. Ltd. (Formerly known as Veet Rag Homes Pvt. Ltd.)
7 Veetrag Hospitality Pvt. Ltd.
8 San Commercials Pvt. Ltd.
9 Adiarubhav Developers Pvt. Ltd.
10 San Finance Corporation
11 Sanson Developers
12 Sanbro Corporation
13 Anil H. Sanchati
14 KPANV Mines & Minerals LLP
15 SPANV Medisearch Life Secience Private Limited
16 Best Power Plus Private Limited
17 Kingsway Foundation
18 Pinnacle
19 Ayushajay Construction Private Limited
20 SMS Infrastructure PTE Ltd.
21 Divinutty
22 Oracity Life Sciences Private Limited
23 SMS Aanamklean Greentech Pvt. Ltd
24 Butibori CETP Pvt. Ltd
25 SMS Wate Grace Enviroprotect Pvt Ltd.
26 Mrs Sheetal Somani
27 Nilawars Water Grace Waste Management Pvt Ltd
28 Agroh Infrastructure Developers Private Limited
29 Khalghat Manawar Toll Private Limited
30 BE Infratech Private Limited
31 Surya International Private Limited
32 Sarangpur Agar Road Private Limited
33 Yash Shree Real Estate Private Limited
34 Precinct Concorde Private Limited
35 Vishwanath Infrastructure Ltd.

F.R.No.

SMS Limited
Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in lacs)

2 Related Party transactions during the year are as follows:

SR. NO.	Particulars	Joint Venture		Associates		Key management personnel and relatives		Other Related Parties	
		2021	2020	2021	2020	2021	2020	2021	2020
1	Amt recd agst services / Goods							0.70	41.75
2	Advance Given\Repaid					0.55	1.09	297.41	3.33
3	Advance Received\ Recovered						0.11	297.63	0.20
4	Advance Written off			-	7.06				
5	Change in Investment	(2,272.10)	9.66						
6	Commission & Brokerage							47.70	-
7	Convyance reimbursement					2.40	2.40		
8	Dividend Paid During the year							1,384.33	687.80
9	Donation							1.08	0.40
10	Interest Expenses							237.68	1,218.38
11	Interest Income					-	2.22	183.83	80.11
12	Investment							5,563.24	2,723.69
13	Investment Sold						31.46	-	178.04
17	Other Services Rendered	-	7.71					18.21	1.27
18	Other Transactions (recd)					-	6.00	2,435.23	20.60
19	Other Transactions (Paid)					24.90	1.47	2,438.91	74.56
20	POS Toll Receivable							7.04	-
21	Purchase							4.29	-
22	Purchase of services					10.91	12.00	151.15	184.00
23	Payment made for Services/ goods							31.21	59.32
24	Payment received against Services							-	52.94
26	Rent Expenses							14.40	14.40
27	Rent Income							1.12	0.32
28	Revenue from Operations	8,664.69	14,908.20					699.91	1,420.27
29	Sale of Asset	-	2.66					-	0.55
30	Sale of Material							0.21	-
31	Sale of Service/Assets							348.45	695.66

(₹ in lacs)

2 Related Party transactions during the year are as follows:

SR. NO.	Particulars	Joint Venture		Associates		Key management personnel and relatives		Other Related Parties	
32	Services Taken	32.27	6.25					598.25	573.35
33	Share Appliction Money							1,420.00	-
34	Share Purchase/(sold)							4,405.60	2,516.71
35	Sitting Fees					125.20	131.40		
36	Outstanding Balances included in Assets/liabilities	2,763.41	4,966.57	1,038.89	1,038.89	(8.31)	(50.87)	45,599.14	34,547.78
	Grand Total	11,621.24	22,733.01	1,038.89	1,047.23	1,601.36	936.28	1,55,420.78	1,16,611.04

Spark Mall and Parking Private Limited

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees. received or provided for any related party receivables or payables.

The Company has taken a unsecured loan from its holding, SMS Limited for its business activities. The loan was unsecured and was repayable on demand. No rate of interest stipulated, hence loan is interest free.

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Mobilization Advance is in respect of Charge of scope Work.

(₹ in lacs)

54 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

a Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

b Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if required allowances are taken to account for the expected losses of these receivables. Accordingly fair value such instrument is not materially different from there carrying amount.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which major inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (Unobservable input data).

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	44,472.29	2,371.80	1540.62	48,384.71	48,384.71
Investments in equity shares (unquoted)				-	-
Trade receivables	32,638.47			32,638.47	32,638.47
Loans	22,076.55			22,076.55	22,076.55
Others financial assets	37,188.07			37,188.07	37,188.07
Cash and cash equivalents	7,601.54			7,601.54	7,601.54
Other bank balances	4,955.35			4,955.35	4,955.35
Liabilities:					
Borrowings	1,41,714.88			1,41,714.88	1,41,714.88
Trade payables	19,914.89			19,914.89	19,914.89
Other financial liabilities	37,382.81			37,382.81	37,382.81

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	37,326.71	835.38	1206.92305	39,369.01	39,369.01
Investments in equity shares (unquoted)					
Trade receivables	36,782.94	-	-	36,782.94	36,782.94
Loans	22,635.32	-	-	22,635.32	22,635.32
Others financial assets	33,746.60	-	-	33,746.60	33,746.60
Cash and cash equivalents	2,471.72	-	-	2,471.72	2,471.72
Other bank balances	4,825.46	-	-	4,825.46	4,825.46
Liabilities:					
Borrowings	1,25,368.07	-	-	1,25,368.07	1,25,368.07
Trade payables	22,689.56	-	-	22,689.56	22,689.56
Other financial liabilities	39,805.14	-	-	39,805.14	39,805.14

(₹ in lacs)

55 Financial Risk Management

The Company's activities expose it to the following risks:

Credit risk

Interest risk

Liquidity risk

A. **Credit Risk**

Credit Risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

i **Trade receivables**

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Credit risk exposure

The Company's credit period generally ranges from 30 – 60 days are as below.

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	32,638.47	36,782.94
Work in progress	22,508.42	21,041.82
Total	**55,146.89**	**57,824.76**

The Company evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple industries.

Exposure to the Credit risk on the financial guarantee:

Particulars	As at 31 March 2021	As at 31 March 2020
Letter of Credit	2,633.53	4,009.82
Bank Guarantees	72,192.72	84,135.90
Total	**74,826.25**	**88,145.72**

ii **Financial instruments and deposits with banks**

Credit risk is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B **Liquidity risk**

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

(₹ in lacs)

The break-up of cash and cash equivalents, deposits and investments is as below.

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalent	7,601.54	2,471.72
Bank balance other cash and cash equivalent	4,955.35	4,825.46
Total	12,556.88	7,297.18

Maturity patterns of borrowings

At 31st March 2021	Up to 1 year	1 to 5 years	Beyond 5 Years	Other	Total
Long term borrowings	19,090.27	36,414.13	25,376.03	23,161.48	1,04,041.92
Short term borrowings	11,599.90	-	-	45,427.85	57,027.75
Total	30,690.17	36,414.13	25,376.03	68,589.33	1,61,069.66
At 31st March 2020	**Up to 1 year**	**1 to 5 years**	**Beyond 5 Years**	**Other**	**Total**
Long term borrowings	14,636.64	38,920.56	19,963.96	20,204.36	93,725.51
Short term borrowings	1,738.17	-	-	44,541.03	46,279.20
Other	-	-	-	-	-
Total	16,374.81	38,920.56	19,963.96		1,40,004.71

Maturity patterns of other Financial Liabilities

As at 31st March, 2021	6 months or less	6-12 months	Beyond 12 months	Other	Total
Trade payable	617.73	-	-	19,297.16	19,852.60
Creditors for Capital goods	62.29	-	-	-	62.29
Other Financial Liability (Current & Non Current)	1,128.43	652.88	3,951.86	12,294.86	18,028.03
Total	1,808.45	652.88	3,951.86	31,592.02	37,942.92
As at 31st March, 2020	**6 months or less**	**6-12 months**	**Beyond 12 months**	**Other**	**Total**
Trade payable	714.30	-	-	21,975.26	22,404.77
Creditors for Capital goods	284.79	-	-	-	284.79
Other Financial Liability (Current & Non Current)	5,032.97	2,254.00	3,679.81	14,201.72	25,168.51
Total	6,032.06	2,254.00	3,679.81	36,176.98	47,858.06

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in lacs)

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:-

Particulars	31.03.2021	31.03.2020
Variable Rate borrowings	1,428.83	2,672.96

Price Risk

Price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is exposed to price risk due to investments in equity shares and classified as fair value through profit and loss.

The company measures risk through sensitivity analysis.

Particulars	31.03.2021	31.03.2020
Investments in Listed Equity Shares	2,371.80	835.38
	2,371.80	835.38

Sensitivity Analysis

Price Risk Analysis	Impact on profit/loss	
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Increase or decrease in Share Price by 5%	118.59	41.77

Note - in case of decrease in Share Price, profit will reduce and vice versa

C Market Risk

Foreign excahnge rates

The Company has balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

56 **Interest in other entities**

i **Subsidiaries**

The Group's subsidiaries as at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest held by the group (%)		Ownership interest held by non controlling		Principal activities
			31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020	
1	SMS Envoclean Pvt. Ltd.	India	56.02%	56.02%	43.98%	43.98%	Bio Medical Waste Treatement Service
2	SMS Infolink Pvt. Ltd	India	100.00%	100.00%	0.00%	0.00%	Information Technology
3	SMS Mine Developers Pvt. Ltd	India	51.00%	51.00%	49.00%	49.00%	Mining Contractor
4	Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solutions Private Limited)	India	100.00%	100.00%	0.00%	0.00%	Multi Level Car Parking & Commercial Complex
5	SMS Taxi Cabs Pvt. Ltd	India	60.00%	60.00%	40.00%	40.00%	Rent A Cab
6	SMS Vidyut Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Hydro Power Plant
7	SMS Water Grace BMW Pvt. Ltd	India	56.03%	56.03%	43.97%	43.97%	Bio Medical Waste Treatement Service
8	SMS Tolls And Developers Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
9	SMS-AABS India Tollways Private Limited	India	51.00%	51.00%	49.00%	49.00%	Toll Activity
10	SMS Waste Management Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Hazardous Waste Treatement Service
11	PT. SMS Minerals International*	Indonesia	80.00%	80.00%	20.00%	20.00%	Trading of Mineral
12	Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
13	Patwardhan Infrastructure Pvt. Ltd	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
14	Maharashtra Enviro Power Ltd.	India	92.08%	92.08%	7.92%	7.92%	Hazardous Waste Treatement Service
15	PT. SMS Mines Indonasia*	Indonesia	100%	100%	0.00%	0.00%	Trading of Mineral

Note:- * While preapring the consolidated financial statement the unaudited figures are considered. This is because, in these companies the operating revenue is NIL and as per the rules and regulation existing in that country, If the operating revenue is NIL then audit is not required.

The subsidiaries had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in other entities

ii Non-controlling interests (NCI)

(₹ in lacs)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Non-controlling interests (NCI)	SMS Water Grace BMW Pvt. Ltd		SMS Envoclean Pvt. Ltd.		SMS Taxi Cabs Pvt. Ltd.	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
Non-current assets	331.62	747.76	2,078.34	2,107.07	10,833.24	10,801.47
Current assets	1,623.31	511.88	3,448.19	844.67	416.46	418.80
Non-current liabilities	22.58	26.02	160.09	191.16	576.83	525.46
Current liabilities	300.13	264.09	959.05	587.54	14,036.29	16,242.87
Net assets	**1,632.22**	**969.53**	**4,407.39**	**2,173.03**	**(3,363.42)**	**(5,548.05)**
Net assets attributable to NCI	717.69	426.30	1,938.37	955.70	(1,345.37)	(2,219.22)
Revenue	1,244.26	979.84	4,850.47	2,133.23	462.38	266.41
Profit for the year	716.52	342.30	2,248.10	527.57	(380.89)	(1,603.83)
Other comprehensive income	0.95	(0.53)	1.25	(2.83)	-	-
Total comprehensive income	717.47	341.77	2,249.35	524.74	(380.89)	(1,603.83)
Profit/(Loss) allocated to NCI	315.05	150.51	988.71	232.03	(152.35)	(641.53)
OCI allocated to NCI	0.42	(0.23)	0.55	-1.24	-	-
Total comprehensive income allocated to NCI	315.47	150.28	989.26	230.78	(152.35)	(641.53)

Non-controlling interests (NCI)	Maharashtra Enviro Power Ltd.		PT. SMS Minerals International		SMS-AABS India Tollways Private	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
Non-current assets	47,611.09	43,190.05	0.59	3.91	16,698.34	15,867.71
Current assets	5,081.23	6,745.13	3,592.01	3,253.97	13,946.24	8,367.98
Non-current liabilities	35,967.36	37,352.93	114.16	3,833.22	642.87	492.19
Current liabilities	6,313.07	4,606.53	254.58	2,253.01	1,430.36	1,200.49
Net assets	**10,611.89**	**7,975.72**	**3,223.86**	**-2,828.35**	**28,571.34**	**22,543.00**
Net assets attributable to NCI	840.46	631.68	644.77	-565.67	13,999.96	11,046.07
Revenue	11,558.28	13,918.07	11,558.28	36.07	28,171.26	25,857.86
Profit for the year	2,500.29	1,436.01	262.17	(516.06)	4,272.87	9,930.49
Other comprehensive income	5,960.85	21.54	-		3,699.10	(2,240.91)
Total comprehensive income	8,461.14	1,457.55	262.17	(516.06)	7,971.96	7,689.58
Profit/(Loss) allocated to NCI	198.02	113.73	52.43	(103.21)	2,093.70	4,865.94
OCI allocated to NCI	472.10	1.71	-		1,812.56	(1,098.05)
Total comprehensive income allocated to NCI	670.12	115.44	52.43	(103.21)	3,906.26	3,767.90

56 Interest in other entities

ii Non-controlling interests (NCI)

(₹ in lacs)

Non-controlling interests (NCI)	SMS Mine Developers Pvt. Ltd.		PT. SMS Minerals International		SMS Mine Developers Pvt. Ltd.	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2021	2020	2021	2020	2021	2020
Non-current assets	-	-	0.59	3.91	-	-
Current assets	-	-	3,592.01	3,253.07	36.62	37.20
Non-current liabilities	-	-	114.16	3,833.22	-	-
Current liabilities	-	-	254.58	2,253.01	-	37.35
Net assets	-	-	**3,223.86**	**(2,828.35)**	**36.62**	**(0.15)**
Net assets attributable to NCI	-	-	644.77	(565.67)	17.94	-0.07
Revenue	-	-	11,558.28	36.07	-	-
Profit for the year	-	-	262.17	(516.06)	(0.85)	(0.43)
Other comprehensive income	-	-	-		-	-
Total comprehensive income	-	-	262.17	(516.06)	(0.85)	(0.43)
Profit/(Loss) allocated to NCI			52.43	(103.21)	(0.42)	(0.21)
OCI allocated to NCI			-	-	-	-
Total comprehensive income allocated to NCI			52.43	(103.21)	(0.42)	(0.21)

F.R.No. 110554W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in joint ventures

iii The Group's joint ventures as at 31 March 2021 are set out below.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at		Principal activities
				31-Mar 2021	31-Mar 2020	
1	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	India	70.00%	-	-	Infrastructure
2	SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)*	India	51.00%	-	-	Infrastructure
3	SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)*	India	51.00%	-	-	Infrastructure
4	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd J.V.	India	51.00%	51.95	51.99	Infrastructure
5	SMS Infrastructure Ltd. Shreenath Enterprises J.V.	India	36.50%	5.01	5.04	Infrastructure
6	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	India	65.00%	281.39	280.15	Infrastructure
7	GSJ Envo Ltd. in consortion with SMS Infrastructure Ltd. (AOP)	India	70.00%	156.65	200.94	Infrastructure
8	SMSIL KTCO (JV)	India	50.00%	3.61	3.87	Infrastructure
9	Bhartia SMSIL (JV)	India	49.00%	11.38	11.27	Infrastructure
10	SMSIL-MBPL-BRAPL (JV)	India	63.33%	23.20	21.58	Infrastructure
11	GDCL-SMSIL (J.V.)	India	40.00%	-	-	Infrastructure
12	SMSL-SRRCIPL (J V)	India	60.00%	-	-	Infrastructure
13	SRRCIPL-SMSL-BEKEM JV	India	20.00%	-	-	Infrastructure
14	SMSIL-WESTCOAST ENGINEERING CORP. (JV)*	India	51.00%	-	-	Infrastructure
15	SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)*	India	61.00%	-	-	Infrastructure
16	Sanbro Corporation	India	26.00%	17.67	-	Infrastructure
17	SMSIL-MBPL (JV)	India	66.66%	227.66	226.41	Infrastructure
18	SMSL-SAKET (JV)	India	40.00%	19.74	-	Infrastructure
				798.25	801.25	

Note:- * Due to unavailability of financial statement the financial effect of these four Joint Controlled Entities are not considered in the consolidated financial statement and balances appearing in the books of accounts of the holding company is considered as investment.

The Jointly controlled entities had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

F.R.No. 110034W

56 Interest in other entities (₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SMS & SNT		SMS & DTC		SMS & AIPPL	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2021	2020	2021	2020	2021	2020
Non-current assets	345.28	333.72	1,792.58	1,781.76	-	-
Current assets						
Cash and cash equivalents	84.09	1.65	31.82	5.17	0.65	0.67
Other assets	1,255.11	1,255.91	5,115.65	6,020.22	816.29	816.29
Current assets	**1,339.21**	**1,591.19**	**5,147.47**	**6,025.39**	**816.94**	**816.96**
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	5,159.56	5,159.56	-	-
Other liabilities	-		3,960.67	-		
Non-current liabilities	-	-	**9,120.23**	**5,159.56**	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	-	-	-		-	-
Other liabilities	1,244.37	1,153.07	884.36	1,718.72	569.04	568.98
Current liabilities	**1,244.37**	**1,153.07**	**884.36**	**1,718.72**	**569.04**	**568.98**
Net assets	**440.12**	**438.12**	**(3,064.54)**	**928.88**	**247.90**	**247.99**
Group share of net assets	**281.45**	**280.15**	-	-	**51.95**	**51.99**
Revenue	258.05	349.52	4,461.53	3,396.35	-	-
Works Direct Expenses	254.18	344.28	4,340.70	3,285.53	-	-
Administrative Expenses	1.96	2.66	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Other Expense	-	-	4,007.89	41.72	0.09	0.07
Profit/ (Loss) for the year before tax	**1.91**	**2.58**	**(3,887.06)**	**69.11**	**(0.09)**	**(0.07)**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	1.91	2.58	(3,887.06)	69.11	(0.09)	(0.07)
Group share of profit/ (Loss)	1.24	1.68	(2,720.94)	48.38	(0.04)	(0.03)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	1.24	2.58	(2,720.94)	48.38	(0.04)	(0.03)

F.R.No. 110534W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in other entities

iv Table below provide summarised financial information for Joint venture

(₹ in lacs)

Particulars	SMS-BEKEM		SMSL-MBPL JV		SMS & KTCO	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
	-	-	0.60	0.60	0.50	0.50
Non-current assets	3,632.23	1,982.25	214.27	252.09	4.99	4.99
Current assets						
Cash and cash equivalents	58.15	0.33	-	-	2.18	3.22
Other assets	3,019.18	2,810.16	167.15	126.39	0.57	0.57
Current assets	**3,077.33**	**2,810.49**	**167.15**	**126.39**	**2.75**	**3.79**
Non-current liabilities						
Financial liabilities (excluding trade payables)	1,268.44	1,982.25	-	-	-	-
Other liabilities	-	-	-	-		
Non-current liabilities	**1,268.44**	**1,982.25**	-	-	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	-	-	-	-	-	-
Other liabilities	5,001.58	2,452.69	0.23	0.15	0.52	1.04
Current liabilities	**5,001.58**	**2,452.69**	**0.23**	**0.15**	**0.52**	**1.04**
Net assets	**439.54**	**357.80**	**381.19**	**378.33**	**7.22**	**7.74**
Group share of net assets	-	-	**228.19**	**226.41**	**3.61**	**3.87**
Revenue	3,439.15	3,600.48	41.25	-	-	0.03
Works Direct Expenses	3,433.34	3,599.08	0.50	(44.56)	-	-
Administrative Expenses	-	-	-	-		
Depreciation and amortisation	-	-	37.81	44.49	-	-
Finance cost	-	-	-	-	-	-
Other expenses	7.70	0.73	0.97	0.08	0.52	0.73
Profit/ (Loss) for the year before tax	**(1.89)**	**0.67**	**1.97**	**0.00**	**(0.52)**	**(0.70)**
Other comprehensive income	(1.89)	-	-	-	-	-
Total comprehensive income	(3.78)	0.67	1.97	0.00	(0.52)	(0.70)
Group share of profit/ (Loss)	(0.38)	0.13	1.25	0.00	(0.26)	(0.35)
Group share of OCI	(0.38)	-	-	-	-	-
Group share of total comprehensive income	(0.76)	0.13	1.25	0.00	(0.26)	(0.35)

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in other entities

iv Table below provide summarised financial information for Joint venture

(₹ in lacs)

Particulars	GDCL-SMSIL		SMSIL & GSJ		SMSIL & Bhartiya	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
Non-current assets	0.25	0.25	7.85	8.82	-	20.77
Current assets						
Cash and cash equivalents	766.95	955.46	0.39	20.09	6.02	0.14
Other assets	1,258.11	4,256.29	863.76	1,891.03	10.82	83.51
Current assets	**2,025.06**	**5,211.75**	**864.15**	**1,911.12**	**16.84**	**83.65**
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	-	-	-	72.70
Other liabilities	-	-	-		-	-
Non-current liabilities	-	-	-	-	-	**72.70**
Current liabilities						
Financial liabilities (excluding trade payables)	43.75	6.07	-	-	-	-
Other liabilities	1,981.56	5,205.93	74.09	52.97	-	-
Current liabilities	**2,025.31**	**5,212.00**	**74.09**	**52.97**	-	-
Net assets	-	-	**797.91**	**1,866.96**	**16.84**	**31.73**
Group share of net assets	-	-	797.91	1,866.96	11.27	11.27
Revenue	9,897.45	7,155.50	307.55	526.70	0.33	21.05
Works Direct Expenses	9,897.45	7,155.50	351.35	294.07	-	-
Administrative Expenses	-	-	-	-	0.10	6.77
Depreciation and amortisation	-	-	1.10	1.38	-	-
Finance cost	-	-	9.14	208.85	-	-
Other expenses			9.23	10.13		
Profit/ (Loss) for the year before tax	-	-	**(63.27)**	**12.26**	**0.23**	**14.28**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	(63.27)	12.26	0.23	14.28
Group share of profit/ (Loss)	-	-	(44.29)	8.58	0.11	7.00
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-	-	(44.29)	8.58	0.11	7.00

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in other entities (₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-MBPL-BRAPL		SMSL-SRRCIPL		M/s Sanbro Corporation	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020	31-Mar 2020	31-Mar 2019
Non-current assets	50.96	59.75	778.66	802.50	0.22	0.23
Current assets						
Cash and cash equivalents	416.20	2.35	4.12	0.35	0.14	0.15
Other assets	1,028.21	3,003.89	778.35	777.01	11.91	11.91
Current assets	1,444.42	3,006.24	782.47	777.37	12.05	12.05
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	778.66	802.50	220.87	220.38
Other liabilities			-	-		
Non-current liabilities			778.66	802.50	220.87	220.38
Current liabilities						
Financial liabilities (excluding trade payables)	1,371.76	2,090.39	-	-	-	-
Other liabilities	83.68	1,519.97	653.49	648.77	0.30	0.40
Current liabilities	1,455.43	3,610.36	653.49	648.77	0.30	0.40
Net assets	39.94	(544.37)	128.98	128.60	(208.90)	(208.50)
Group share of net assets	23.20	(316.60)	-	-	-	-
Revenue	5,142.78	11,491.08	66.88	790.32	-	-
Works Direct Expenses	4,894.35	11,285.31	65.47	790.22	-	-
Administrative Expenses	236.59	189.59	-	-	0.39	0.40
Depreciation and amortisation	8.99	9.91	-	-	0.01	0.01
Finance cost	-	-	1.05	-	-	-
Other Expenses			0.12	0.21		
Profit/ (Loss) for the year before tax	2.85	6.27	0.25	(0.12)	(0.40)	(0.42)
Other comprehensive income	-	-	-	-		
Total comprehensive income	2.85	6.27	0.25	(0.12)	(0.40)	(0.42)
Group share of profit/ (Loss)	1.63	3.57	0.15	(0.07)	(0.10)	(0.11)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	1.63	3.57	0.15	(0.07)	(0.10)	(0.11)

F.R.No. 110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

(₹ in lacs)

56 Interest in other entities

iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-SAKET		SMSIL-SHREENATH	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
Non-current assets	-		537.36	
Current assets				
Cash and cash equivalents	12.44		59.78	
Other assets	593.09		774.22	
Current assets	**605.53**		**833.99**	
Non-current liabilities				
Financial liabilities (excluding trade payables)	-		-	
Other liabilities	94.28		1,009.75	
Non-current liabilities	**94.28**		**1,009.75**	
Current liabilities				
Financial liabilities (excluding trade payables)	-	-	0.32	-
Other liabilities	464.41		146.14	
Current liabilities	**464.41**		**146.47**	
Net assets	**46.84**		**215.14**	
Group share of net assets	**19.74**		**50.06**	
Revenue	5,637.46		9.23	
Works Direct Expenses	5,404.24		-	
Administrative Expenses	102.32		0.50	
Depreciation and amortisation	-		-	
Finance cost	-		-	
Profit/ (Loss) for the year before tax	**130.90**	-	8.73	-
Other comprehensive income	-	-	-	-
Total comprehensive income	130.90	-	8.73	-
Group share of profit/ (Loss)	52.36	-	3.19	-
Group share of OCI	-	-	-	-
Group share of total comprehensive income	52.36	-	3.19	-

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SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in other entities

iv Table below provide summarised financial information for Associates (₹ in lacs)

The Group's associates as at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at 31-Mar 2021	31-Mar 20120	Principal activities
RCCL Infrastructure Pvt. Ltd.*	India	34%	-	-	Infrastructure
SMS-AAMW Tollways Pvt. Ltd.*	India	26%	-	-	Toll
			-	-	

Note:-The Associates company had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

*Refer Notes to account No.8 #

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

56 Interest in other entities

(₹ in lacs)

vi Table below provide summarised financial information for Associates

Particulars	RCCL Infrastructure		SMS-AAMW Tollways	
	31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
Non-current assets	-	-	4.25	4.25
Current assets				-
Cash and cash equivalents	-	-	137.49	137.49
Other assets	-	-	131.25	131.25
Current assets	-	-	268.74	268.74
Non-current liabilities	-	-	3,388.25	3,388.25
Current liabilities	-	-	2.68	2.49
Revenue	-	-	-	-
Profit/ (Loss) for the year before tax	-	-	(0.21)	(1.76)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(0.21)	(1.76)

F.R.No.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

57 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

SMS Limited

a) Gross amount required to be spend by the company during the year Rs 82.68 Lacs (Previous year March 31st 2020, Rs 99.51 Lacs).

b) The company has spend Rs 180.98 Lacs during the current financial year (Previous year March 31st 2020: Rs 0.50 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

c) Total unspent towards Corporate Social Responsibility works out to Rs. 0.71 Lacs as on 31.03.2021.

SMS ENVOCLEAN PRIVATE LIMITED

Gross amount required to be spend by the company during the year Rs 10.76 Lacs (Previous year March 31st 2020, Rs 10.38 Lacs)

The company has spend Rs 10.85 Lacs during the current financial year (Previous year March 31st 2020: Rs 15.51 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

MAHARASHTRA ENVIRO POWER LIMITED

Gross amount required to be spend by the company during the year Rs 14.30 Lacs (Previous year March 31st 2020, Rs 23.64 Lacs).

The company has spend Rs 23.64 Lacs during the current financial year (Previous year March 31st 2019: Rs 23.64 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

(₹ in lacs)

	Amount Spent
Year Ended March 31, 2021	
i) Construction/ acquisition of any Asset	-
ii) On Purpose other than (i) above	206.16
TOTAL	206.16
Year Ended March 31, 2020	
i) Construction/ acquisition of any Asset	2.85
ii) On Purpose other than (i) above	36.80
TOTAL	39.65

To the following Companies CSR provisions are not Applicable because Companies not fullfilling any of criteria of Section 135 of the Companies Act 2013.

i SMS Water Grace BMW Private Limited
ii SMS Infolink Private Limited
iii Patwardhan Infrastructure Private Limited
iv Spark Mall & Parking Private Limited
v SMS Mine Developers Private Limited
vi Pt. SMS Mines Indonasia
vii SMS Tolls & Developers private Limited
viii SMS-AABS Tollways Private Limited
ix Sms Taxicabs Private Limited
x SMS Vidhyut Private limited
xi SMS Waste Management Private Limited
xii Pt. SMS Minerals International

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

As per section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profits for the immediately preceeding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

A Gross amount required to be spent by the Company for FY 2018-19 was Rs 33,60,327, for FY 2019-20 was Rs 43,01,697/- and for the current year is Rs 50,03,566/- totalling to an amount of Rs 1,06,65,390/-. Out of this the company has spend an amount of Rs 20,00,000 in FY 19-20 towards the CSR expenditure through organisation Annamrita Foundation for Mid-day Meal Scheme which is a school meal programme by the Government of India designed to improve the nutritional status of school-age children nationwide.

B The Balance CSR amount of Rs. 56,62,023/- for FY 18-19 and FY 19-20 was proposed to be spent towards Education promotion or Health care facilities/ programme and espousing social causes.

C The company spent an amount of Rs 1,21,00,000/- towards aducational promotion through institution named GH Raisoni University, Amravati. It is a Private University established under Madhya Pradesh, Niji Vishwavidyalaya Adhiniyam 2007 in the year 2016-17 and is engaged in imparting education and operates in one segment predominantly in India. The said amount was spent in FY 20-21 thereby setting off the unspent amount of Rs 13,60,326/- for FY 18-19, Rs 43,01,697/- for FY 19-20 and Rs 50,03,566/- as required for FY 20-21. The excess amount of Rs 14,34,411/- over and above requirement will be set off for FY 21-22 if aaproved by the Ministry as CSR contribution.

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors.

58 Company is having verious works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st July, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the original contract. This resulted in increased tax liability on the company against which company filed the claim with the concerned Department. Outcome of this claim is still pending with the Department. But on the basis of opinion taken from the legal advisior, the company made the provision for the GST Impact turnover in books of account.

59 The company had made investments to the tune of Rs. 1,747 lacs and 3320.67 lacs in two subsidiaries, SMS Taxicabs Pvt Ltd and Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited)
SMS Taxicabs P Ltd. (STPL) was floated to run a fleet of Radiocabs in the city of Mumbai taxis. STPL owns licenses to run 2800 taxis and the same are perpetual in nature. STPL though was making good profits in the initial years, is in to losses due to severe competition from large corporates. However, the licenses owned by the company are of perpetual in nature and SMS will be able to recoup substantial revenue by sale of these licenses.
Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited) was floated to Develop and Operate a Multilevel Fully Automated Car Parking System and Commercial Complex in Kamlanagar, Delhi. Since inception, it is in losses. This was due to recession in the retail sales of the malls across India. However, The company has changed the product mix and had shifted its focus from retail trade to services and food outlets and gaming zones are being introduced including Cinema, Healthcare, Pharmacy and allied Business. The company is also in an advanced stage of starting two 40 seater miniplexes. Also from FY 21-22, the company has started Pharmacy Business and entered into service agreement with the hospitals for supplying Medical Drugs & Consumables. The managemnt is hopeful of revival of economy and boost to property market and consequently will be able to generate revenue to repay the loan.
However, outbreak of COVID-19 pandemic in India has significantly impacted the operation of the Company whereby due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines.
But as stated above the new services will generate the sufficient revenue to repay the loan. Hence, the parent company is optimistic that over the period, the project, will make good money over and above the invested amount.
Considering these facts, despite substantial losses in these two companies, the managemnt intends to carry these investments at its historical cost without any impairment.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

60 SMS Ltd had invested an amount of Rs. 148.26 lacs towards equity, Rs. 3769.80 lacs as unsecured loan and Rs. 2147.06 lacs as debtor to its foreign JV in Indonesia with the name **Pt. SMS Minerals International**. The company is in Business of Coal Trading in the province of Sumatra. In the past this JV Company had huge reserves of coal and substantial portion of the same has been mined. However due to river diversion issue the mining of balance reserve could not be initiated.Since last few years there is no business in JV Company as the balance portion of the coal reserves is stuck beneath a River. The approval for river diversion has already been put with the concerned authorities in Indonesia. Due to Covid-19 it has been delayed but SMS Ltd. is optimistic that once the approval for the diversion of river is obtained, it can extract the balance portion of coal and recoup its entire investment in the JV Company along with the recovery of loan.

In addition to above company is also exploring the option to sell and transfer the business interest.

61 SMS Limited had invested an amount of Rs. 992 lacs in SMS Vidyut Private Limited. The company is engaged in the business of Hydro Power generation across the river Pench. The concessioning authority had ensured a minimum guaranteed supply of water and a power purchase agreement was already in place. However, the concessioning authority had failed to supply the minimum guaranteed water, owing to which desired output was not generated, resulting into losses to the company on a year or year basis. The company had already taken up this matter with the concessioning authority and claimed compensation for the losses of the previous years. The company is confident of getting an award and hence, The management continous to carry the value of investment in SMS Vidyut Private Limited at its historical cost.

62 The Company has granted Loans & Advances from time to time to **SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an 'associate company')**. As at year end the outstanding amount is Rs. 1,038.89 Lakhs.

Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation which is disputed by later. Against this, Associate company had approached Hon. High Court of Delhi, which vide its order dated 17.06.2016, appointed Sole Arbitrator. However, the same was challenged by South Delhi Municipal Corporation in Hon. Supreme Court and the same was granted by Hon. Court in their favour. Thereafter on 22/11/2018, the Associate company had again filed a Special Leave Petition for clarification of earlier Order of the Hon. Supreme Court. The company is of view that Hon. Supreme Court will allow appointment of Arbitrator. The Company is hopeful of outcome of claim of Associate company and consequently the money will be recovered from it associate company.

Due to Covid-19, no personal hearing against the Special Leave Petition for clarification of earlier Order of the Hon. Supreme Court was happened.

63 **For SMS Limited** The Novel Coronavirus disease which spread to countries throughout the world including India, was declared as global pandemic by the WHO in Feb-2020. The Govt. of India declared a nationwide total lockdown on 22nd of March 2020. The continuing lockdown adversely affected the turnover and profit.

Post March 2020 with partial and staggered lockdown and the prolonged restriction on movement of manpower and material, closure of many allied businesses engaged in supply of necessary resources for working of sites, the performance at site were in downward tread. The sudden lockdown in March 2020 witnessed a major exodus of skill manpower which did not return after the easing of the lockdown. Moreover, severe shortage of supplies, essential spare and consumables require for effective functioning of machineries, restrictions on working hours and number of manpower permitted to work as per directives of local, state and central Governments at various places from time to time – both at client side and the company's side – all of these directly affected the productivity and resulted in a significant drop in the turnover. The company had to suffer the same situation during the 2nd wave.

With some ease of restrictions, work at sites started during 2nd quarter of FY 20-21, however the sites were not yet fully functional due to significant delay and non-availability of supplies and services, major delay in delivery of ordered machineries, hurdles in getting skilled manpower for the sites also frequent non-availability of clients officers. All these issues resulted in:

1. Project could not be made 100% functional as was during the pre-covid level.
2. Non availability of clients officers resulted in delayed approvals of work done, delay in processing of bills and in turn major delay in getting payments.
3. Significant loss of time and money due to non-approval of drawings and work permits.
4. Restrictions on transport affected the timely receipt of goods at sites.
5. Shortage of supplies on transport with surge in demand and constraints of movements led to inflation in price of raw materials such as steel, cement, etc.
6. Restriction on movement of manpower resulting in shortage of manpower at site – both skilled and unskilled.

7. Moreover, social distancing measures to be followed at site also added to the costs. Due to the above events, the completion of work at site has been low and hence resulting in lower turnover.

Taking into view the all above mentioned factors, the management has initiated various measures to overcome the issues faced and improve upon the turnover. The company intends to mechanize the site operations with purchase of more technical advanced machineries. This will help increase the production minimize delay and dependencies on manpower and in long run will result the cost optimization.

With a healthy order book and considering the improvements in work conditions in the last few months, the company expects to have a better improved top line and bottom line. With better finance planning, the coming period will see an overall improvement in the company's financial performance. As such the management does not envisage threat to any of its projects and also to the company as a whole.

FOR AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED 'The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations at all toll plazas of the various Project SPVs across the country had been closed down w.e.f. 26th March, 2020 till 19th April, 2020 mid-night. This was done as per the directives issued by Ministry of Road Transport & private establishment in the wake of COVID-19 pandemic. The construction activities of the Company were resumed gradually in the phased manner as per the directives issued by NHAI and by ensuring compliance with preventive measures in terms of guidelines/ instructions issued by Govt. of India to contain spread of Covid -19. The Company has availed the relief provided by its lender by way of moratorium on certain principal repayments.

The Company believes the current level of operations are temporary in nature and based on the various initiatives announced by the respective Central and State governments, and therefore this may not result in any significant financial impact on the Company. The management has considered internal and external sources of information up to the date of approval of these standalone financial results, in assessing the recoverability of investments and assets, liquidity, financial position and operations of the Company including impact on estimated construction cost to be incurred towards projects under execution and based on the management's assessment, there is no material impact on the standalone financial results of the Company.

Considering the uncertainities involved in estimating the impact of of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these standalone financial statements and this will continue to be monitored in future period.

FOR 'MAHARASHTRA ENVIRO POWER LIMITED 'The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted future outlook of the business operation of the Company.

Overall, with corresponding partial reduction in operational cost and other expenditure control measures initiated, the Company expects to sustain and overcome the impact and recover from the present slowdown shortly. In view of this, the standalone financial statement has been prepared on Going Concern Basis.

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110034W

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

FOR '**Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)**

Notes to financial statements for the year ended 31st March 2021

The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide total lockdown on 22nd of March 2020. Post March 2020 with partial and staggered lockdown and the prolonged restriction on movement, the financial performance of the Company were in downward tread.

The Company earns revenue majorly from renting of shops and multilevel car parking receipts from Mall constructed. However, outbreak of COVID-19 pandemic in India has significantly impacted the operation of the Company whereby due to nationwide lockdown in FY 19-20 and partial lockdown during FY 20-21, the malls were not allowed to operate for the partial period as per the government guidelines. Even after unlock, the interrupted supply chain & lower footfall / customer base were likely to continue which impacts business model of tenants of mall resulting into disruption in the sustainability of business of tenants. The Company has offered waiver on rent & other charges to tenants in order to recover from present slowdown.

During FY 20-21, the Company has earned revenue from operations of Rs. 393.85 Lakhs and reported net loss after tax of Rs. 3069 Lakhs, mainly due to finance cost of Rs. 3433.08 Lakhs which resulted into negative networth of Rs. 1306.97 Lakhs. Total borrowings from Banks and financial institutions stood at Rs. 23733.58 lakhs as at 31st March'2021.

As informed to us, the Company is exploring alternative source of revenue of the current infrastructure available / built for the Mall. The Company expects to sustain and overcome the impact and recover from the present slowdown.

Further to this company has plans to reorient and re-engineer entire Mall FSI area by exploring business opportunities in Cinema, Healthcare, Pharmacy and allied Business. The Company also exploring options raising Funds by way of issuing Equity Shares or Redeemable Preference Shares. The Company is also exploring to outright sale of entire Mall & Parking Business.

In view of the ongoing operations in the Company and the proposed plan to expand operations, the financial statement has been prepared on Going Concern Basis.

FOR 'SMS WATER GRACE BMW PRIVATE LIMITED 'The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted future outlook of the business operation of the Company.

Being in Business of Biomedical waste collection trasportation and disposal company has significant favourable impact with respect to Income which will increase substantially. However since high amount of Humane risk involved in the process due corona infected waste is also received for disposal the overall cost will also increase significantly.

64 **Amendment in schedule III for subsequent year :** -On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose standalone financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Disclosure of some ratios (Current Ratio, Debt-Equity ratio, Return of Capital Employed, Return of Equity)

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

65 **Change in Accounting Estimates:**

In case of Maharashtra Enviro Power Limited, During the year compnay has changed the accounting estimates for Landfill Capping charges and Post Monitoring Charges based on increased estimated capacity of Landfill according to the technical estimation due to this change the Expenditure has decreased by Rs. 88.85 lacs.

66 **FOR 'MAHARASHTRA ENVIRO POWER LIMITED** During the year the company has derecognised the Landfill -IV at Ranjangaon amounting to Net Block Rs. .1 lacs (Gross Carrying Value Rs. 133.81 Lacs & Accumulated depreciation Rs.133.71 Lakhs.)

67 **FOR SMS VIDHYUT PRIVATE LIMITED** Outstanding balance of 33 KVA transmissions Line for Hydro Power plant at Right Bank Canal and at Left Bank Canal

The company is having Hydro power plant at Right bank canal(RBC) and at Left Bank canal (LBC) near reservoir on Pench river. The evacuation/ transmission of power from power plant to nearby relay station have to be done through a 33 KVA transmission line. The company has erected this facility for Maharashtra State Electricity Distribution Company Ltd. for evacuation/ transmission of power from RBC power plant and handed over to Maharashtra State Electricity Distribution Company Ltd. For this 33 KVA transmission line the company has incurred and claimed expense of Rs 2.30 Cr. Against this claim the Maharashtra State Electricity Distribution Company Ltd has approved and paid a total due of Rs. 1.10 Cr only. The company has taken up the matter with MSEDCL for recovery of balance amount and hopeful of its recovery.

Similarly the construction work of 33 KVA transmission line for evacuation/ transmission of power from Left Bank Canal power plant is complete and handed over to MSEDCL. Till 31st Mar 2018 the company has incurred expenditure of Rs 0.50 Cr for this LBC transmission line and management is hopeful of its Recovery.

68 **FOR SMS VIDHYUT PRIVATE LIMITED** Events after reporting date :-

There are no subsequent events between the reporting date and signing of financial statements, which have material impact on the financials of the Company. Further there is no impact of COVID-19 pandemic on the financial statement of the comapany.

FOR SMS TAXICABS PRIVATE LIMITED EVENTS OCCURING AFTER BALANCE SHEET DATE:- There are no events occurring after the Balance Sheet date which will require separate disclosure till completion of the audit. Except for the following:-

a.Company has settled the dues appearing in Note No 27 payable to Abhyudaya Co-operative Bank Limited & Punjab National Bank (Erswhile - Oriental Bank of Commerce) and has received "NO DUE CERTIFICATE" from them after the balance sheet date.

FOR AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITEDL Subsequest Events- 'As per RBI's Statement on Developmental and Regulatory Policies issued on May 22, 2020, the Company has availed the relief provided by its lender by way of moratorium on certain principal repayments and repayment schedule has been modified accordingly.

For SMS Tolls and Developers Limited-Events after reporting date:
There are no subsequent events between the reporting date and signing of financial statements, which have material impact on the financials of the Company. Further there is no impact of COVID-19 pandemic on the financial statement of the company

FOR SMS Mine Developers Private Limited, Events after reporting date
a. The Resolution for changing the Object Clause of the company has been approved by special resolution passed in EGM held on 13th August 2021. The required documents have been submitted on 17th August 2021 and RoC approval was received on 22nd September 2021.

The new main objective:
To collect, transport, deal, buy, sell, supply, import, export, process, converted waste material, plastic waste, biomass, coal, charcoal, wood, industrial waste and any other waste material in solid, liquid or gaseous form together with management and operation of the said unit and to Build, Own, Operate and Transfer [BOOT basis] or to Build Own Operate [BOO basis] or to Build Operate and Transfer [BOT basis] and to carry on the business of waste management and conduct research, design and develop technologies for conversion of waste substances into value added products, to conduct survey & assessment and to develop technologies for effective pollution control and environment protection and all such other work or undertaking in relation to the works and the general objects of the company and to treat the aforesaid material for non-conventional as well as conventional power / energy.
b. The Resolution for changing the Name Clause of the company has been approved after receipt of letter of availability (received on 10th August 2021) for 'SMS Hazardous Waste Management Private Limited' by a special resolution passed in EGM held on 13th August 2021. RoC approval was received on 22nd September 2021.

69 **FOR SMS TOLLS AND DEVELOPERS LIMITED** The company has not created any Gratuity Provision and not obtained Actuarial Gratuity Valuation for the FY 20-21 as the minimum tenure requirement of five years for Gratuity Payable are yet to be completed for any of its employees.

70 **For Patwardhan Infrastructure Private Limited** The Company has applied for merger of wholly owned subsidiary company-Patwardhan Infrastructure Pvt. Ltd. with SMS Limited. The appointed date of merger considered in merger petition is 01.04.2020. However, final order / approval of merger from National Company Law Tribunal (NCLT) is still not yet received till the apporoval of standalone financial statement of the SMS Limited. Due to which, the Company has prepared its standalone financial statement without considering the merger despite the fact that the appointed date was 01.04.2020. After approval from NCLT, the Company will incorporate the effect of merger in the year in which approval will be received.

71 Note for Loss in FY 2020-21 due to Loss in the Joint Venture – SMS DTC JV
A Joint Venture in the name of SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V) was formed in December 2008, with 70% share of SMSL and 30% share of DTC, to execute two irrigation projects: Purna Barrage and Wardha Barrage worth INR 85651.00 Lacs.
JV subcontracted works to both partners who executed the works in their individual capacity and accounted for in the individual books of accounts along with the margins.
Due to the sudden demise of the working director of DTC, execution of part of the work of DTC was affected including the finances of the Company. This incident led DTC to insolvency and due to this the work advances given by JV to DTC became doubtful and for which JV made the provision of Bad & Doubtful debt for Rs. 3960.67 lacs which ultimately resulted in losses in the JV in that year. Prior to it the JV has earned profits and booked by JV partners over the last 12 years in their respective books of account. SMSL is now executing the remaining works of INR 4486.00 Lacs on behalf of JV.
Against loss of Rs. 3890.84 lacs in FY 2019-2020 the SMSL has booked his share of 70% of loss of INR 2723.59 lacs as an exceptional item. Though there will be no cash outflow for SMSL, it will reduce the value of its investment in the JV, making it negative.

72 Party balances are subject to confirmation and the balances shown under trade receivable, trade payable, loans and advances, other current assets & liabilites have approximately the same realiasable/ payable value as shown in the financials.

73 Any other accounting policy not specifically referred to are consistent with Indian GAAP

74 Previous Years figures are regrouped and rearranged wherever necessary.

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2021

75 Figures in bracket denotes figures of previous year.

76 Name of the Associate or Joint Venture which are yet to commence operations- AGIPL-SMSL (JV)

For V. K. Surana & Co.
Chartered Accountants
Firm Registration No. :110634W

F.R.No. 110634W

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 29/11/2021
UDIN : 22043414AAAAAJ1891

For and on behalf of the Board of Directors of SMS Limited

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

RAJESH KUMAR GUPTA
Chief Financial Officer

Notice to the 24^{TH} Annual General Meeting

NOTICE is hereby given that the Twenty Fourth Annual General Meeting (AGM) of the Members of SMS Limited will be held at Shorter Notice on Tuesday the 30^{th} day of November 2021 at 1.30 P.M. at IT Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, to transact the following business:-

ORDINARY BUSINESS:

Item no. 1

To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31^{st} March 2021 along with the reports of the Board of Directors and Auditors thereon.

b) The Audited Consolidated Financial Statements of the Company for the Financial year ended 31^{st} March 2021 together with the Report of the Auditors thereon.

Item no. 2

To declare a dividend for the financial year 2020-21 on Equity Shares.

Item no. 3

To appoint Directors in place of Mr Paramveer Sancheti (DIN: 05326947) and Mr Nirbhay Sancheti (DIN: 00953495) who retires by rotation and being eligible offers themselves for re-appointment.

SPECIAL BUSINESS:-

Item no. 4

Increase in the Borrowing powers to the Board of Directors of the Company- Sec 180 (1) (c):

To consider and if thought fit, to pass with or without modification(s), as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company at the General Meeting held on 15th January 2018 and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors, including any of the Committee of the Directors thereof, to borrow on behalf of the Company, from time to time any sum or sums of monies, on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit notwithstanding that the money or monies to be borrowed which together with monies already borrowed by the Company may [apart from temporary loans obtained from the Company's Bankers in ordinary course of business] may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves, (that is to say reserve not set apart for any specific purpose) provided that the total amount so borrowed shall not exceed the limit of ₹ 3000.00 Crore [Rupees Three Thousand Crore only] or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

Item no. 5

For Mortgaging/Creating Charge over Assets of the Company- Sec 180 (1) (a):

To consider and if thought fit, to pass with or without modification(s), as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company at the General Meeting held on 15th January 2018 and in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors, including any of the Committee of the Directors thereof, to create such charges, mortgages and hypothecations, on such movable and immovable properties [including any pledging of investment in shares made] of the Company, where-so-ever situated, both present and future, and whole or part of the undertaking of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any movable/immovable properties of the Company together with the powers to takeover the management of the business and concern of the Company, in certain events, to or in favour of banks Banks/Financial Institutions, any other lender to secure the amount borrowed/to be borrowed by the Company upto the limit of ₹ 3000.00 Crore [Rupees Three Thousand Crore Only] from time to time for the due payment of the principal monies together with interest payable by the Company in respect of such borrowings

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

By Order of the Board **For SMS Limited**

Sd/-

Place: Nagpur **Smita Agarkar**
Date: 29.11.2021 **Company Secretary**

NOTE:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAT TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY PERSON OR MEMBER.

   IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCE OF THE MEETING.

2. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORISED REPRESENTATIVES TO ATTEND THE ANNUAL GENERAL MEETING, PURSUANT TO SECTION 113 OF THE COMPANIES ACT, 2013, ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE AGM.

3. MEMBERS, PROXIES AND AUTHORISED REPRESENTATIVES ARE REQUESTED TO BRING TO THE MEETING, THE ATTENDANCE SLIP ENCLOSED HEREWITH DULY COMPLETED AND SIGNED FOR ATTENDING THE MEETING.

4. A ROUTE MAP SHOWING THE DIRECTIONS TO REACH THE VENUE OF THE ANNUAL GENERAL MEETING IS GIVEN AT THE END OF THIS NOTICE AS PER THE REQUIREMENT OF THE SECRETARIAL STANDARDS-2 ON 'GENERAL MEETING'.

5. THE REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING, MAINTAINED UNDER SECTION 170 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.

6. THE REGISTER OF CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS ARE INTERESTED, MAINTAINED UNDER SECTION 189 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.

7. IN COMPLIANCE WITH THE PROVISIONS OF SECTION 129(3) OF THE COMPANIES ACT, 2013, (THE ACT) THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY INCLUDE THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ALL ITS SUBSIDIARIES AS DEFINED IN THE ACT FOR CONSIDERATION AND ADOPTION BY THE MEMBERS OF THE COMPANY.

8. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') RELATING TO THE SPECIAL BUSINESS (IF ANY) TO BE TRANSACTED AT THE ENSUING ANNUAL GENERAL MEETING IS ANNEXED HERETO AND FORMS PART OF THIS NOTICE.

9. MEMBERS MAY ALSO NOTE THAT THE NOTICE OF ANNUAL GENERAL MEETING AND THE ANNUAL REPORT 2020-21 WILL ALSO BE AVAILABLE ON THE COMPANY'S WEBSITE: WWW.SMSL.CO.IN FOR DOWNLOAD.

10. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2020-21 IS BEING SENT TO ALL MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY FOR COMMUNICATION PURPOSES UNLESS ANY MEMBER HAS REQUESTED FOR A HARD COPY OF THE SAME. FOR MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESS (IF ANY), PHYSICAL COPIES OF THE ANNUAL REPORT FOR 2020-21 ARE BEING SENT TO THEM IN THE PERMITTED MODE.

11. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE SHALL BE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY BETWEEN 11.00 AM AND 1 PM ON ALL WORKING DAYS EXCEPT SATURDAYS, UP TO AND INCLUDING THE DATE OF THE ANNUAL GENERAL MEETING OF THE COMPANY.

By Order of the Board **For SMS Limited**

Sd/-

Place: Nagpur
Date: 29.11.2021

Smita Agarkar
Company Secretary

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

-Form No. MGT-11

SMS Limited

CIN: U80100MH1997PLC107906
Registered Office: IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022

Name of the member (s):
____
Registered address
:____
E-mail Id
:____
Folio No
:____

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name..E-mail Id:...
Address:.. Signature:... or failing him

2. Name... E-mail Id:...
Address:.. Signature:...

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 30th day of November 2021 At 1.30 p.m. at "IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote optional see note 2 (Please mention no. of shares)		
		For	Against	Abstain
1.	To receive, consider and adopt: a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2021 along with the reports of the Board of Directors and Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the Financial year ended 31st March 2021 together with the Report of the Auditors thereon.			
2.	To declare a dividend for the financial year 2020-21 on Equity Shares.			
3.	To appoint Directors in place of Mr Paramveer Sancheti (DIN: 05326947) and Mr Nirbhay Sancheti (DIN: 00953495) who retires by rotation and being eligible offers themselves for re-appointment.			
4.	Increase in the Borrowing powers to the Board of Directors of the Company- Sec 180 (1) (c):			
5.	For Mortgaging/Creating Charge over Assets of the Company- Sec 180 (1) (a):			

Signed this ....day of.............................2021

Affix Revenue Stamp of not less than ₹ 1

Signature of shareholder(s):

Signature of Proxy holder(s):

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to indicate your preference. If you leave the 'For, Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he may deem appropriate.

<u>Explanatory Statement annexed to the notice pursuant to section 102 of the Companies Act, 2013:</u>

As required under Section 102 of the Companies Act, 2013 (hereinafter referred to as 'the Act') the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 4 to 5 of the accompanying Notice dated November 30, 2021.

For Item No. 4&5:

Keeping in view the Company's existing and future financial requirements to support its business operations and carrying out activities of various projects as well as its growth and diversification, the Company needs additional funds. For this purpose, the Company is desirous of raising funds from various Banks and/or Financial Institutions and/or any other lending institutions which, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to ₹ 3000 crores (Rupees Three Thousand Crore only) from ₹ 2000 crore (Rupees Two Thousand Crore only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create the charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or of the Key Managerial Personnel is, in any way, concerned or interested in the above resolution.

The Board recommends these resolutions for the approval of the members as Special Resolutions.

By Order of the Board

For SMS Limited

Sd/-

Smita Agarkar
Company Secretary

Place: Nagpur
Date: 29.11.2021

ROUTE MAP TO AGM VENUE