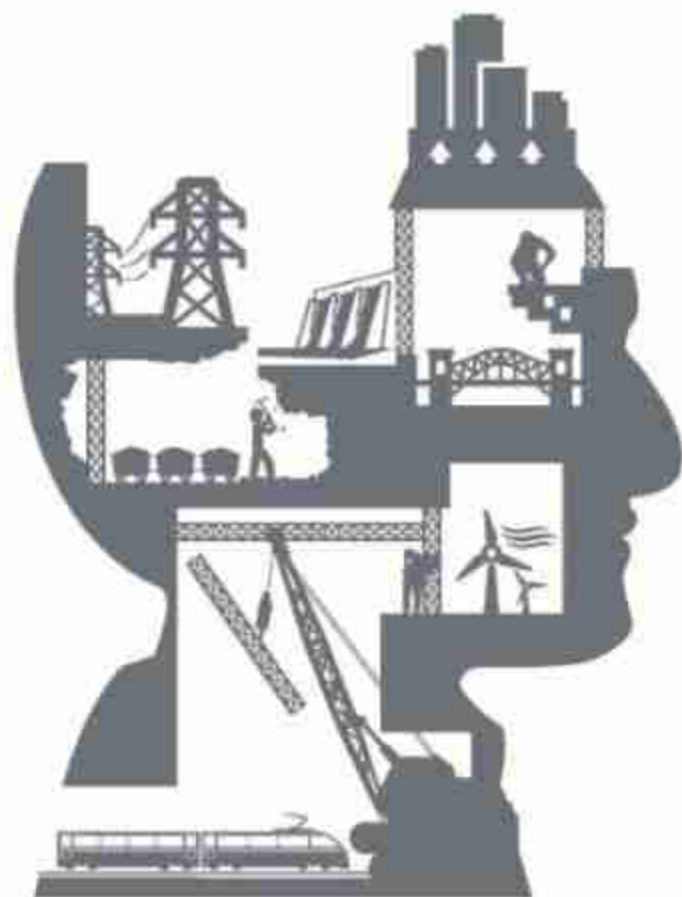


# SMS LIMITED



## **ANNUAL REPORT FOR THE FINANCIAL YEAR 2021-22.**

Regd. & Corp. Add.: IT Park, 20, S.T.P.I, Gayatri  
Nagar, Parsodi, Nagpur - 440 022 (India).  
Ph.: 0712-7125000, Fax: 0712-7125100.  
Website: [www.smsl.co.in](http://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.

# SMS

# 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 8853.76/- crore as on 31<sup>st</sup> March 2022 majority of which is Mining and Defence (80.88%), Road, Railways and Irrigation (13.76%), Electrical (1.23%), Environment (3.17%) and Urban Development (0.96%).


**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 2715 employees and net asset block of ₹ 242.02 Crore on March 22.


**Awarded ISO 14001:2004 and ISO 9001:**


2008 for civil construction & maintenance, irrigation, services, tunnelling & waste management

## Key Clients:


 National Highways Authority of India  
एन.एच.ए.आर.के.ए.ओ. ऑफ़ इंडिया  
National Highway Authority of India


 IRCON International Limited

RITES Limited 

 Vidarbha Patbandhare Vikas Mahamandal

Hindustan Copper Limited 

 Hindustan Zinc Limited  
HINDUSTAN ZINC  
एन.एच.ए.आर.के.ए.ओ. ऑफ़ इंडिया

South Bihar Power Distribution Company Limited 

 South Eastern Coalfield 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 continuous 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**

<b>Board of Directors</b>	<b>1</b>
<b>Company Information</b>	<b>3</b>
<b>Board and its Committees</b>	<b>4</b>
<b>Boards' Report</b>	<b>5</b>
<b>Auditors' Report on Standalone Financial Statements</b>	<b>92</b>
<b>Standalone Balance Sheet</b>	<b>115</b>
<b>Standalone Statement of Profit and Loss</b>	<b>116</b>
<b>Standalone Cash Flow Statement</b>	<b>118</b>
<b>Notes forming part of Accounts</b>	<b>120</b>
<b>Auditors' Report on Consolidated Financial Statements</b>	<b>196</b>
<b>Consolidated Balance Sheet</b>	<b>217</b>
<b>Consolidated Statement Profit and Loss</b>	<b>219</b>
<b>Consolidated Cash Flow Statement</b>	<b>221</b>
<b>Notes to Accounts</b>	<b>223</b>
<b>Notice of AGM</b>	<b>373</b>
<b>Route Map to AGM Venue</b>	<b>398</b>

**S M S**

# SMSL

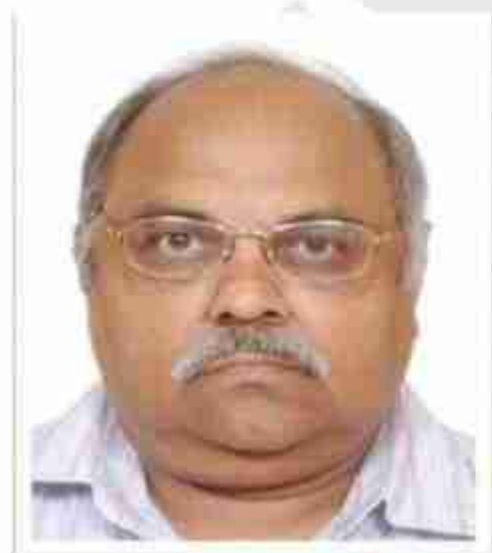
## Board of Directors



*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*

Rajesh Gupta

*Chief Financial Officer*

Smita Agarkar

*Company Secretary*

V. K. Surana & Co.

*Statutory Auditors*

BDO India LLP.

*Internal 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 Kumar 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-Fifth 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, 2022. The consolidated performance of the Company and its subsidiaries has been referred to 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 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 the Private sector in the Country and Waste Management activities.

### 1.1 Financial Highlights:

The financial performance of the Company for the year 2021-22 ended on 31<sup>st</sup> March 2022 is summarized below:

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	905.46	679.54	1766.77	1488.99
Other income	23.85	27.91	48.69	43.97
<b>Total Income</b>	<b>929.31</b>	<b>707.45</b>	<b>1815.46</b>	<b>1532.97</b>
Profit Before Depreciation, Finance Costs, Exceptional items and Tax Expenses	148.17	142.61	606.90	620.78
<i>Less:</i> Depreciation/ Amortisation / Impairment	37.11	33.61	259.26	236.20
Profit Before Finance Costs, Exceptional items and Tax Expenses	111.06	108.99	347.64	384.58
<i>Less:</i> Finance Costs	80.16	103.41	187.43	211.74



Profit Before Exceptional items and Tax Expenses	30.90	5.59	160.21	172.84
<i>Add/Less:</i> Exceptional items	17.63	(27.24)	17.61	(27.72)
*Profit Before Tax Expenses	48.53	(21.65)	177.83	145.11
<i>Less:</i> Tax Expenses (Current & Deferred)	12.08	(0.29)	26.62	19.33
Profit for the year (1)	36.46	(21.36)	148.21	125.79
Other Comprehensive income/(loss) for the year	(10.73)	1.95	(56.39)	(34.71)
Total Comprehensive income (2)	25.73	(19.41)	91.82	91.07
Retained Earning-opening Balance	494.62	515.97	585.76	535.16
Add: Profit for the year	36.46	(21.36)	93.52	55.94
<i>Less:</i> Transfer to Reserves	2.86	NIL	NIL	NIL
<i>Less:</i> Dividend paid on Equity Shares including DDT	NIL	NIL	(7.49)	(5.05)
Add: Addition due to merger of WOS	6.98	NIL	(4.17)	NIL
Add: Transfer from Retained earning	2.86	NIL	NIL	NIL
Retained Earning closing balance	538.06	494.62	667.62	585.76
Balance carried forward	538.06	494.62	667.62	585.76

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

\*Profit before tax expenses is after exceptional items and tax thereon.

#### A. Standalone

The revenue from operations of the Company for the financial year ended 2021-22 amounted to ₹ 905.46/- crore as against ₹ 679.54/- crore in FY-2020-21 and earned a profit before interest, depreciation, exceptional items and tax (PBIDT including exceptional item) for the FY 2021-22 ₹ 148.17/- crores as against ₹ 142.61/- crores in the previous year. After deducting financial charges of ₹ 80.16/- crores, providing a sum of ₹ 37.11/- crores towards depreciation and amortisation and ₹ 12.08/- crore for income tax and the operations of the Company resulted in a net profit of ₹ 36.46/- crore for the FY 2021-22 as against ₹ -21.36/- crores in FY 2020-21.

#### B. Consolidated

During the year under review, the revenue from operations of the Company on a consolidated basis amounted to ₹ 1766.77/- crores as against ₹ 1488.99/- crore in the previous fiscal. The Company has earned a PBIDT of ₹ 606.90/- crore for the FY 2021-22 as against ₹ 620.78/- crores in the previous financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 93.52/- crore as against ₹ 55.94/- crores in the previous financial year.

The order book of the company as on March 31, 2022, stood at ₹ 8853.76/- crore.

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 transferred an amount of ₹ 286.14/- lac to the General reserves of the Company for the FY 2021-22 as the effect of merger of M/s. Patwardhan Infrastructure Pvt. Ltd, the wholly owned subsidiary of the Company.

1.3. Dividend:

The Board in 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, 2022, stood at ₹ 8780.48/- crore.

A separate reportable segment forms part of note no. 53 to the Consolidated Balance Sheet as on 31<sup>st</sup> March 2022.

(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 6<sup>th</sup> 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 17<sup>th</sup> of April 2017 and have completed 64.84% 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 17<sup>th</sup> of May 2017 and have completed 37.65% 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 29<sup>th</sup> of May 2017 and completed 54.11% 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 20<sup>th</sup> of November 2019 with a total project cost of ₹1573.81 crore and have completed 8.27% 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 7<sup>th</sup> of March 2020 with a total project cost of ₹ 3188.38 crore and have completed 10.99% 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 2.45% 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. Panel from punch entry side have been completed and CM is marched to tunnel side. CM package is under maintenance at tunnel workshop. Meanwhile SCCL is assessing the geological structure from tunnel side. A review meeting was held on 24<sup>th</sup> June 2022. SCCL is expected to come up with payment terms for outstanding bills and deployment of CM. Further deployment of CM package will depend upon modifications in terms & conditions of contract in view of the changed scenario.

#### Ketki MDO Underground Coal Mine:

Mine Development and Operation (MDO) of Ketki Expansion Underground Coal Mine, Bishrampur area, the LOA issued by the South Eastern Coalfield Limited. 10<sup>th</sup> of March 2022, the total MDO project cost for 16 years is ₹ 1621.35 crore.

The total work in hand of the mining projects with the project cost of ₹ 7,190.08 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), Andhra Pradesh.
- vi Extraction of coal on a cost per ton basis by deploying Continuous Miners including the drivage of tunnels at Kondapuram UG Mine, Manuguru area, Telangana
- vii Mine Development and Operation (MDO) of Ketki Expansion Underground Coal Mine, Bishrampur area, Chhattisgarh.

#### ROAD RAIL & IRRIGATION SECTOR:

##### IRRIGATION SECTOR:

Following works in the irrigation sector as detailed under were in progress during FY 2021-22:

##### Battisa Nallah Gravity Dam

Construction of Battisa Nallah Gravity Dam across Battisa Nallah on Engineering, Procurement and Construction (E.P.C) single Responsibility turn-key basis, near village Deldar of the tehsil of Aburoad, Sirahi District in the State of Rajasthan, India.



Cost: ₹ 133.43 Cr. Completed Cost: ₹ 57.46 Cr. Completion in percentage: 56.94%

**New works awarded/started during FY 2021-22:**

1. No new works in the irrigation sector were awarded/started during 2021-22.

**RAIL AND ROAD SECTOR:**

Following works in the rail and road sector were completed during FY 2021-22:

1. Balance works 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 Solapur Division of Central Railway in the States of Maharashtra & Karnataka, India".
2. Rehabilitation and upgradation of NH-42 (old NH-219) from km.58/600 to 140/680 (Palamaneru to Krishnagiri Border Section) to two lanes with paved shoulders in the State of Andhra Pradesh under Corridor Approach through Engineering, Procurement & Construction (EPC) Contract basis (Aggregate length of 81.44 km).

Following new works got awarded/started during FY 2021-22:

1. Demolition and Reconstruction of existing Gopal Krishna Ghokale Bridge at Andheri (Municipal Corporation) Project Cost:107.51 Crore
2. 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. Project Cost:360.80 Crore in which SMSL share is 20% i.e. 72.16 Crore
3. Construction of Four Lane Major Bridge across Manjara River near Yesgi Village@ 276/ 500 on Renapur Udgir Degloor Aadampur Phata Sagroli Road on NH63 in Tq. Biloli Di. Nanded in the state of Maharashtra in EPC Mode. Project Cost:111.25 Crore in which SMSL share is 30% i.e. 33.37 Crore
4. "Earthwork in Formation, Minor Bridges, P. Way Linking work including supply of Track Ballast, PSC Sleepers, P. Way Fittings, Points & Crossings, Drain, Road, FOB, Geotechnical Investigation etc. in connection with Project Management Consultancy Work for the



proposed feeder line of East West Rail Corridor within the Lease hold boundary of Project for Coal evacuation through Rail at Gevra Opencast of Gevra Area of SECL." Project Cost:61.29 Crore

## ENVIRONMENT SECTOR:

### Raipur Municipal Corporation-Nava Raipur:

The Company was awarded the work order on 17<sup>th</sup> July 2018 for the work of EPC, Testing, Commissioning, Trial run and 15 years of Operation & Maintenance including replacement & warranty of all components of 3 Nos STPs of capacity 75, 35 & 90 MLD each with SBR technology including designing, P/L/L/J of RCC NP3 Pipes interceptor sewer of length 11420 M (700 MM to 1800 MM Dia) with all allied components complete on TURNKEY JOB basis under Mission AMRUT. At the end of the year as of 31.03.2022 approx 68% of works completed.

### Chandigarh Smart City Legacy Waste clearance Project:

1. The Company was awarded a project for mining legacy waste and recovery of land at the Daddu Majra dumping ground, Chandigarh on a build operation and transfer Basis by Chandigarh Smart City Limited. The agreement was signed on the 21<sup>st</sup> 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 in June 2020 and approximately 67% of the work was completed at the end of the year.

### MEPL Ranjangaon landfill:

The Company has Miscellaneous Work for Excavation and for which have internal hiring Order for "Excavator" From MEPL @ of ₹1.67 Lacs/ Month against Order # 4200082962 dated 13.06.2022 which is valid till May 2024.

### Additional Butibori CETP:

The company was awarded the contract on the 4<sup>th</sup> of September 2020 for design-build commissioning of additional Butibori CETP on a 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 as of 31.03.2022 Approval for Mechanical Design & Drawings is under Progress other designing and drawings of Civil works are approved Civil/Infrastructure Works are under way. At the end of the year as of 31.03.2022 approx 6% of works completed.

#### 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 17<sup>th</sup> of July 2018. The Company completed about 68% of the work as of 31.03.2022. PNM Instrumentation works & Finishing works is under progress Balance work is expected for Completion by 31<sup>st</sup> Dec 2022.

#### 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 18% of O & M Period Completed Contract Valid till 31.01.2025.

#### MEPL Butibori:

A work order for the construction of SFL-3 was received from Maharashtra Enviro Power Limited in years 19-20. The capacity of the landfill will be 1.90 lakh MT. 92% of Construction works is completed the work is completed at the end of the year.

#### Ponda Envocare Limited:

Construction of common hazardous waste transport storage and disposal facility at Pissurelem Industrial area, Tah-Sattari, North Goa and 48% of the work was completed at the end of the year.

#### O & M CETP Amravati

O & M Works of CETP Amravati is under Progress and Valid till 31.12.2038 Comprising 18% of orders on Hand.

The division has bided for projects such as Hajpur CETP, ONGC Mehsana, STP Pune, Agra STP, GMDA TTP, Meerut STP, and BMW Delhi Region 2. However, Except for BMW Delhi Region 2, 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. 2021-22.

v) Capital Expenditure Programme:

The company incurred a capital expenditure of ₹ 8632.66/- lac detailed hereunder for the purchase of various tangible fixed assets during FY 2021-22.

Expenses for the following are as follows-

Sr. No.	Particulars	₹ in Lac
1.	Building	431.94
2.	Plant & Equipment's	3238.84
3.	Furniture & Fixture	56.91
4.	Vehicles	554.36
5.	Office Equipment	75.41
6.	Computer	87.10
7.	Mining Asset	98.22
8.	Right to use Assets	4089.88
	Total	8632.66

vi) Details and status of acquisition, merger, expansion, modernization and diversification:

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

However, SMS Limited and its Wholly Owned Subsidiary company (WOS) viz., M/s. Patwardhan Infrastructure Pvt. Ltd. in their respective Board meeting held in December 2020 subject to requisite approvals including that of NCLT, approved the merger of said WOS with SMS Limited (The Holding Company) with the appointed date as 1<sup>st</sup> April 2020. Hon'ble National Company Law Tribunal, Mumbai bench, vide order dated 24<sup>th</sup> March 2022 has approved the Scheme of Merger with the appointed as 1<sup>st</sup> April 2020. The effective date being the dated of filing of E-Form INC-28 with NCLT was 2<sup>nd</sup> May 2022. All the formalities relating to the merger have been completed. Hence M/s. Patwardhan Infrastructure Pvt. Ltd, the WOS is dissolved and now merged with its holding Company (M/s. SMS Limited).



vii) Developments, acquisition and assignment of material Intellectual Property Rights:

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

vii) Any other material event having an impact on the affairs of the company.

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

b) Change in Nature of Business:

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.

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 the Late Mr Shaktikumar M. Sancheti, the group is recognised as one of the largest Infrastructure Companies in Central India. The registered office of the Company is located at IT Park, 20 S.T.P.L., 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.

### 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 2021-22, the Authorised Share Capital of the Company was increased from ₹ 15,00,00,000/- divided into 15000000 Equity Shares of ₹ 10/- each to ₹ 15,50,00,000/- divided into 15500000 Equity Shares of ₹ 10/- each pursuant to the Scheme of Merger by absorption of Patwardhan Infrastructure Private Limited (wholly-owned subsidiary) with the Company, upon scheme becoming effective from the appointed date i.e. 01.04.2020 in line with the Scheme of Merger.

There was no change in the issued, subscribed and paid-up Share Capital during the year under review. Hence the issued, subscribed and paid-up capital of the Company stood at ₹ 10,26,13,820/- divided into 10261382 Equity Shares of ₹10/- each as on 31<sup>st</sup> March 2022.

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, 2022, 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 2021-22, 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 2021-22, 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 2021-22, pursuant to the Scheme of Merger the Patwardhan Infrastructure Private Limited (wholly-owned subsidiary) got merged with the Company and consequently, the Authorised Capital increased from ₹ 15,00,00,000/- divided into 15000000 Equity Shares of ₹ 10/- each to ₹ 15,50,00,000/- divided into 15500000 Equity Shares of ₹ 10/- each.

(e) change in voting rights:

The voting rights of the Company remained unchanged during the F.Y. 2021-22.

3.1 Issue of shares or other convertible securities:

During the financial year 2021-22, there was no change in the capital structure of the Company except an increase in the Authorised Share Capital from ₹ 15,00,00,000/- divided into 15000000 Equity Shares of ₹ 10/- each to ₹ 15,50,00,000/- divided into 15500000 Equity Shares of ₹ 10/- each pursuant to Scheme of Merger becoming effective. While, the issued, subscribed and paid-up capital of the Company remained unchanged and stood at ₹102613820/- divided into 10261382 Equity Shares of ₹ 10/- each as on 31<sup>st</sup> March 2022.

3.2 Issue of equity shares with differential rights:

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 Issue of Sweat Equity Shares:

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 Details of Employee's Stock Options:

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 Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees:

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 Issue of debentures, bonds or any non-convertible securities:

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

### 3.7 Issue of warrants:

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

## 4. CREDIT RATING OF SECURITIES:

### (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) 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, has also been accredited by RBI and offers rating services on Bank Loans, NCD, Commercial Paper, Fixed deposits, Securitised paper, and Security receipts.



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 15<sup>th</sup> February 2022 for FY 21-22, where Brickwork Ratings had reaffirmed the ratings at BWR A/Stable/A2+ for the bank loan facilities of Rs.1394.61 Crore of SMS Limited.

- (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 reaffirmations reflect the stable consolidated financial risk profile, but a muted performance on a standalone basis in FY21, recovery in FY22 financials and strong, albeit concentrated, order book. The rating also factors in the reputed client profile, thereby limiting counterparty risks and the extensive experience of the promoters and the company's established track record.

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 Lakhota, (DIN: 00634602)

Mr Ramendra Gupta (DIN: 00306663)

#### Non-Executive Directors:

Mr Hemant Lodha, (01654145).

## INDUCTIONS, RETIREMENT, RESIGNATIONS AND CESSATION:

### INDUCTIONS:

During the year under review based on the recommendation of the Nomination and Remuneration Committee vide its 16<sup>th</sup> meeting dated 28<sup>th</sup> March 2022 the Board of Directors at its 432<sup>nd</sup> meeting dated 28<sup>th</sup> March 2022 and via approval of the members vide its meeting dated 24<sup>th</sup> May 2022 have re-appointed Mr Dilip Surana (DIN: DIN: 00953495) as a Whole-time Director of the Company for a period of Three (3) years w.e.f. 24<sup>th</sup> May 2022 to 23<sup>rd</sup> May 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 Akshay Sancheti, (DIN: 07564977) and Mr Hemant Lodha, (DIN: 01654145) 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.

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

## **Key Managerial Personnel:**

Mr Anand Sancheti, Managing Director, Mr Rajesh Gupta, 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.

Mr Rajesh Kumar Gupta was appointed as the Chief Financial Officer as Key Managerial Personnel of the Company w.e.f. 1<sup>st</sup> April 2021.

Other than as stated above, there has been no other change in the Key Managerial Personnel during the Financial Year under review.

## **6.2 Independent Directors:**

During the year under review pursuant to the provision of section 149 subsection (10) of the Companies act 2013 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 2021-2022 under review, 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 a director.

#### 6.5 Board Meeting









































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

The Board of Directors met Four times during the financial year 2021-22; July 31, 2021, October 7, 2021, November 29, 2021, and March 28, 2022.

The annual General Meeting for FY 2020-21 was held on November 30, 2021. The details of the meetings of the Board of Directors are given in Table 1 held during FY 2021-22.

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 November 30, 2021	No. of Board Meeting held and attended				% of attendance including video conferencing
		1 11/7 2021	2 7/10 2021	3 21/211 2021	4 28/23 2022	
Anand Sancheti						100%
Dilip Surana						100%
Ramendra Gupta						100%
Ajay Kumar Lakhoria						100%
Paramveer Sancheti						100%
Nirbhay Sancheti						100%
Akshay Sancheti						100%
Hemant Lodha						100%



Attendance in person or Through Video Conferencing





































Absent- Nil

## 6.6 Committees:

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, 2022							
Name	Board Executive Committee		Audit Committee	CSR Committee	Nomination & Remuneration Committee	Risk Management Committee	Share Transfer Committee
Anand Sancheti							
Dilip Surana							
Ramendra Gupta							
Ajay Kumar Lakhotia							
Paramveer Sancheti							
Nirbhay Sancheti							
Akshay Sancheti							
Hemant Lodha							



Chairman



Member

### A. Executive Committee:

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

During FY 2021-22, 56 (Fifty-Six) Meetings of the Executive Committee were held;

Date	Month	Year	Date	Month	Year
12 <sup>th</sup> , 19 <sup>th</sup> & 30 <sup>th</sup>	April	2021	4 <sup>th</sup> , 12 <sup>th</sup> , 21 <sup>st</sup> & 28 <sup>th</sup>	October	2021
14 <sup>th</sup> , 18 <sup>th</sup> & 31 <sup>st</sup>	May	2021	2 <sup>nd</sup> , 9 <sup>th</sup> , 15 <sup>th</sup> & 20 <sup>th</sup>	November	2021
3 <sup>rd</sup> , 8 <sup>th</sup> , 11 <sup>th</sup> , 21 <sup>st</sup> & 29 <sup>th</sup>	June	2021	4 <sup>th</sup> , 13 <sup>th</sup> , 21 <sup>st</sup> & 28 <sup>th</sup>	December	2021
5 <sup>th</sup> , 9 <sup>th</sup> , 13 <sup>th</sup> , 15 <sup>th</sup> , 21 <sup>st</sup> , 24 <sup>th</sup> & 27 <sup>th</sup>	July	2021	10 <sup>th</sup> , 21 <sup>st</sup> & 27 <sup>th</sup>	January	2022
4 <sup>th</sup> , 9 <sup>th</sup> , 17 <sup>th</sup> & 26 <sup>th</sup>	August	2021	2 <sup>nd</sup> , 5 <sup>th</sup> , 9 <sup>th</sup> , 22 <sup>nd</sup> , 23 <sup>rd</sup> & 25 <sup>th</sup>	February	2022
3 <sup>rd</sup> , 14 <sup>th</sup> , 20 <sup>th</sup> & 24 <sup>th</sup>	September	2021	5 <sup>th</sup> , 7 <sup>th</sup> , 10 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> , 23 <sup>rd</sup> , 25 <sup>th</sup> , 26 <sup>th</sup> & 28 <sup>th</sup>	March	2022

The composition of the Executive Committee and the attendance of its Members at its Meetings held during FY 2021-22 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. Corporate Social Responsibility:



















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

During FY 2021-22, three Meetings of the Corporate Social Responsibility Committee were held on July 31, 2021, November 29, 2021, and March 28, 2022.

The composition of the Corporate Social Responsibility Committee and the attendance of the Members at its Meetings held during FY 2021-22 are detailed in Table 3:



Table 3: Details of the CSR Committee:

Name of the Member	Nature of Membership	Category	No. of Meetings held & attended			% of Attendance
			1	2	3	
Ramendra Gupta	Member	Independent Director				100.00%
Ajay Kumar Lakhoria	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. Audit Committee:













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

During FY 2021-22, four meetings of the Audit Committee were held i.e. on July 31, 2021, October 7, 2021, November 29, 2021, and March 28, 2022.

The details of the composition of the Audit Committee and the attendance of the Members at its 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 Meetings held & attended				% of Attendance
			1	2	3	4	
Ajay Kumar Lakhoria	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. Nomination And Remuneration Committee:

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

During FY 2021-22, a meeting of the Nomination Remuneration Committee were held i.e. on March 28, 2022.

The details of the composition of the Nomination and Remuneration Committee and the attendance of the Members at its 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 Meetings held & attended		% of Attendance
			1	2	
Ajay Kumar Lakhota	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 with the philosophy of the commitment to 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 2021-22, 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 the Companies Act, 2013 and the Committee comprises 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 of 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 July 31, 2022.

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 Meetings 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			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)

#### G. Share Transfer Committee:






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

During FY 2021-22, one meeting of the Share Transfer Committee was held i.e. on October 7, 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 Lakhoria	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 2021-22. 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.pdf](https://smsl.co.in/wp-content/uploads/2020/07/Nomination_and_Remuneration_Policy.pdf).

#### 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 questionnaires' 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 brought 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 remuneration of ₹ 6,50,000/- (Rupees Six Lac Fifty Thousand Only) per month from SMS AABS India Tollways Private Limited (the Subsidiary Company of SMS Limited), w.e.f 1<sup>st</sup> April 2021 as Non-Executive Director in the said Subsidiary in addition to the overall managerial remuneration including allowances drawn from the Company subject to all the terms of appointment of Mr Dilip Surana.

Details of the remuneration received by the Managing Director or Whole Time Director from holding or subsidiary Company to in terms of Section 197(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 2021-22, 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, 2022, 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 Internal Financial Control And Its Adequacy:

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 Details of Fraud Report By Auditor:

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. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

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

The Company has 15 subsidiaries, 2 Associates and 17 Joint Ventures as of March 31, 2022. 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](http://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 2021-22 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 the contract of Mazaffarpur-Darbhanga-Purnea for a period of 9 years from COD i.e 19<sup>th</sup> 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 seventh year of operation.

Net Revenue from operations during the year stood at ₹ 28754.33 /- lac and the Net Profit at ₹ 9415.87/- lac as against ₹ 11671.06 lac/- in the preceding year.

#### ii. SMS Water Grace BMW Private Limited:

SMS Water Grace BMW Private Limited, a subsidiary Company of SMS Infrastructure Limited 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. This facility is located at Nilothi New Delhi and has 28.8 TPD treatment and disposal capacity. The facility has Incinerator, Autoclave and Shredding operations for treatment of biomedical waste. Facility is one of the modern facilities in India started its operations in 2006. Facility has an 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. The Company is continuously updating latest technology for waste treatment by installation of new equipment's

GPS tracking systems fitted in transport vehicles. Facility has 34 owned GPS enabled vehicles for transportation of biomedical waste. Facility made a route & area wise map area for every vehicle to cover all the clients for Collection of BMW.



The Project works are as per the guidelines and the consent and authorization. Delhi Pollution Control Committee has issued consent to operate and authorization under Biomedical Waste Management Rules, 2016.

Revenue of BMW Delhi has been decreased by 4% over the previous year as in previous financial year the Covid-19 waste received was above and extra of current waste.

Net Revenue from operations during the year for the subsidiary stood at ₹ 1,156.96/- lac and the Net Profit at ₹ 290.94 /- lac as against ₹ 693.99/- 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 6<sup>th</sup> December 2006 and is engaged 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 Right Bank Canal (RBC) and Left Bank Canal (LBC) near reservoir of Pench river. The RBC hydropower plants is situated at Navegaon Khaire, district Nagpur and the LBC hydropower plant is situated at Wainganga river at Navegaon Bandh district Nagpur.

1. Right Bank Canal Power plant having a capacity of 1.4 MW. The evacuation/ transmission of power plant to nearby relay station have been done through a 33KVA transmission line. The subsidiary has erected this RBC for Maharashtra State Electricity Distribution Company Ltd (MSEDCL) and handed over to them.

At RBC, the subsidiary is having two machines of 0.7 MW each and both the machines are operational. However, due to low dam head and less water requirement for Irrigation dept., the subsidiary could generate only 27% of plant's capacity. Furthermore, RBC canal was blocked for 4 months due to construction of bridge on it, which reduced the operational days of the machine resulting in less power generation i.e. 20% less than the previous year.

2. Left Bank Canal Power plant has a capacity of 4.4 MW. The construction work of the 33KVA transmission line for evacuation/transmission of power from LBC is completed and handed over to MSEDCL.



At LBC, the subsidiary is having two machines of 2.2 MW each and both the machines are operational. Because of the low dam head and back pressure caused due to bypass of excess volume of water flow, the subsidiary have generated only 28% of the plant's capacity which reduced the operational days of the machine resulting in less power generation i.e 8% less than the previous year.

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

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 ₹ 242.71 lac/- and the net loss of ₹ 998.69 lac/- as against ₹ 803.52 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, incorporated on 6th August 2007, under the provision of the Companies Act, 1956 and was established with the object of to carry on the business of and act as appraisers, builders, constructors, etc. together with management and operation 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 collection of tolls and infrastructure management and conduct research, design and develop technologies; to carry on the business of operation and/or maintenances, commercialize, control, etc. and to act as agent and deal in all types of repair and maintenance services for all types vehicles, machineries, plants, equipment, tools; to carry on the business of leasing and give on lease all kinds of equipment's.

The Company is primarily engaged in the business of construction and infrastructure development, which operates in one geographical segment, hence segment reporting under Ind AS 108 is not required

Revenue from Operation has been increased by 8.64% over the previous year i.e. ₹ 997.44/- lac as compared to ₹ 918.06/- lac in the previous year. However, during the year there was a net loss of ₹ 57.21 /- lac as against the net profit of ₹ 106.46/- lac in the preceding year.

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 29<sup>th</sup> 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 1<sup>st</sup> April 2019 (Holding Company).

The Board of Company vide its meeting dated 18<sup>th</sup> January 2020 cancelled the aforementioned process of the amalgamation/merger due to certain administrative issues and the Board of Directors again vide its meeting dated 17<sup>th</sup> 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 31<sup>st</sup> August 2021.

During the year under review, National Company Law Tribunal (NCLT) has approved the scheme of Merger of wholly owned subsidiary Company namely Patwardhan Infrastructure Pvt. Ltd. (PIPL) with SMS Limited (SMSL) vide its acknowledgement mail dated 06.06.2022 and the effective date of the Merger is the date of filing of Form INC-28 with Registrar of Companies viz 2<sup>nd</sup> May 2022. Completed all the formalities relating to the merger.

vi **Ayodhya-Gorakhpur SMS Tolls Private Limited:**

The Ayodhya-Gorakhpur SMS Tolls Private Limited is a Wholly Owned Subsidiary (WOS) of the Company, 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 5<sup>th</sup> 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 received a new Change of Scope (COS) Works-order from the National Highway Authority of India (NHAI, the Authority) for Medical Oxygen generation Plants amounting to ₹ 30,98,815/-. The Company in the duration of the previous financial year has partly finished the COS work formerly awarded, of railing and signboard against which the Company has not raised any bill against NHAI, which will be raised and submitted with the authority in the current financial year i.e. 2022-23. During the financial year 2021-22, the Company has raised total bills amounting to ₹ 29,49,544.64/- against NHAI for the Oxygen generation plants and has incurred expenses of ₹ 27,63,265.48/- against the above-mentioned work, which are detailed here under. The work regarding Metal Beam Crash Barrier is still under process.

Detail of works, which are considered in Change of Scope (COS) works	
Particulars	Amount (in Rs)
Railing and Signboard	507600.00
Oxygen Plant	2255665.48
<b>Total</b>	<b>2763265.48</b>

Net Revenue from operations during the year for the subsidiary stood at ₹ 22,981.82/- lac and the Net Profit at ₹ 1,027.10/- lac as against ₹ 2711.15/- lac in the preceding year.

vii **SMS Envoclean Private Limited:**

Municipal Corporation of Greater Mumbai has allotted land on BOOT basis the Company in 2007 for the project. The company has Biomedical waste Treatment Facility (CBWTF) at Nilothi, Mumbai. The Company engaged in providing biomedical waste management & disposal service to around 12,411 hospitals, clinics and doctors and is having good association with them for long period, it has around 63 vehicles for BMW collection, each vehicle has its assigned routes and ensures regular biomedical waste collection as per required frequency. It also provides bar-coded bags to customers as per the categories of Biomedical Waste Rules 2016. As per CPCB guidelines it has implemented barcode scanning & data uploading services related to bio-medical waste received from health care facilities (HCF) helps in controlling the pilferage of recyclable biomedical waste. The future outlook of the company looks good.

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



During the year, the subsidiary has generated ₹ 4065.45/- lac as net revenue from operations and the net profit at ₹ 1421.12 /- lac as against ₹ 1571.61/- 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.

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 25<sup>th</sup> 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.

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 25<sup>th</sup> 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 SPV of SMS Limited developed in the Common Hazardous Waste Treatment Storage Disposal Facility (CHWTSDF) at MIDC Ranjangaon Pune and Butibori Nagpur.

The Company has Common Hazardous waste Treatment storage and Disposal Facility located at Ranjangaon MIDC. MEPL caters to industries generating Industrial Hazardous waste to collect their Hazardous waste store, treat and dispose it in a scientific method.

The Company is an ISO 9001, ISO 14001 & ISO 45001 certified company. The Company has an in-house laboratory for carrying out all the Hazardous waste sample analysis, water and wastewater analysis. This project is for scientific disposal of Industrial Hazardous waste in the region.

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

Maharashtra Enviro Power Limited caters to industries generating Industrial Hazardous Waste to Scientifically Collect, Store, Treat and Dispose the waste as per the regulatory norms stipulated in The Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 and further amendments thereof by MOEF & CC and also as per the CPCB guidelines for TSD facility.

#### **Butibori, Nagpur Plant:**

Butibori CHWTSDF facility has 2 Secured Landfills, 2nd Landfill is in operation and construction of 3rd Landfill is under process and expected to be completed in this year. The unit also has storage facility of 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 Vidarbha region. . The Butibori Facility is catering to the districts of Nagpur, Gondia, Bhandara, Chandrapur, Gadchiroli, Amravati, Wardha, Yawatmal, Akola and Buldana.

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 its waste management services to over 900 industries.

#### **Ranjangaon, Pune Plant**

Ranjangaon Plant has five Landfills, fifth Landfill is in operation and construction of sixth Landfill is under process. Landfills are designed and constructed as a secured facility to contain the waste material and any leachate generated during the process and expected to be completed in this year. 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). As per the Area Allocation Order of Maharashtra Pollution Control Board the area of jurisdiction allotted to the Ranjangaon facility are Ahmednagar, Kolhapur, Pune, Satara, Sangli,Sholapur, Aurangabad, Beed, Dhule, Hingoli, Jalgaon, Jalna, Latur, Nanded, Nandurbar, Nashik, Parbhani, Osmanabad districts.

The unit has NABL accredited & MOEF approved Scientific Laboratory for analysis of Hazardous Waste as per the guidelines given by CPCB.

#### **Upcoming projects by Maharashtra Industrial Development Corporation (MIDC)**

There are various upcoming industries in the state of Maharashtra, including engineering hubs, auto engineering hubs, aerospace and defense hub along with textile and food processing hub are in process of setting up.

Since Maharashtra Enviro Power Limited is a Common Hazardous waste treatment storage and disposal facility catering to the major industrial hubs of Western Maharashtra, Khandesh, Maratwada & Vidharbha Regions there is a good potential for the business growth.

During the year, the subsidiary has generated ₹ 13228.91/- lac as net revenue from operations and the net profit at ₹ 3030.11 /- lac as against ₹ 2453.08/- 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 kinds with eight 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 9<sup>th</sup> May 2014 ending on 22<sup>nd</sup> 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.

Net Revenue of the subsidiary from operations during the year stood at ₹ 3864.24/- lac and the net loss at ₹ -1646.18/- lac as against ₹ -3069.85/- lac in the preceding year.

xii **SMS Hazardous Waste Management Private Limited (Formerly known as SMS Mines Developers Private Limited)**

SMS Hazardous Waste Management Private Limited is a Subsidiary of SMS Limited.

During the financial year, in view of the diversification, the Company altered its object and include a waste management business intending to take up the business of hazardous waste management, as to enable the Company to take up this business activity, consequent to the change of object, the name of the Company was changed from SMS Mines Developers Private Limited to SMS Hazardous Waste Management Private Ltd., w.e.f. 22<sup>nd</sup> September 2021 to reflect the main Object of the Company.

During the year under review, the company has not undertaken any business activity

However, during the year there was a net loss of ₹ 5.73 /- lac as against ₹ 0.85/- 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 license awarded to it by the transport department. As per the terms of the license, 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 license/tender agreement. The time limit was extended by the transport department till 31<sup>st</sup> 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 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 rollout of vehicles is being considered for extension & acquisition & roll out of 1200 taxicabs is to be 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.

### Going Concerned

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 ₹ 28.24/- lac and the net loss at ₹ 241.96/- lac as against the net loss of ₹ 380.89/- 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 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 already put with the concerned authorities in Indonesia.

The parent company is optimistic that once the approval for diversion of the river 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 ₹ 35,03,512/- and the net loss at ₹ 2,05,37,560/- as against ₹ 1,00,88,606/- 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 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 ₹ 3/- and the net loss at ₹ 38,22,842/- as against net loss of ₹45,16,455/- in the preceding year.

xvi **SMS Infolink Private Limited:**

SMS Infolink Private Limited is a closely held Company domiciled in India and incorporated on 9th September 2011 under the provisions of companies Act, 1956. The Company is a wholly owned subsidiary of SMS Limited.

The company has amended its object clause as to include the business of fleet management. The Company in proposes to take up the business in transportation sector in near future. However has not commenced any commercial activities till date.

During the year under review, there was no activity resulting in nil revenue and the net loss stood at ₹ 1.176/- lac as against a net loss of ₹ 1.178/- lac in the preceding year.

xvii **SMS Waste Management Private Limited:**

SMS Waste Management Private Limited is a Wholly Owned Subsidiary (WOS) of SMS Limited and incorporated on 15/12/2014 under the provisions of the Companies Act, 1956 formed for taking up the work order issued by Maharashtra Industrial Development Corporation for Providing effluent collection, effluent treatment, recycling & disposal arrangement for Textile Park and Common Effluent treatment plant for Textile/dye bath effluent system initially.

However, the subsidiary has not yet started its business activity.

During the financial year, the subsidiary has not generated any revenue. However, the net loss stood at ₹ 0.85/- lac as against ₹ 1.29/- 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. Any member at the registered office of the Company will also keep the annual accounts of the subsidiary companies open for inspection.

### **Xviii SMS Mining Limited:**

SMS Mining Limited is a Wholly Owned Subsidiary (WOS) of SMS Limited, incorporated with a primary object to carry the business to mine, quarry, beneficiate, concentrate, dress, smelt, refine, manufacture, process, fabricate, purchase or otherwise acquire, sell or otherwise dispose of or deal in ores containing copper, lead or cadmium, concentrates of Coal, Uranium, copper, lead and zinc, copper, lead and zinc alloys and compounds, copper, lead and zinc, goods, wares, and products of all kinds, fertilizer, chemicals, compounds of metals and minerals or other material of every kind needed for or resulting from the mining, production, purchase or processing of ores containing copper, lead and zinc, cadmium metals and their products of every kind.

However, the subsidiary has not yet started its business activity.

### **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<sup>th</sup> 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 ₹ 68.21/- lac as against net loss of ₹ 0.21/- 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 ₹ 475.82/- lac and the Net Profit at ₹ 4.40/- lac as against ₹ 1.91/- lac in the preceding year out of the total profit 2.86/- lac apportioned to SMSL (JV partner).

### 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 and for which JV made the provision of Bad & Doubtful debt for ₹ 3960.67 in the preceding financial year. SMSL being the JV partner is now executing the remaining works on behalf of JV. DTC being insolvent company gone in NCLT and Vide order Dt: 74.03.2022.

However during the financial year there is no impact on profit and loss statement in FY 21-22 in the books of JV company. Also, JV entity has approached Abhyudaya Co-Op Bank for settlement, thus resulted in reduction in liability of Abhyudaya Co-Op Bank to ₹ 2500.00 Lac. This has resulted to an overall increase in net profit of JV to ₹ 2518.90 Lacs in FY 21-22 and SMS Limited has booked its share of profit of ₹ 1763.23 lac as an exceptional item.

However, the value of work done by JV during the year stood at ₹ 156.92/- lac and the net profit stood at ₹ 2518.90/- lac as against the net profit of ₹ 3.78/- lac in the preceding year out of the total profit 1763.23/- 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 Brahmaputra) of JV during the year stood at ₹ Nil.

iv. **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 SMSIPLAIPPL (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 2021-22 as well as in 2020-21, there was no activity in JV. However, the net loss for the year under review is ₹ 0.08/- lac and out of the total loss of 0.04 lac apportioned to SMSL (JV partner).

v. **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 Furna 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 (Hadgson) 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 ₹ 0.52/- lac in the preceding year and out of the total loss 0.26/- lac apportioned to SMSL (JV partner).

vi. **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 ₹ 1726.10/- lac and the total net profit of ₹ 149.82/- lac as against a net loss of ₹ 63.27/- lac in the preceding year, whereas out of the total profit ₹ 104.87/- lac apportioned to SMS Limited (JV partner).

vii **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 loss of ₹ 0.14/- lac whereas out of the total loss ₹ 0.01/- lac apportioned to SMS Limited (JV partner).

viii **Gannon Dunkerley & Co. Ltd. and SMS Infrastructure Ltd (JV) [GDCL-SMSIL(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 ₹ 7176.95/- lac

ix **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 ₹ 4128.12/- lac and the total net profit of ₹ 9.07/- lac as against ₹ 2.85/- lac in the preceding year. Whereas out of the total profit ₹ 5.17/- lac apportioned to SMS Limited (JV partner).

x **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.

The revenue from operation of JV during the year is at ₹ 4481.35/- lac and the total net profit stood at ₹ 0.62/- lac and out of the total profit ₹ 0.37/- lac apportioned to SMSL (JV partner).

xi **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 revenue from operation for JV stood at ₹ 96.80/- lac and the net profit for the JV stood at ₹ 1.30/- lac out of the total profit ₹ 0.26 lac apportioned to SMSL (JV partner).

**xii SMSLMBPL (JV):**

SMS Limited and Mehrotra Buildcon Pvt. Limited are joint venture members namely SMSLMBPL(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 ₹ 50.08/- lac and the net loss is ₹ 50.94 /- lac as against the net profit of ₹ 1.97/- lac in the preceding year out of the total loss ₹ 32.26/- lac apportioned to SMSL (JV partner).

**xiii Meghe SMS Health Science Consortium (AOP):**

The Company vide consortium agreement dated 20<sup>th</sup> 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 13<sup>th</sup> 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 ₹ 23,14,023/- only.

xiv **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

During the year under review, the JV had the total work receipt of ₹ 12,02,70,798/- and the net loss for the financial year is ₹ 30383.06/- out of the total loss ₹ 6076.70/- apportioned to SMSL (JV partner).

xv **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 ₹ 66.56/- lac and the net profit is ₹ 265.45/- lac out of the total profit ₹106.18/- lac apportioned to SMSL (JV partner).

xvi **Sanbro Corporation:**

Sanbro Corporation is a partnership firm formed on 15<sup>th</sup> 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 15<sup>th</sup> November 2007 with the object of to carry on the business of trading of all kinds of lab equipment's, plasma 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 30<sup>th</sup> 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 ₹ 16,812/- out of the total loss ₹ 4371.12 /- apportioned to SMSL (JV partner).

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

SRRCIPLSMSL (JV) is a joint venture entity formed on 15-04-2021 between Sri Raja Rajeswari Constructions (India) Private Limited and SMS Limited for the work of Construction of Major Bridge across Manjra River Near Yesgi Village at Km-276/500 on Renapur Ashtamod Udgir Degloor Aadampur Phata Sagroli Road NH-63 in Tq. Biloli dist. Nanded in the state of Maharashtra on EPC" (the "Project") through an EPC Contract through has request for proposal No. NIT 03/EENH/NED/3221/2020-21/1 Dated: 07/12/2020 (the "RXP") invited by Ministry of Road Transport and Highways/National Highways Authority of India.

During the year under review, the revenue from operation for the JV is ₹ 280.12/- lac and the net loss is 0.10/- lac out of the total profit ₹ 0.03/- lac apportioned to SMSL (JV partner).

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

i) Companies which have become subsidiaries:

During the financial year under review the following new Company has incorporated a Wholly Owned Subsidiary of the Company with an main object to carry Mining and its related activities.

Name of the Subsidiary	Date of Incorporation
SMS Mining Limited	28 <sup>th</sup> September 2021

ii) Companies which have ceased to be subsidiaries:

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 16<sup>th</sup> 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 19<sup>th</sup> 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. M/S SMS Bhatgaon Mines Extension Private Limited
2. M/S 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 29<sup>th</sup> day of October 2021 and 25<sup>th</sup> 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.

iii) Companies which have become joint ventures:

**SRRCIL.SMSL(JV)** is a joint venture entity formed on 15-04-2021 for the work of Construction of Major Bridge across Manjra River Near Yesgi Village at Km-276/500 On Renapur Ashtamod Udgir Degloor Aadampur Phata Sagroli Road NH-63 in Tq. Biloli Dist. Nanded in the state of Maharashtra on EPC\* (the "Project") through an EPC Contract.

The constituent party is M/s Sri Raja Rajeshwari Construction India Pvt. Ltd.

The JV has started its working during the year under review.

8. DETAILS OF DEPOSIT:

During the financial year 2021-22 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 40A 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 do not apply to the Company.

10. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

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 who may have a potential conflict with the interest of the Company.

All related party transactions attracting 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 given in note no. 46 to the balance sheet as on 31<sup>st</sup> March 2022.

The basis of materiality term for dealing with related party transactions 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.

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## 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.smal.co.in](http://www.smal.co.in)).

As per the provisions of the Companies Act, 2013 and the Rules framed thereunder during the F.Y 2021-22, the Company was required to spend an amount of ₹ 34,60,658.83/- (Rupees Thirty Four Lac Sixty Thousand Six Hundred Fifty Eight only) for the financial year 2021-22. The CSR contribution made towards the promotion of education including Agriculture development and betterment of farmers along with contribution to various activities related to COVID-19 on the promotion of healthcare; including preventive healthcare and sanitation, based on the recommendation of the CSR Committee.

However during the financial year 2021-22, the Company has contributed ₹ 36,28,747/- (Rupees Thirty Six Lac Twenty Eight Thousand Seven Hundred Forty-Seven only) in aggregate towards the CSR expenditure for the financial year 2021-22 as against ₹ 34,60,658.83/- (Rupees Thirty Four Lac Sixty Thousand Six Hundred Fifty Eight only) which was required to be spent for the financial year 21-22 thereby contributing ₹ 1,68,089/- (Rupees One Lac Sixty Eight Thousand Eighty Nine only) over and above the requirement under the act and the excess amount will be set off in immediate succeeding three financial years pursuant to the provision of sub-section (5) of section 135 of the Companies Act, 2013.

Details of CSR contribution are hereunder.

1. ₹ 25,00,000/- (Rupees Twenty Five Lac only) to Natural Farming project in Wani-Maregaon Dist-Yavatmal undertaken by Deendayal Bahuuddeshiya Prasarak Mandal along with
2. ₹ 1,25,000/- (Rupees One Lac Twenty Five Thousand only) to JITO, Nagpur Corona Relief Fund.
3. ₹ 3,52,747/- (Rupees Three Lac Fifty Two Thousand Seven Hundred Forty-Seven only) to Helplink Charitable Trust.
4. ₹ 6,00,000/- (Rupees Six Lac only) to GH Rasoni University, as a donation for students fees concession.

An amount of ₹ 51,000/- (Rupees Fifty One Thousand only) was contributed by donating to Ramakrishna Mission, Vivekananda Smriti Mandir, on 26.05.2021 towards the welfare activities for covid-19, carried out by Ramakrishna Mission, Vivekananda Smriti Mandir, (a branch centre of Ramakrishna Mission, Belur Math, Howrah), Khetri - 333503, Dist. Jhunjhunu (Rajasthan).

Pursuant to the Companies Amendment Act, 2019 vide notification no. CG-DLE-22012021-224636 and CG-DLE-22012021-224637 dated 22.01.2021, the Company was required to transfer the unspent amount of CSR expenditure to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year as per the requirement of section 135(5) as the unspent amount was not related to any of the ongoing projects.

An amount of ₹ 71,510/- towards CSR expenditure of the previous F.Y. 2020-21 remained unspent and due to unavoidable circumstances, the Company was unable to transfer the said balance amount to any of the specified funds as per the requirement of the aforementioned notification.

However, the unspent balance amount of ₹ 71,510/- towards CSR expenditure of the previous F.Y. 2020-21 has been transferred to Prime Minister National Relief Fund in the financial year 2021-22.

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 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 to 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 at ARIBA. It also brought transparency among the suppliers, from January 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 implementing e-Invoice as directed by the Government of India thus ensuring compliance with 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 stored in an electronic form and 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 the 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 2021-22 total Foreign Exchange earned and used:

Foreign Exchange Inflow: Interest income ₹ 1,81,19,696 /-

Foreign Exchange outflow: ₹26,40,99,551.40/-



13. **RISK MANAGEMENT POLICY:**

The Company has constituted a Risk Management Committee (RMC) for the 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 the victimisation of employees and directors who avail of the vigil mechanism and also provides 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.sml.co.in](http://www.sml.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 20<sup>th</sup> Annual General Meeting ("AGM") held on 29<sup>th</sup> 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 25<sup>th</sup> 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 25<sup>th</sup> Annual General Meeting to be held in the financial year 2021-22.

The existing Auditors, M/s V. K. Surana & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 110634W), retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company pursuant to section 139 of the Companies Act, 2013 has obtained written consent and a certificate from the Auditors and along with their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder, to their continued appointment, 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. Members are requested to re-appoint them as Statutory Auditors for the second term of five consecutive years commencing from the conclusion of this 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2026-27.

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 a Secretarial Audit of the records and documents of the Company for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2022 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, 2022, does not contain any qualification(s), reservation or adverse remarks or disclaimer.



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

The explanations on the qualifications/observations/matter of emphasis given by the Statutory Auditors in their Audit Reports have been provided in the respective Notes to the Standalone and Consolidated Financial Statements.

19. **COMPLIANCE WITH SECRETARIAL STANDARDS:**

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 2021-22 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 2021-22, 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 28<sup>th</sup> August 2020, amended the Companies (Management and Administration) Rules, 2014 inter-alia amending rule 12 the company shall disclose its 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](http://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 the 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](http://www.smsl.co.in).

## OTHER DISCLOSURES:

### 23. CONSOLIDATED FINANCIAL STATEMENTS:

In 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 March 31, 2021, had appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as Cost Auditors of the Company for the financial year 2021-22. 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 the 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 24<sup>th</sup> May 2021 for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22.

### 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 SAP system.

The Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies and the 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 in 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) Human Resource Development:**

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 on 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) Particulars of Employees:

Details in respect of remuneration paid to employees as pursuant to section 134 (3) (g) 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. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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 the prevention and redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment in 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 2021-22, the Company has duly complied with the provision relating to the constitution of The Internal Complaints Committee under the 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 of during the year	NA
(d)	Number of cases pending at the end of the year	NIL

27. **DOCUMENTS PLACED ON THE WEBSITE** ([www.smsl.co.in](http://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.

28. **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 continued contribution to the company's progress.

**FOR AND ON BEHALF OF THE BOARD**

Anand Sancheti

Dilip Surana

Sd/-

Sd/-

Dated: 15<sup>th</sup> September 2022  
Place: Nagpur

Managing Director

DIN: 00953362

Add: 10, Hindustan Colony Amaravati Road  
Bharat Nagar Nagpur-440033

Director

DIN: 00953495

Add: 301 Mangalam Appt. Plot no.401 Khare Town, Nagpur: 440010

## ANNEXURE INDEX

Annexure number	Details of Annexure
I	Secretarial Audit Report.
II	Annual Report on Corporate Social Responsibility
III	AOC 1 - Statement containing salient features of the financial statement of Subsidiaries/Associate Companies / Joint Ventures
IV	Particulars of Employees Pursuant to Section 134 (3) (q) of The Companies Act, 2013 Read with Rule 5 (1) of The Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

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**Annexure I**  
**Annexure I Of Secretarial Audit Report**

To,  
The Members,  
SMS LIMITED  
CIN: - U80100MH1997PLC10790

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Nagpur  
Date: 22/07/2022

VAIBHAV JACHAK & CO.  
Company Secretaries

Sd/-

Vaibhav Yashwant Jachak  
Proprietor  
Membership No: 8821  
C.P.No:18495  
(Peer Reviewed Firm)  
UDIN: F008821D000672242



## Annexure II Of Secretarial Audit Report

### Registered office:

I. T. PARK, 20, STPI GAYATRI NAGAR, PARSODI NAGPUR NAGPUR MH 440022 IN

### Corporate office:

I. T. PARK, 20, STPI GAYATRI NAGAR, PARSODI NAGPUR NAGPUR MH 440022 IN

(Since Company being an Infrastructure Company, and having various sites throughout India, we have not made any site visits, so unable to comment on any onsite compliances)

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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,  
The Members,  
SMS LIMITED  
CIN: - U80100MH1997PLC10790

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by SMS LIMITED having CIN: - U80100MH1997PLC10790 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, representation and reports provided by the Company, its Board of Directors, its designated officers, and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31/03/2022 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;  
**NOT APPLICABLE**
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')- **NOT APPLICABLE**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

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

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

(ii) The Listing Agreements under SEBI (Listing Obligation Disclosure Requirement) 2015, entered into by the Company with the Stock Exchange; **NOT APPLICABLE**.

B. We report that, during the year under review, the Company has generally complied with the provisions of the acts, rules, regulations and guidelines mentioned above except the Company has failed to appoint woman director on its Board which is non compliances of Section 149(1) of the Companies Act read with Rule 3 of the Companies Appointment and Qualification of Director) Rules 2014; and also filed various e- form for the period under review after the due date with requisite late fees.



- C. We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.
- D. We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

E. We further report that:

The Board of Directors of the Company was constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors except appointment of Woman Director. There were no changes took place in the composition of the Board of Directors during the period under review.

Mr. Rajesh Kumar Gupta was appointed as Chief Financial officer of the Company w.e.f. 01.04.2021

During the year the Company has not received any information for transfer of equity shares of the Company and no request for transmission of shares has been received by the company during the year other than as recorded.

As informed in earlier report, an intimation from legal heirs of Mr Abhay Sancheti that with regards to Application For Grant Of Succession Certificate under section 372 of the Indian Succession Act, 1925 against which a certificate was granted by the Court of 14<sup>th</sup> Jt. Civil Judge Senior Division, Nagpur empowering the legal heirs of deceased (Mr Abhay Sancheti) to receive benefits as mentioned in the aforementioned application via Order dated 17<sup>th</sup> July, 2021.

- As per the information provided the company has prima facie given notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and detailed procedure have been followed for meeting calling on shorter Notices and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and

- F. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- G. We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having major bearing on the company's affairs except appointment of woman Director on the Board

Place: Nagpur

Date: 22/07/2022

Encl. ANNEXURE I  
ANNEXURE II

UDIN: F008821D000672242

VAIBHAV JACHAK & CO.  
Company Secretaries  
sd/-

Vaibhav Yashwant Jachak  
Proprietor  
Membership No: 8821  
C.P.No:18495  
(Peer Reviewed Firm)

Note: This report is to be read with our letter of even date which is annexed as ANNEXURE I and forms an integral part of this report.

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## ANNEXURE II

### ANNUAL REPORT ON CSR ACTIVITIES

Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

#### 1. Brief outline on CSR Policy of the Company:

##### CSR Activities/ Projects

- In Education, our endeavour is to spark the desire for learning and knowledge at every stage through.
- In Health care, our goal is to render quality health care facilities to people living in the villages and elsewhere through our Hospitals.
- In Sustainable Livelihood our programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through.
- In Infrastructure Development we endeavour to set up essential services that form the foundation of sustainable development through.
- To bring about Social Change we advocate and support.
- Environmental Sustainability.

#### 2. Composition of CSR Committee:

Sr. No.	Name of the Member	Category	Position
1.	Anand Sancheti	Managing Director	Member
2.	Ajay Kumar Lakhota	Independent Director	Member
3.	Ramendra Gupta	Independent Director	Member
4.	Paramveer Sancheti	Whole Time Director	Member
5.	Nirbhay Sancheti	Whole Time Director	Member
6.	Akshay Sancheti	Whole Time Director	Member

#### 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:



The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is [https://smsl.co.in/wp-content/uploads/2020/07/CSR\\_POLICY.pdf](https://smsl.co.in/wp-content/uploads/2020/07/CSR_POLICY.pdf)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

The Company is having average CSR obligation less than Rs. 10,00,00,000/- pursuance to sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, hence not applicable for the financial year 2021-22.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr.	Financial Year	Amount available for set off from preceding financial year (in ₹)	Amount required to be set off for financial year if any (in ₹)
1	2020-21	Nil	Nil

6. Average net profit of the company as per section 135(5):

Particulars	Amount in ₹
Net profit of the company as per section 135(5) for the	
FY 2018-19	54,26,14,002.89 /-
FY 2019-20	39,63,30,576.91 /-
FY 2020-21	-34,15,93,996.72 /-
Total	59,73,70,583.08 /-
Average net profit of the company as per section 135(5)	17,30,32,941.36 /-

7.

Sr.num	Particulars	Amount in (₹)
(a)	Two percent of average net profit of the company as per section 135(5)	34,60,658.83/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	34,60,658.83/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year (in Rs.)	Amount Unspent (in ₹)				
	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
36,28,747/-	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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## (b) CSR amount spent against ongoing projects for the financial year:

(1) S.No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	NA	NA	NA	NA	NA	NA	NA	NA	NA

## (c) CSR amount spent against other than ongoing projects for the financial year:

(1) S.No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	Upliftment of Farmers	Rural Development	Yes	Maharashtra	Nagpur	25,00,000	No	Deendayal Bahuuddeshiya Prasaarak Mandal	CSR00006848
2	JITO Nagpur Corona Relief Fund	Disaster Management	Yes	Maharashtra	Nagpur	1,25,000	No	Shri Laxmidevi Mittala Poddar Smruti Bhavan Trust	CSR00003165



3	Relief Fund COVID 19	Disaster Management	Yes	Maharashtra	Nagpur	51,000	No	Shri Ramkrishna Mission	CSR00006101
4	Helplink Charitable Trust	Educational Promotion	Yes	Maharashtra	Nagpur	3,52,747	No	Helplink Charitable Trust	CSR00009038
5	G.H. Raison University Amravati	Educational Promotion	No	Maharashtra	Amravati	6,00,000	No	G.H. Raison University Amravati	CSR00013002

(d)	Amount spent in Administrative overheads	Nil
(e)	Amount spent on Impact Assessment, if applicable	NA
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	36,28,747/-
(g)	Excess amount for set off, if any	Nil

Sl No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	34,60,658.83/-
(ii)	Total amount spent for the financial year	36,28,747/-
(iii)	Excess amount spent for the financial year[(ii)-(i)]	1,68,089/-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,68,089/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2018-19	NA	NA	NA	NA	NA	NA
2	2019-20	NA	NA	NA	NA	NA	NA
3	2020-21	NA	71,000	Prime Minister National Relief Fund	71,000	12/03/2022	NA
	TOTAL	NA	71,000	-	71,000	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl No.	(2) Project ID	(3) Name of the project	(4) Project Duration	(5) Total amount allocated project (in ₹)	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project the reporting Financial year (in ₹)	(8) Cumulative amount spent at the end of the reporting Financial Year (in ₹)	(9) Status of the project- Completed/ Ongoing
NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- Not Applicable

(asset-wise details)

- a) Date of acquisition of the capital asset(s): Nil
- b) Amount of CSR spent for creation or acquisition of capital assets: Nil
- c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: Nil
- d) Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NA

Sd/-  Chief Financial Officer	Sd/-  (Chairman of CSR Committee).	Sd/-  Managing Director/Director [Person specified under clause (d) of sub-section (1) of section 380 of the Act]
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## ANNEXURE - IV

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read  
With Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial  
Statement of Subsidiaries/Associate Companies/Joint Ventures

#### Part "A": Subsidiaries

SL. NO.	1	2	3
Name of the Subsidiary	SMS Eevoclean Private Limited	SMS Infalink Private Limited	Spark Mall and Parking Private Limited
The date since when Subsidiary was acquired	16/11/2009	09/09/2011	12/02/2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR
Share capital (Paid-up)	₹ 42,210,000	₹ 1,00,000	₹ 34,06,29,360**
Reserves & surplus	₹ 473075000	₹ -620690	₹ (39,98,66,950.51)
Total assets	₹ 584614000	₹ 46451	₹ 4,18,64,82,231.77
Total Liabilities	₹ 69329000	₹ 566520	₹ 4,46,70,52,422.29
Investments	NIL	NIL	₹ 89,81,48,172.35
Turnover	₹ 40,65,45,000	NIL	₹ 38,64,25,524.70
Profit before taxation	₹ 19,99,08,000	₹ -1,17,627	₹ (21,45,87,350.58)
Provision for taxation	₹ 3,77,96,000	NIL	₹ (4,99,69,436.00)
Profit after taxation	₹ 14,21,12,000	₹ -1,17,627	₹ (16,46,17,914.58)
Proposed Dividend	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	36.02%	100%	51%

\* Paid up Share Capital consist of 1,19,29,676, Equity Capital @ of ₹ 10/- each and 221,33,260 Preference shares @ of ₹ 10/- each.

\*\*SMSIL directly holds 51% and its wholly owned subsidiary Ayodhya Gorskhpur SMS Tolls Pvt. Ltd. holds 49% in Spark Mall and Parking Private Limited.

Note: Solar Bhargaon Extension Mines Pvt. Ltd. and SMS Bhatgaon Mines Extension Pvt. Ltd. both subsidiaries were under the process of striking off and as of the date of the Board Report both the subsidiaries were struck off the register of companies w.e.f. 29.10.2021

SL. NO.	5	6	7	8
Name of the Subsidiary	SMS Taxi Cabs Pvt. Ltd. ♦	SMS Vidhyut Pvt. Ltd.	SMS Water Grace BMW Pvt. Ltd.	SMS Hazardous Waste Management P. Ltd. (Formerly SMS Mine Developers Pvt. Ltd.)
The date since when Subsidiary was acquired	26/07/2011	28/03/2007	25/11/2009	10/11/2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022
Reporting Currency and Exchange rate as on the last date of The relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR
Share capital (Paid Up)	₹ 1,45,750,000	₹ 39,500,000	₹ 10,46,91,680	₹ 1,00,000
Reserves & surplus	₹ (1,63,53,35,035)	₹ (47,86,87,875)	₹ 9,06,85,000	₹ -7,73,540
Total assets	₹ 108,94,79,410	₹ 142,06,03,831	₹ 22,88,68,000	₹ 3,54,33,60
Total Liabilities	₹ 163,03,92,094	₹ 183,97,91,706	₹ 3,35,12,000	₹ 42,16,900
Investments	₹ 5,00,000	NIL	NIL	0
Turnover	₹ 28,23,718	₹ 2,42,71,334	₹ 11,56,96,000	0
Profit before taxation	₹ (1,97,54,892)	₹ (13,64,99,673)	₹ 2,96,31,000	₹ -3,73,101
Provision for taxation	₹ 44,41,315	₹ (3,66,30,489)	₹ 5,37,000	0
Profit after taxation	₹ (2,41,96,207)	₹ (9,98,69,184)	₹ 2,90,94,000	₹ -3,73,101
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	60%	100%	56.03%	51%

\* The Name of 'SMS Mine Developers P. Ltd.' has been changed to 'SMS Hazardous Waste Management P. Ltd.' w.e.f. 22.09.2021.

♦ Considered unaudited balance sheet in consolidation.

SL. NO.	10	11	12	13
Name of the Subsidiary	SMS Tolls And Developers Ltd.	Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	Maharashtra Enviro Power Ltd.	SMS Waste Management Pvt. Ltd.
The date since when Subsidiary was acquired	09/09/2009	06/03/2013	23/02/2007	15/12/2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 1/03/2022
Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR
Share capital (Paid Up)	₹ 5,00,000	₹ 16,00,00,000	₹ 45,19,85,270	₹ 1,00,000
Reserves & surplus	₹ 71,84,932.40	₹ 75,18,49,445	₹ 90,24,59,000	₹ (953884.95)
Total assets	₹ 353,37,951.90	₹ 249,01,62,361	₹ 538,13,14,582.34	₹ 38215
Total Liabilities	₹ 276,53,020.10	₹ 157,83,12,916	₹ 62,94,80,502.50	₹ 894100
Investments	₹ 4,99,000	₹ 117,68,64,574	₹ 342,25,39,133.13	NIL
Turnover	₹ 997,44,238.95	₹ 229,81,81,540	₹ 132,28,91,435	NIL
Profit before taxation	₹ 18,87,651.34	₹ 10,64,08,150	₹ 26,84,19,704.39	₹ (85240)
Provision for taxation	₹ 76,09,029.70	₹ 1,89,69,319	₹ 130,84,827	NIL
Profit after taxation	₹ (57,21,378.36)	₹ 10,27,10,026	₹ 30,30,10,785	₹ (85240)
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	100%	92.06%	100%



SL. NO.	14	15	16	17
Name of the Subsidiary	SMS Mining Limited	SMSAABS India Tollways Pvt. Ltd.	PT. SMS Minerals International	PT. SMS Mines Indonesia
The date since when Subsidiary was acquired	28/09/2021	17/07/2014	04/10/2006	08/10/2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022
Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR	INR
Share capital (Paid Up)	₹ 1,00,000	₹ 1,00,000	₹ 1,68,62,278	₹ 3,37,41,060
Reserves & surplus	₹ (86,186.77)	₹ 2,93,90,94,264.93	₹ (37,35,16,479)	₹ (3,28,13,966)
Total assets	₹ 18,60,33.23	₹ 3,27,04,26,839.64	₹ 37,01,16,169	₹ 6,01,96,450
Total Liabilities	₹ 1,72,220	₹ 25,22,12,074.71	₹ 24,79,59,040	₹ 79,57,945
Investments	NIL	₹ 1,32,73,42,682.00	NIL	NIL
Turnover	NIL	₹ 2,87,54,33,033.00	NIL	NIL
Profit before taxation	₹ (1,15,173.68)	₹ 1,14,22,71,369.21	₹ (3,58,12,918)	₹ (27,73,901)
Provision for taxation	NIL	₹ 20,06,84,230.00	NIL	NIL
Profit after taxation	₹ (86,186.77)	₹ 94,15,87,139.21	₹ (3,58,12,918)	₹ (27,73,901)
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	51%	80%	100%

\*Bracket indicates Negative Figures.

(Note: The following information shall be furnished at the end of the statements)

1. Names of subsidiaries which are yet to commence operations:

SMS Mines Developer Private Limited (presently 'SMS Hazardous Waste Management P. Ltd), SMS Waste Management Private Limited, SMS Infolink Private Limited and SMS Tolls and Developer Limited:

2. Names of subsidiaries which have been liquidated or sold during the year: None. However two subsidiaries namely Solar Bhatgaon Extension Mines Pvt. Ltd. and SMS Bhatgaon Mines Extension Pvt. Ltd. was struck off from the register of companies w.e.f. 29.10.2021

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act,  
2013 related to Associate Companies and Joint Ventures

ASSOCIATES

SL NO.		1	2
Name of Associates/ Joint Ventures		RCCL Infrastructure Ltd.	SMS AAMW Tollways Pvt. Ltd.
Latest audited Balance Sheet Date		2021-22	2021-22
Date on which the Associate or Joint Venture was associated or acquired		31/03/2004	09/05/2011
Shares of Associate/Joint Ventures held by the the company on the year-end	No.	15,65,200	2,600
	Amount of Investment in Associates/Joint Ventures	₹ 1,56,52,000	₹ 26,000
	Extent of Holding (in Percentage)%	34%	26%
Description of how there is significant influence		Significant influence due to 34% of Share Capital	Significant influence due to 26% of Share Capital
Reason why the associate/joint venture is not consolidated		Unavailability of Financial Statement	consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet			₹ (31,86,16,061/-)
Profit / Loss for the year	i) Considered in Consolidation		₹ (1773370.56/-)
	ii) Not Considered in Consolidation		

1. Names of associates or joint ventures which are yet to commence operations-None

2. Names of associates or joint ventures which have been liquidated or sold during the year.

**JOINT VENTURES**

SL. NO.		1	2	3	4
Name of Associates/ Joint Ventures		Shaktikumar M. Sancheti Ltd & S.N. Thakkar Construction Pvt.Ltd. (JV)	SMS Infrastructures Ltd. & D. Thakkar Construction Pvt. Ltd. (JV)	SMS Infrastructures Ltd.-Aarti infra-Projects Pvt. Ltd.(JV)	SMS Infrastructures Ltd. Shreenath Enterprises (JV)
Latest audited Balance Sheet Date		2021-2022	2021-2022	2021-2022	2021-2022
Date on which the Associate or Joint Venture was associated or acquired		14/11/2005	04/12/2008	14/07/2010	08/06/2009
Shares of Associate/Joint Ventures held by the company on the year-end	No.	-	-	-	-
	Amount of Investment in Associates / Joint Venture	₹ 28139398.33	NIL	₹ 3194600	₹ 1363568.36
	Extend of Holding (in Percentage)%	63%	70%	51%	36.50%
Description of how there is a significant influence		Joint control over the the economic activity of the entity	Joint control over the the economic activity of the entity	Joint control over the economic activity of the entity.	Joint control over the economic activity of the entity
Reason why the associate/joint venture is not consolidated		Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 4,44,43,444.98	₹ (5,45,63,719.51)	₹ 2,47,82,506.00	₹ 4,01,14,031.00
Profit / Loss for the year	i) Considered in Consolidation	₹ 2,86,323.70	₹ 7,55,67,027.90	₹ (3,917.82)	₹ 1,63,166.00
	ii) Not Considered in Consolidation	₹ 1,54,174.30	₹ 17,63,23,065.10	₹ (3,764.18)	₹ 283864.137



SL. NO.		5	6	7	8
Name of Associates/ Joint Ventures		SMSIL KTCO(JV) *	GSJ Envo Ltd in Consortium with SMS Infrastructure Ltd.	BHARTIYA - SMSIL	Gannon Dunkerley & Co. Ltd. and SMS Infrastructure Ltd (JV)
Latest audited Balance Sheet Date		2021-2022	2021-2022	2021-2022	2021-2022
Date on which the Associate or Joint Venture was associated or acquired		06/03/2008	10/07/2012	07/06/2012	03/09/2015
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in Associates/Joint Venture	₹ 360830.36	₹ 15665133.99	₹ 1138223.77	NIL
	Extend of Holding (in Percentage)%	50%	70%	49%	40%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/joint venture is not consolidated		Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 6,69,622.09	₹ 1,43,09,588.79	₹ 10,98,749.90	₹ 0
Profit / Loss for the year	i) Considered in Consolidation	₹ (26,019)	₹(1,04,87,284.09)	₹ (707.56)	₹ 0
	ii) Not Considered in Consolidation	₹ (26,019)	₹(4494550.323)	₹ 0	₹ 0

SL. NO.		9	10	11	12
Name of Associates/ Joint Ventures		SMSIL-MBPL-BRAPL (JV)	SMSL-SRRCIPL(JV)	SRRCIPL-SMSL-BEKEM(JV)	SMSIL-MBPL
Latest audited Balance Sheet Date		2021-2022	2021-2022	2021-2022	2021-2022
Date on which the Associate or Joint Venture was associated or acquired		10/05/2016	23/01/2016	11/11/2016	08/03/2018
Shares of Associate/Joint Ventures held by the company on the year end.	No.	0	0	0	0
	Amount of Investment in Associates/Joint Venture	₹ 2319816.26	NIL	₹ (235609.47)	₹ 17814473.00
	Extend of Holding (in Percentage)%	57%	60%	20%	59.84%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/ joint venture is not consolidated		Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 49,01,098.20	₹ 1,29,69,545.22	₹ 4,40,84,284.50	₹ 2,41,50,596.00
Profit / Loss for the year	i) Considered in Consolidation	₹ 5,16,810.26	₹ 37,003.28	₹ 26,043.91	₹ (32,26,030.71)
	ii) Not Considered in Consolidation	₹ 3,89,874.41	₹ 24,668.86	₹ 104173.636	₹ (1867970.093)

SL. NO.		13	14	15
Name of Associates/ Joint Ventures		SANBRO CORPORATION*	MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV) *	AGIPL-SMSIL (JV)
Latest audited Balance Sheet Date		2021-2022	2021-2022	2021-2022
Date on which the Associate or Joint Venture was associated or acquired		Not Available	20-03-2020	18-01-2021
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-
	Amount of Investment in Associates/Joint Venture	1,76,673	₹ 69,10,300	NIL
	Extend of Holding (in Percentage)%	16%	50%	20%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/joint venture is not consolidated		Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ (2,09,06,738.25)	₹ 1,67,67,744.00	₹ (30,383.06)
Profit / Loss for the year	i) Considered in Consolidation	₹ (4,371.12)	Nil	₹ (6,076.70)
	ii) Not Considered in Consolidation	₹ (12,440.88)	Nil	₹ (24,306.8)



SL. NO.		16	17
Name of Associates/ Joint Ventures		M/S SAKET SMSL (JV)	M/S SRRCIPL SMSL (JV)
Latest audited Balance Sheet Date		2021-2022	2021-2022
Date on which the Associate or Joint Venture was associated or acquired		12-12-2019	-
Shares of Associate/ Joint Ventures held by the company on the year end.	No.	-	-
	Amount of Investment in Associates/ Joint Venture	₹ 1973701.00	₹ (3,033.4)
	Extend of Holding (in Percentage)%	40%	30%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/ joint venture is not consolidated		Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 1,87,28,904.82	₹ (10,118)
Profit/ Loss for the year	i) Considered in Consolidation	₹ 1,06,17,855.31	₹ (3,035.40)
	ii) Not Considered in Consolidation	₹ 1,59,26,782.97	₹ (7,082.6)

- Names of associates or joint ventures which are yet to commence operations: 1) MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV), 2) AGIPLSMSIL (JV)
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL
- Names of entities with whom Company entered into joint ventures agreement: 1) SRRCIPLSMSL JV

4. Names of associates or joint ventures written off: The Company has written off investment in two of its JV namely SMS Infrastructure Ltd. & Brahmaputra Infrastructure Ltd (JV) SMS Infrastructure Ltd. & Brahmaputra Consortium Ltd (JV) as the operations of these JV stalled 6-7 years back and no further income is expected from it.

FOR AND ON BEHALF OF THE BOARD

Anand Sancheti

Dilip Surana

Sd/-

Sd/-

Dated: 15<sup>th</sup> September, 2022  
Place: Nagpur

Managing Director  
DIN: 00953362  
Add 10, Hindustan Colony  
Amaravati Road Bharat Nagar  
Nagpur-440033

Director  
DIN: 0953495  
Add: 301 Mangalam Appt.  
Plot no.401 Khare Town,  
Nagpur: 440010

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## ANNEXURE - VI

DISCLOSURE AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AS AMENDED BY THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 (As on 31.03.2022)

INFORMATION OF THE TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

S.N.	Name of the employee	Designation	Remuneration received gross (₹)	Nature Of Employment (whether contractual or otherwise)	Qualifications	Experience (in years)	Date of commencement of employment	Age	Last employment	Percentage equity (if any)	Employee is relative of any director or manager (name of director or manager)
1	Anand Sancheti	Managing Director	₹ 221,04,780/-	Permanent	B Com & Diploma in Finance	32	08-May-1997	50	Since incorporation	23.50%	NO
2	Nirbhay Sancheti	Whole Time Director	₹ 217,06,656/-	Permanent	BBA, M.Sc	7.3	01-Apr-2015	32	Self employed	17.72%	NO
3	Paramveer Sancheti	Whole Time Director	₹ 150,83,700/-	Permanent	Diploma in Business academic	10.3	01-Apr-2012	34	Self employed	15.66%	Akshay Sancheti
3	Akshay Sancheti	Whole Time Director	₹ 150,83,700/-	Permanent	BE-EE	9.8	01-Nov-2012	31	Self employed	15.66%	Paramveer Sancheti
4	Dilip Surana	Whole Time Director	₹ 142,95,192/-	Permanent	Diploma in Civil	35	24-May-2007	57	Self employed	0	NO
5	Kasaraneni R Rao	Vice President and Head Mining	₹ 115,50,180	Permanent	M Tech - Rock Mechanics	41	1-Mar-2018	64	VNIT - NAGPUR	0	NO
6	Sunil Daithankar	Sr. GM- Mining	₹ 56,26,968	Permanent	B Tech Mining	36	1-Jan-2016	54	Monnet Ispat & Energy Ltd	0	NO
7	G. Srinivasa Rao	DGM - Mining	₹ 50,60,376	Permanent	M Tech Mining	23	17-Jan-2011	46	SCCL	0	NO



8	E. Gunashekhhar	Sr. G.M- Plant & Machinery	₹ 34,91,640	Permanent	B.E Mech	36	15-Jun-2018	60	Anand Group of Companies	0	
9	Rajesh Kumar Gupta	SR GM- F & A	₹ 32,71,788/-	Permanent	CA & ICWA	25	01-Mar-2021	54	Khosla Profil Pvt. Ltd.	0	NO
10	S.M.Khaleel	CVO & Head HR & Admin	₹ 31,06,248	Permanent	MSC Maths	43	23-Nov-2010	70	Andhra Police	0	NO

SR-Senior, AGM -Assistant General Manager, GM - General Manager, DGM - Deputy General Manager, VP Vice President

FOR AND ON BEHALF OF THE BOARD

Anand Sancheti

Dilip Surana

Sd/-

Sd/-

Dated: 15<sup>th</sup> September, 2022  
Place: Nagpur

Managing Director  
DIN: 00953362  
Add 10, Hindustan Colony Amaravati Road  
Bharat Nagar Nagpur-440033

Director  
DIN: 0953495  
Add: 301 Mangalam Appt. Plot no.401 Khare  
Town, Nagpur: 440010

S M S

## INDEPENDENT AUDITOR'S REPORT

**To the Members of SMS Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of SMS Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, 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, 2022, and Profit (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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **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.

CHARTERED ACCOUNTANTS

V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001

Ph. No.: (0712) 6641111, Fax: (0712) 6641122

e-mail: info@vkscac.com

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.	<p><b>Evaluation of impairment of Non-Current Investments and Current Loans.</b></p> <p>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 standalone financial statements.</p> <p>We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment as a key audit matter because of</p> <ul style="list-style-type: none"><li>• The significance of the amount of these investments in the standalone Balance Sheet.</li><li>• Performance and net worth of these entities and</li><li>• 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.</li></ul> <p>Refer Note No. 6 and 12 to the Standalone Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in respect of impairment of investment in and Loans given, included the following :</p> <ul style="list-style-type: none"><li>• 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;<ul style="list-style-type: none"><li>• 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;</li><li>• Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;</li><li>• Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products;</li><li>• Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management;</li><li>• 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;</li><li>• 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</li><li>• Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.</li></ul></li></ul>
2.	<p><b>Evaluation of Contingent Liabilities</b></p> <p>Claims against the company not acknowledged as debts is disclosed in the</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures include the following substantive procedures:</p>





Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>Note No.- 40(A) to the Standalone Financial Statement.</p> <p>The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of the contingent liabilities.</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the company;</li> <li>• We along with our internal tax experts – <ul style="list-style-type: none"> <li>a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;</li> <li>b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards;</li> <li>c) Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul> </li> </ul>
3.	<p><b>Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:</b></p> <p>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 is 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 advisor, the company made the provision for the GST impact turnover in books of account.</p> <p>Management estimation is involved in assessing the outcome of the claim raised by</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department.</li> <li>• Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not.</li> <li>• Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law.</li> <li>• Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;</li> <li>• Assessed management's estimate of the possible recovery of the claim raised to the Department.</li> </ul>



Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>the company, and in considering the probability of a recovery of the claims and accordingly designated this as a key audit matter.</p> <p>Refer Note No. - 52 to the Standalone Financial Statements.</p>	

### Emphasis of Matter

- We draw attention to face of the Statement of Profit and Loss and Note No. – 6C & 37 of the standalone financial statements wherein, consequent to settlement of loan liability of joint venture (JV) – SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (DTC) & others, resulting to profit of Rs. 2518.90 Lacs, the company has recognised its share in profit and loss account amounting to Rs. 1763.23 lacs as an exceptional item.
- We draw attention to Note No. 53 of the standalone financial statement regarding ongoing arbitration with SREI Equipment Finance Limited (SREI). The Company has claimed the operational financial losses incurred due to deficiencies in the equipment's sourced from SREI since SREI invoked arbitration, consequently the repayment is kept pending and interest is also not recognised in anticipation of reduction in the liability as the management is hopeful of outcome of the case in favour of the Company.
- 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, except in few cases, the share in profit / (loss) of the all the Partnership firm is not accounted and the value of investment as on Balance Sheet date disclosed based on last year financials. Our opinion is not modified in respect of these matters.  
 However as per the provisional financial statements, no major losses is expected. 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.
- 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's 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 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.

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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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 2022 on its financial position in its standalone financial statements – Refer Note No. – 40(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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;





(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement

v. The Company has not declared any dividend (i.e. interim or final) during current financial year 2021-22, previous financial year 2020-21 and upto the date of our audit report. Accordingly provisions of section 123 of the Companies Act 2013 is not applicable during current financial year 2021-22.

(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.



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2. As required by the Companies (Auditor's Report) Order, 2020 ("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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For V. K. Surana & Co.**

Chartered Accountants

Firm Reg No. 110634W

**CA. Sudhir Surana**

Partner

Membership No. 043414

Nagpur, July 21, 2022

UDIN - 22043414APLR1F7679



**Annexure A to the Independent auditor's report :**

**(Referred to in Paragraph 1(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 31<sup>st</sup> March'2022)**

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, 2022 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.





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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.



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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, 2022, 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

**CA. Sudhir Surana**

Partner

Membership No. 043414

Nagpur, July 21, 2022

UDIN - 22043414APLRCE7679



**Annexure B to the Independent auditor's report:**

**(Referred to in Paragraph 2 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 31<sup>st</sup> March'2022)**

**A statement on matters specified in paragraph 3 & 4 of the Companies (Auditor's Report) Order 2020 ("the order"), in terms of section 143(11) of the Companies Act, 2013,**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the lease agreement and other relevant documents for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.





ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in Note No. 21 to the standalone financial statements, the Company has been renewed working capital limits in excess of Rs. 5 crore in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company except to the extent of work in progress which has been recorded in books as at the end of the year.

iii) During the year, the Company has made investments in and granted loans or advances in the nature of unsecured loans to companies and firms or any other party, in respect of which:

(a) During the year, the company has provided loans or provided advances in the nature of loans, or stood guarantee to any other entity which are given as under:

Rs. In Lacs

Particulars	Performance Bank Guarantees	Corporate Guarantees	Loans Advances	Loans Advances
<b>Aggregate amount granted/provided during the year</b>				<b>Aggregate amount Repaid during the year</b>
- Subsidiaries	823.15		10910.12	12360.42
- Joint Ventures			1341.01	3057.45
- Associates				
- Other related parties			700.34	1220.15
- Others due to merger of subsidiary - PIPL			137.14	
<b>Balance outstanding as at balance sheet date</b>				
- Subsidiaries	5577.55	26734.17	9612.65	
- Joint Ventures			56.62	
- Associates			1038.89	
- Other related parties			0.00	
- Others			762.14	

(b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest except that the loans given are unsecured and interest free in few cases.

(Total loan amount granted during the year - Rs. 12973.03 Lacs and balance



outstanding as at balance sheet date Rs. 11354.76 Lacs)

- (c) The schedule of repayment of principal and payment of interest has not been stipulated in respect of loans and advances in the nature of loans. Due to which we are unable to comment on the regularity of repayment of principal & payment of interest.
- (d) In the absence of any specific repayment schedule, we are unable to comment on whether any amount of loan is overdue.
- (e) In the absence of any specific repayment schedule, the loans or advances given are in the nature of loans repayable on demand. Due to which we unable to comment on whether loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

Rs. In Lacs

Type of Borrower	Amount of loan outstanding	Percentage to the total Loans
<b>As at 31st March 2022</b>		
Promoter	-	-
Directors	-	-
KMPs	-	-
Subsidiaries / Associates / Joint Ventures	<b>9,288.40</b>	<b>92.42%</b>

- 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) During the year, the Company has not accepted deposits within the meaning of section 73 to 76 of the act and rules made thereunder and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.





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- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii) (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.  
According to the information and explanation given to us, no undisputed arrears of above statutory dues were outstanding as on 31st March, 2022 for a period of more than six months from the date they become payable based on the materiality approach.  
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 along with the details of amount deposited under protest / adjusted by tax authorities are given in Annexure.
- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company
- ix) (a) As per information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institution. However due to ongoing arbitration case, repayment is kept pending and interest is also not recognised in anticipation of reduction in the liability as the management is hopeful of outcome of the case in favour of the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.





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(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.



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- xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) 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) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.





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- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For V. K. Surana & Co.**

Chartered Accountants

Firm Reg No. 110634W



**CA. Sudhir Surana**

Partner

Membership No. 043414

Nagpur, July 21, 2022

UDIN - 22045614RPLR(F7679)





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**Annexure**

Statement of Disputed Statutory Dues referred to in clause (vii)(b) Annexure 'B' to the Independent auditor's report of SMS Limited for FY 2021-22.

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
				Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Finance Act	Service tax	CESTAT Mumbai	FY 2009-10 to FY 2014-15	7,786.03	291.97	7,494.06
			FY 2009-10	54.26	27.11	27.15
			FY 2011-12 to FY 2014-15	28,390.87	1,104.52	27,286.35
			FY 2013-14 to FY 2014-15	56.78	31.23	25.55
			FY 2014-15 to FY 2015-16	2,025.20	140.62	1,884.58
			FY 2015-16	3,611.43	248.36	3,363.07
			FY 2015-16	29.09	4.64	24.45
			April -16 to June -17	1,724.60	121.83	1,602.77
Gujrat Value Added Tax Act	Value Added Tax	DC Appeals	Principal Commissioner CGST & CENTRAL TAX Nagpur-1	188.02	0	188.02
			April -16 to June -17	188.02	0	188.02
Gujrat Value Added Tax Act	Value Added Tax	DC Appeals	FY 2016-17	19.79	2.12	17.67
			April -17 to June -17	51.08	5.55	45.53



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
				Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Andhra Pradesh Value Added Tax Act	Value Added Tax	High Court of Judicature at Hyderabad (Stay granted)	FY 2011-12	38.58	8.68	29.90
			FY 2012-13 to FY 2014-15	1,348.87	269.77	1,079.10
Andhra Pradesh Entry Tax Act	Entry Tax	High Court of Judicature at Hyderabad (Stay granted)	FY 2008-09 To FY 2012-13	978.69	493.64	485.05
Regional Transport Act	Life Time road transport tax	Regional Transport Officer-High Court of Judicature at Hyderabad	FY 2012-13	721.79	721.79	-
Income Tax Act	Income Tax	High Court of Judicature at Bombay (Nagpur Bench)	FY 2010-11	764.59	206.69	557.90
			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



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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
				Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
			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
Maharashtra Value Added Tax	Value Added tax	Joint Commissioner of State Tax (Appeal)	FY 2016-17	1250.83	59.57	1191.26
			FY 2017-18	496.93	23.75	473.18
Tamilnadu Value Added Tax	Value Added tax	Tribunal / Deputy Commissioner Appeals	FY 2008-09 to 2016-17	112.19	-	112.19
Customs Act	Customs Duty	High Court of Judicature at Bombay (Nagpur Bench)	FY 2007-08	10.00	-	10.00
<b>Total</b>				<b>50,273.19</b>	<b>3,943.85</b>	<b>46,329.34</b>





Particulars	Note No.	₹ in lacs	
		As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3A	27,063.88	22,438.93
(b) Capital Work in Progress	3B	7,395.96	511.79
(c) Investment Property	4	1,250.55	1,763.46
(d) Intangible Assets	5	59.80	144.43
(e) Financial Assets			
(i) Investments	6	13,500.64	12,208.82
(ii) Other Financial Assets	7	9,697.32	12,764.55
(f) Deferred tax assets (net)	35	432.00	-
(g) Other Non-Current Assets	8	1,773.36	241.93
<b>Total Non-Current Assets</b>		<b>56,773.57</b>	<b>50,073.90</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	32,567.00	33,261.27
(b) Financial assets			
(i) Trade Receivables	10	31,248.80	29,812.08
(ii) Cash and Cash Equivalents	11A	315.35	566.16
(iii) Bank Balance other than (ii) above	11B	4,552.99	3,765.41
(iv) Loans	12	10,060.53	8,535.69
(v) Other Financial Assets	13	11,938.41	11,915.69
(c) Income Tax Assets (Net)	36	3,856.65	2,893.72
(d) Other Current Assets	14	19,332.67	22,245.39
<b>Total Current Assets</b>		<b>1,13,863.50</b>	<b>1,12,995.41</b>
<b>TOTAL ASSETS</b>		<b>1,70,637.07</b>	<b>1,63,069.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(3) EQUITY</b>			
(a) Equity Share Capital	15	1,026.14	1,026.14
(b) Other Equity	16	64,949.86	61,381.84
<b>TOTAL EQUITY</b>		<b>65,976.00</b>	<b>62,407.98</b>
<b>(4) LIABILITIES</b>			
<b>(A) Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	17	25,501.04	26,403.87
(ii) Lease Liabilities	17A	2,758.14	-
(iii) Other Financial Liabilities	18	4,850.69	3,961.70
(b) Provisions	19	1,193.47	1,229.87
(c) Deferred Tax Liabilities (Net)	35	-	422.10
(d) Other Non-Current Liabilities	20	3,266.51	1,597.64
<b>Total Non-Current Liabilities</b>		<b>37,569.85</b>	<b>33,615.17</b>
<b>(B) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	21	37,179.27	39,888.51
(ii) Lease Liabilities	21A	166.73	-
(iii) Trade Payables due to:			
Micro and Small Enterprises	22	1,310.13	578.47
Other than Micro and Small Enterprises	22	15,951.38	15,457.43
(iv) Other Financial Liabilities	23	9,031.45	7,051.52
(b) Other Current Liabilities	24	3,331.60	4,017.28
(c) Provisions	25	120.67	52.94
<b>Total Current Liabilities</b>		<b>67,091.22</b>	<b>67,046.15</b>
<b>TOTAL LIABILITIES</b>		<b>1,04,661.07</b>	<b>1,00,661.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,70,637.07</b>	<b>1,63,069.31</b>

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 : 21/07/2022  
UDIN : 22063614APLR CF7679



For and on behalf of the Board of Directors

ANAND S. SANCHETI  
Managing Director  
DIN: 00953162

DILIP B. SURANA  
Director  
DIN: 00953495

SMRITI P. GARKAR  
Company Secretary

RAJESH K. GUPTA  
Chief Financial Officer

Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from Operations	26	90,546.21	67,954.31
Other Income	27	2,384.83	2,790.99
<b>Total Income</b>		<b>92,931.04</b>	<b>70,745.31</b>
<b>Expenses :</b>			
Cost of Project Material Consumed	28	18,755.19	17,676.87
Change in Inventories of Work in Progress	29	(197.27)	(1,428.81)
Direct Expenses	30	46,045.52	27,483.26
Employee Benefits Expenses	31	10,334.13	11,188.99
Finance Costs	32	8,015.83	10,340.76
Depreciation and Amortization Expenses	33	3,710.86	3,361.23
Other Expenses	34	3,176.30	2,064.31
<b>Total Expenses</b>		<b>89,840.57</b>	<b>70,186.61</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>3,090.47</b>	<b>558.70</b>
<b>Exceptional Items (Net of taxes)</b>			
Share of Profit/(Loss) in joint venture	37	1,763.23	(2,723.99)
<b>Profit/(Loss) before tax *</b>		<b>4,853.70</b>	<b>(2,164.89)</b>
<b>Tax Expenses *</b>			
(1) Current tax	36	1,155.97	128.12
(2) Adjustment of tax relating to earlier periods	36	104.52	(325.47)
(3) Deferred tax	35	(52.91)	168.22
<b>Total Tax Expenses</b>		<b>1,207.58</b>	<b>(29.13)</b>
<b>Profit/(Loss) for the year</b>		<b>3,646.12</b>	<b>(2,135.76)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss :</b>			
	15		
Re-measurement gains/ (losses) on defined benefit plans		122.05	299.59
Net (loss)/gain on FVTOCI equity Securities		(1,305.09)	-
Less: tax effect		(109.37)	104.69
<b>Net other comprehensive income of items that will not be reclassified to profit or loss</b>		<b>(1,073.67)</b>	<b>194.90</b>
<b>Items that will be reclassified to Profit or Loss :</b>			
	16		
Net (loss)/gain on FVTOCI Debt mutual funds		0.45	-
Less: tax effect		0.10	-
<b>Net other comprehensive income of items that will be reclassified to profit or loss</b>		<b>0.30</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(1,073.37)</b>	<b>194.90</b>
<b>Total Comprehensive Income for the year</b>		<b>2,372.75</b>	<b>(1,940.86)</b>
<b>Earning Per Equity share (Par value of ₹ 10 each)</b>	38		
Basic ( in ₹ ) after exceptional items		35.55	(20.81)
Basic ( in ₹ ) before exceptional items		18.35	5.73
Diluted ( in ₹ ) after exceptional items		35.52	(20.81)
Diluted ( in ₹ ) before exceptional items		18.35	5.73

\* Profit before tax is after exceptional item and tax thereon. Tax expenses are excluding the current tax and deferred 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 : 21/07/2022  
UDIN : 22043414A PLRCF1679



For and on behalf of the Board of Directors

*Anand S. Sancheti*  
ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

*Smrita P. Agarwal*  
SMITA P. AGARWAL  
Company Secretary

*Deep E. Surana*  
DEEP E. SURANA  
Director  
DIN: 00953495

*Rajesh K. Gupta*  
RAJESH K. GUPTA  
Chief Financial Officer

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Number of Shares	(₹ in lacs)
			Amount
Balance as at 1st April 2020		1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31st March 2021	15	1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31st March 2022		1,02,61,382	1,026.14

B. OTHER EQUITY

Refer Note N 15

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	Net (loss)/gain on FVTOCI equity Securities	Net (loss)/gain on FVTOCI Debt mutual funds	
Balance as at 1 April 2020	10,647.69	1,116.85	51,597.27	(39.11)	-	-	63,322.70
Profit for the year	-	-	(2,135.76)	-	-	-	(2,135.76)
Other comprehensive income	-	-	-	194.90	-	-	194.90
Balance as at 31 March 2021	10,647.69	1,116.85	49,461.52	155.79	-	-	61,381.84
Balance as at 1 April 2021	10,647.69	1,116.85	49,461.52	155.79	-	-	61,381.84
Profit for the year	-	-	3,646.12	-	-	-	3,646.12
Other comprehensive income	-	-	-	79.40	(1,153.08)	0.30	(1,073.38)
Additions during the year due to merger of PPL	-	236.14	898.05	-	31.08	-	995.27
Balance as at 31 March 2022	10,647.69	1,402.99	53,805.69	235.19	(1,142.00)	0.30	64,949.86

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 utilized 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



CA Sudhir Surana  
Partner  
Membership No. 043414  
Place : Nagpur  
Date : 21/07/2022  
UDIN : 22063414 APLR CF7679



For and on behalf of the Board of Directors



ANAND S. SANCHETI  
Managing Director  
DIN: 00953362



SMITA B. AGARWAL  
Company Secretary



DILIP B. SURANA  
Director  
DIN: 00953495



RAJESH GUPTA  
Chief Financial Officer



## Standalone Statement of Cash Flow for the year ended on 31st March 2022

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>Cash Flow From Operating Activities</b>		
Net profit before tax as per the statement of profit and loss (after exceptional item and tax thereon)	4,853.70	(2,164.89)
<b>Non-Cash Adjustment for :</b>		
Depreciation/amortization of Property, Plant and Equipment and Intangible assets	3,710.86	3,361.23
Impairment of Mining Asset	-	-
Bad debt written off	355.69	-
Net (Gain) / Loss on foreign exchange fluctuation	(124.32)	(598.71)
<b>Adjustment for cash flows of other activities:</b>		
Finance cost	8,015.83	10,340.76
Interest income on Loans	(496.99)	(372.22)
Interest income on Fixed Deposits	(285.81)	(462.38)
Dividend income	(779.22)	(524.67)
Share of (profit)/loss in joint ventures	(1,755.77)	2,681.23
(Profit)/loss on Sale of Investment & listed equity share	-	(709.44)
(Profit)/loss on sale of fixed assets	(604.28)	(23.60)
Rental income on investment property	(8.64)	(11.72)
<b>Operating Profit Before Working Capital Changes</b>	<b>12,881.07</b>	<b>11,515.58</b>
<b>Adjustment for :</b>		
Increase/(decrease) in trade payables	1,225.60	108.36
Increase / (decrease) in non current provisions	(1,110.07)	(119.52)
Increase / (decrease) in current provisions	67.73	(64.06)
Increase/(decrease) in other current liabilities	(685.69)	1,554.71
Increase/ (decrease) in other non current liabilities	1,668.87	(2,023.13)
Increase/ (decrease) in other current financial liabilities	1,979.93	(1,603.90)
Increase/ (decrease) in other non current financial liabilities	888.99	51.27
Increase/ (decrease) in deferred tax	(432.06)	-
Decrease/(increase) in current trade receivables	(1,436.81)	4,469.09
Decrease/(increase) in other current assets	2,912.71	(5,011.62)
Decrease/(increase) in other non current financial assets	693.40	(577.28)
Decrease/(increase) in other current financial assets	(22.72)	3,895.14
Decrease/(increase) in inventories	694.27	(3,906.21)
	<b>19,325.23</b>	<b>8,288.42</b>
Direct taxes paid including Income tax paid / TDS deducted/amount paid under appeal(net of refunds)	(2,592.62)	(1,363.72)
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>16,732.61</b>	<b>6,924.71</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	(12,191.36)	(5,019.20)
Proceeds from sale of fixed assets	1,041.74	155.69
Proceeds from non-current investments	(1,167.20)	1,179.22
Fixed deposits with remaining maturity of more than 12 month	2,018.14	(97.93)
Fixed deposits with remaining maturity of less than 12 months	(787.57)	705.87
Proceeds from non current loans and advances	-	(1,990.06)
Proceeds from current loans and advances	(1,514.85)	-
Interest income on Fixed Deposits	285.81	462.38
Interest income on Loans	496.99	372.22
Dividends received	779.22	524.67
Share of profit/(loss) in joint ventures	1,755.77	(2,681.23)
Profit/(loss) on sale of investment	-	709.44
Rental income on investment property	8.64	11.72
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>(9,274.67)</b>	<b>(5,667.21)</b>



## Standalone Statement of Cash Flow for the year ended on 31st March 2022

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>Cash Flow from Financing Activities</b>		
Proceeds from long-term borrowings	(902.82)	8,614.93
Decrease/(increase) in Non-Current Lease liabilities	2,758.14	-
Decrease/(increase) in Current Lease liabilities	166.73	-
Proceeds from short-term borrowings	(2,709.24)	458.27
Finance cost	(8,015.83)	(10,340.76)
<b>Net Cash Flow from/(used in) in Financing Activities (C)</b>	<b>(8,703.02)</b>	<b>(1,267.56)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,245.09)	(10.06)
Balance transferred on merger of PIPL	995.27	-
Cash and cash equivalents at the beginning of the year	566.16	576.23
<b>Cash and Cash Equivalents at the end of the year</b>	<b>316.35</b>	<b>566.16</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	254.94	280.00
With banks- in current account	61.40	286.16
<b>Total Cash and Cash Equivalents</b>	<b>316.35</b>	<b>566.16</b>

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 Suraria

Partner

Membership No. 043414

Place : Nagpur

Date : 21/07/2022

UDIN : 22063416APLRCF7679



For and on behalf of the Board of Directors

*Anand S. Sancheti*

ANAND S. SANCHETI

Managing Director

DIN: 00953362

*Smita P. Agarkar*

SMITA P. AGARKAR

Company Secretary

*Dilip B. Surana*

DILIP B. SURANA

Director

DIN: 00953495

*Rajesh Gupta*

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 activities.

### 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 Laes (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





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.



## 2.3 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



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.

Particulars	Max of Life	(Life in Year)
		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





## **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 amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are



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.





## **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





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**

**1. Leave Entitlements: Mining Department**

**a. Earned Leave:**

i. All regular employees are eligible for 24 days of leave in a year, credited at the rate of one day leave for every 15 days of working. Calendar year will be considered for the purpose of computing the earned leave. This leave will be credited in advance on the 1st January of the year, adjusted for the no. of days worked in the previous year.

ii. An employee on probation is entitled to avail one day leave per month during probation. Generally, the period of probation is for six months. If the probation is extended, the employee would continue to get one day leave per month. On completion of probation, the leave calculated at one day leave for every 15 days will be credited for the probation period as well as for the remaining period in that calendar year. Subsequently, for the following year, 24 days of leave, adjusted for the no. of days worked in the previous year, will be credited in advance as being done for a regular confirmed employee.

iii. The leave eligibility for trainees is same as for the probationers. Trainees are eligible for a day of leave per month during the training period. If the training period is extended, the employee would continue to get one day leave per month and on completion, leave calculated at one day leave for every 15 days will be credited for the training period as well as for the remaining period in that calendar year. Subsequently, for the following year, 24 days of leave, adjusted for the no. of days worked in the previous year, will be credited in advance as being done for a regular confirmed employee



**b. Sick Leave:**

The employees are not eligible for any kind of sick leave.

**c. Examination Leave:**

The company encourages people in their pursuit of higher education and continuous learning for professional development. As an incentive, the employees who are pursuing higher studies from a recognized institute / university, in the area of their current function in the Company, are granted special leave with pay on the day of examinations against production of documentary evidence. A maximum of 10 days per year for first attempt and 6 days for further attempts will be allowed per year. Only three attempts are permitted for the same paper. Such employees should have taken prior permission from their HOD for pursuing the course and the same should have been forwarded to HR before joining the course.

**d. Maternity Leave:**

Women employees who have worked for not less than 80 days in the twelve months immediately preceding the expected date of delivery are entitled for maternity leave as per the Maternity Benefit Act, for a maximum period of 12 weeks, that is to say, six weeks up to and including the day of her delivery and six weeks immediately following that day.

In case of miscarriage, a woman employee is entitled for 6 weeks immediately following the day of her miscarriage.

**e. Transfer Leave:**

When an employee is transferred from one location to another location, s/he will be allowed to avail one day leave with pay, if the distance to the new location from the current location of posting is more than 250 KM but less than or up to 500 KM. If the distance is more than 500 KM, a maximum of two days of leave with pay can be availed within one week before or after relocating to the new location.

**f. Leave during Notice period:**

An employee who is serving notice period on resignation is not entitled to avail any kind of leave during the notice period. However, the balance leave if any may be adjusted in the notice period, on approval from the HOD. However, no encashment of leave will be allowed for the balance leave.

**g. Leave without pay:**

Employees are discouraged to take any leave without pay. However in cases of exigencies, an employee who does not have any leave balance may be sanctioned leave without pay.

**h. This policy is applicable only to KCC workers;**

The total EL balance at the time of leaving service is paid in F&F settlement to KCC workers.



## 2. Leave Entitlements: Other than mining department

This year we have introduced Casual Leave (CL) and Sick Leave (SL) for the convenience of employees. From the New Year, Eight Days CL and Ten Days SL will be credited to leave account of all employees. These leaves are to be availed during the calendar year else will lapse if not availed at the end of the year.

Now onwards every employee, who has worked for a period of two hundred and forty days (240) or more during a calendar year, shall be allowed during the subsequent calendar year, leave with wages for a number of days calculated at the rate of one day for every twenty days of work performed by the employee during the previous calendar year. This means any employee who has worked more than 240 days during calendar year will be granted 15 days EL during 2020.

Every employee shall now be entitled for eight days festival holidays in a calendar year including mandatory holidays on 26th January, 1st May, 15th August and 2nd October and balance four as mutually agreed on festivals.

In addition, for the convenience of employees during the festivals, out of 15 ELs, seven ELs will be adjusted in mutually agreed festival holidays and rest eight ELs will be credited to the leave account of the employee. Calendar for 8 festival holidays and 7 EL holidays will be promulgated before start of the new calendar year.

With introduction of new types of leave every employee who has worked for more than 240 days during calendar year 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 encashing Earned leave, if accumulated in excess of 45 as per the SAEA-2017.

Further to motivate and reward the hard working and dedicated employees with proven track record, management has decided to create a discretionary leave quota under IM, HODs and DICs. Under this scheme, if deserving employee exhausts his/her entire leave quota and due to exigencies he/she avails additional leave, then under discretionary leave quota IM, HOD and DIC can approve additional leave with wages for 2 days, 5 days and 5 days respectively. MD has powers to approve unlimited number of days of leave for well deserving employees with the recommendation of IM, HOD and DIC.





This additional quota will be exercised by IM/HOD/DIC based on request by individual employee with supporting note for his/her outstanding performance.

#### **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 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/attribution 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 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**

As per IND AS 115 :- 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 recognized when 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, 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 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 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.

#### **K. Leases:**

##### **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.

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.

#### **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.

**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 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



relevant amounts 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 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.





## 3A. Properties, 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
<b>a. Gross carrying amounts</b>												
Balance as at 1st April 2020	0.95	41.24	2,799.62	35,611.29	465.23	5,013.66	607.71	637.08	861.86	14.76	60.15	46,093.64
Additions	-	-	411.67	2,834.10	17.35	294.33	23.96	30.61	640.59	-	-	4,253.31
Disposals	-	-	12.63	223.64	10.90	90.74	9.81	66.15	-	-	-	410.77
Interhead adjustment	-	-	-	-	0.57	-	(0.57)	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>0.95</b>	<b>41.24</b>	<b>3,193.66</b>	<b>38,221.94</b>	<b>472.85</b>	<b>5,217.74</b>	<b>621.31</b>	<b>581.14</b>	<b>1,502.45</b>	<b>14.76</b>	<b>60.15</b>	<b>49,828.18</b>
Balance as at 1st April 2021	0.95	41.24	3,193.66	38,221.94	472.85	5,217.74	621.31	581.14	1,502.45	14.76	60.15	49,828.18
Additions	-	-	431.94	3,238.84	56.91	554.36	75.41	87.10	98.22	-	4,989.88	5,032.66
Disposals	-	-	5.40	737.51	75.76	480.37	11.41	69.53	-	-	-	1,359.99
Interhead adjustment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2022</b>	<b>0.95</b>	<b>41.24</b>	<b>3,620.20</b>	<b>40,723.27</b>	<b>453.99</b>	<b>5,311.74</b>	<b>685.31</b>	<b>598.70</b>	<b>1,600.67</b>	<b>14.76</b>	<b>4,150.01</b>	<b>57,200.85</b>
<b>b. Accumulated Depreciation / Impairment</b>												
Balance as at 1st April 2020	0.10	-	840.25	18,089.00	398.05	4,134.63	485.46	546.31	24.10	0.04	14.73	24,512.67
Depreciation for the year	0.02	-	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	136.58	10.81	61.95	7.88	66.46	-	-	-	285.68
Interhead adjustment	-	-	-	-	0.57	-	(0.57)	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>0.12</b>	<b>-</b>	<b>1,126.37</b>	<b>20,553.09</b>	<b>417.57</b>	<b>4,266.47</b>	<b>516.90</b>	<b>528.75</b>	<b>40.45</b>	<b>13.67</b>	<b>25.86</b>	<b>27,489.25</b>
Balance as at 1st April 2021	0.11	-	1,126.37	20,553.09	417.57	4,266.47	516.90	528.75	40.45	13.67	25.86	27,489.25
Depreciation for the year	0.010	-	216.19	2,825.10	40.92	203.54	50.48	19.63	59.89	1.08	176.79	3,513.64
Disposals	-	-	5.40	354.78	74.15	450.82	13.23	69.53	-	-	-	965.91
Interhead adjustment	-	-	0.11	(7.60)	(1.70)	-	8.51	0.68	-	-	-	(0.05)
<b>Balance as at 31st March 2022</b>	<b>0.12</b>	<b>-</b>	<b>1,337.27</b>	<b>23,015.81</b>	<b>382.64</b>	<b>4,019.19</b>	<b>564.67</b>	<b>499.52</b>	<b>100.34</b>	<b>14.76</b>	<b>282.65</b>	<b>30,136.97</b>
<b>Net carrying amounts</b>												
Balance as at 31st March 2021	0.84	41.24	2,067.29	17,668.84	55.28	951.27	104.41	52.39	1,462.00	1.08	34.28	22,638.93
<b>Balance as at 31st March 2022</b>	<b>0.83</b>	<b>41.24</b>	<b>2,282.93</b>	<b>17,707.45</b>	<b>71.35</b>	<b>1,292.54</b>	<b>120.64</b>	<b>99.18</b>	<b>1,500.33</b>	<b>0.00</b>	<b>3,947.38</b>	<b>27,061.88</b>
<b>3B. Capital Work- In-progress</b>												
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 1st April 2020	-	-	55.02	58.04	-	-	2.46	-	-	-	-	115.52
Additions	-	-	77.89	19.36	-	-	-	-	414.54	-	-	511.79
Capitalised during the year	-	-	55.02	58.04	-	-	2.46	-	-	-	-	115.51
Interhead adjustment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>-</b>	<b>-</b>	<b>77.89</b>	<b>19.36</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>414.54</b>	<b>-</b>	<b>-</b>	<b>511.79</b>
Balance as at 1st April 2021	-	-	77.89	19.36	0.00	-	-	-	414.54	-	-	511.79
Additions	-	-	-	2,079.64	-	-	-	-	-	-	-	2,079.64
Capitalised during the year	-	-	77.89	19.36	-	-	-	-	98.22	-	-	195.47
Interhead adjustment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2022</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>2,079.64</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316.32</b>	<b>-</b>	<b>-</b>	<b>2,395.96</b>



(a) For Capital-work-in progress (CWIP),  
CWIP aging schedule as on 31-03-2022:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- CWIP-Buildings	-	-	-	-	-
Projects in progress- CWIP-Mining Asset	-	316.32	-	-	316.32
Projects in progress- CWIP-Plant and Equipments	2,078.64	-	-	-	2,078.64
<b>Total</b>					<b>2,395.96</b>

## CWIP aging schedule As on 31-03-2021:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- CWIP-Buildings	77.89	-	-	-	77.89
Projects in progress- CWIP-Mining Asset	414.54	-	-	-	414.54
Projects in progress- CWIP-Plant and Equipments	19.36	-	-	-	19.36
<b>Total</b>					<b>511.79</b>

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan : NIL



	(₹ in lacs)		
4 Investment Property	Land	Building	Total
<b>A Gross carrying amount</b>			
Balance as at 1st April 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
Addition	137.08	-	137.08
Less Disposal	43.39	-	43.39
Balance as at 31st March 2022	1,547.11	379.27	1,926.38
<b>B Accumulated Depreciation</b>			
Balance as at 1st April 2020	-	62.63	62.63
Depreciation charged	-	6.60	6.60
Balance as at 31st March 2021	-	69.23	69.23
Depreciation charged	-	6.60	6.60
Balance as at 31st March 2022	-	75.83	75.83
<b>C Net carrying amounts</b>			
Balance as at 31st March 2021	1,453.42	310.04	1,763.46
Balance as at 31st March 2022	1,547.11	303.45	1,850.55





(₹ in lacs)

Information regarding income and expenditure of investment property	As at 31 March 2022	As at 31 March 2021
Rental income derived from investment properties	8.64	11.72
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	2.54	0.21
Depreciation charged on the investment property that generated rental income during the year.	3.45	3.45
<b>Profit arising from investment properties that generated rental income after depreciation and direct expenses</b>	<b>2.65</b>	<b>8.06</b>
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	3.15
<b>Profit/(Loss) arising from investment properties that did not generat rental income after depreciation and direct expenses</b>	<b>(3.15)</b>	<b>(3.15)</b>
<b>Net Profit/( Loss) from Investment acitivity.</b>	<b>(0.50)</b>	<b>4.91</b>

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 accredited independent valuer instead of registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, in the last three financial years based on consistent policy followed by the company. In absence of complete valuation of all the investmet property from the registered valuer as defined under aforesaid rule, the fair value of the property are not disclosed. As per management view, fair value of all assets would be on higher side as compared to book value of assets, considering acquisition date and current market scenerio.



## 5 Intangible Asset

		(₹ in lacs)	
		Computer Software	Total
<b>A</b>	<b>Gross carrying amount</b>		
	Balance as at 1st April 2020	694.99	694.99
	Additions	0.82	0.82
	Balance as at 31st March 2021	695.81	695.81
	Additions	6.00	6.00
	Balance as at 31st March 2022	701.81	701.81
<b>B</b>	<b>Accumulated Amortisation</b>		
	Balance as at 1st April 2020	440.01	440.01
	Charge for the year	111.37	111.37
	Disposal	-	-
	Balance as at 31st March 2021	551.38	551.38
	Charge for the year	90.63	90.63
	Disposal	-	-
	Balance as at 31st March 2022	642.01	642.01
<b>C</b>	<b>Net carrying amounts</b>		
	Balance as at 31st March 2021	144.43	144.43
	Balance as at 31st March 2022	59.80	59.80



(₹ in lacs)

	As at 31st March 2022	As at 31st March 2021
<b>6 Non-Current Investments (Unquoted, valued at cost)</b>		
<b>A Investments in Equity Instruments</b>		
i Investment in Subsidiaries	8,789.31	8,814.89
ii Investment in Subsidiaries - No 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>B Investments in Preference Shares of Subsidiary</b>	259.74	259.74
<b>C Investments in Partnership Firm</b>		
i Joint Venture	583.05	690.73
ii Others	0.00	-
<b>D Investments in Association of Person (AOP)</b>		
i Joint Venture	107.14	225.75
<b>E Investments in Government Securities</b>	1.54	1.54
	<b>11,956.95</b>	<b>12,208.82</b>
<b>(Quoted, valued at fair value through other comprehensive income)</b>		
<b>F Investments in Equity Instruments</b>	1,097.36	-
<b>G Investments in Mutual Fund</b>	446.33	-
	<b>1,543.69</b>	<b>-</b>
	<b>13,500.64</b>	<b>12,208.82</b>





	(₹ in lacs)	
Details of Non Current Investments	As at 31st March 2022	As at 31st March 2021
<b>A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No. 6(A)</b>		
<b>Subsidiary Companies in India</b>		
(i) SMS Envoclean Pvt. Ltd. <i>23,64,558 ( 23,64,558)Equity shares of ₹ 10 each fully paid</i>	112.60	112.60
(ii) SMS Infolink Pvt. Ltd. <i>10,000 ( 10,000)Equity shares of ₹ 10 each fully paid</i>	1.00	1.00
(iii) SMS Mine Developers Pvt. Ltd. <i>5,100 ( 5,100) Equity shares of ₹ 10 each fully paid</i>	0.51	0.51
(iv) Spark Mall & Parking Pvt. Ltd. # <i>60,84,136 (60,84,136)Equity shares of ₹ 10 each fully paid</i>	3,320.66	3,320.66
(v) SMS Vidyut Pvt. Ltd. <i>3,950,000 ( 3,950,000)Equity shares of ₹ 10 each fully paid</i>	992.00	992.00
(vi) SMS Watergrace BMW Pvt. Ltd <i>58,66,181 ( 58,66,181)Equity shares of ₹ 10 each fully paid</i>	586.62	586.62
(vii) SMS Tolls And Developers Ltd. <i>50,000 ( 50,000)Equity shares of ₹ 10 each fully paid</i>	5.00	5.00
(viii) Patwardhan Infrastructure Pvt. Ltd.*** <i>0 ( 49,220)Equity shares of ₹ 100 each fully paid</i>	-	60.79
(ix) Maharashtra Enviro Power Ltd. <i>41,617,411 ( 41,617,411)Equity shares of ₹ 10 each fully paid</i>	3,000.20	3,000.20
(x) Ayodhya Gorakhpur SMS Tolls Private Limited <i>16,000,000 ( 16,000,000)Equity shares of ₹ 10 each fully paid</i>	1.00	1.00
(xi)SMS Waste Management Private Limited <i>10,000 ( 10,000)Equity shares of ₹ 10 each fully paid</i>	1.00	1.00
(xii)SMS-AABS India Tollways Private Limited** <i>5,100 ( 5,100)Equity shares of ₹ 10 each fully paid</i>	0.51	0.51
(xiii)SMS Mining Limited <i>10,000 ( 0 ) Equity shares of ₹ 10 each fully paid</i>	1.00	-
<b># Subsidiary Companies outside India</b>		
(xiii)Pt. SMS Minerals International <i>3,20,000 ( 3,20,000)Equity shares of IDR @ 9195 each fully paid</i>	155.18	148.26
(xiv) Pt. SMS Mines Indonesia <i>9,90,000 ( 990,000)Equity shares of IDR @11722 each fully paid</i>	612.03	584.74
	<b>8,789.31</b>	<b>8,814.89</b>
<b>Investment in Subsidiaries - No directors of SMS Group</b>		
(xv) SMS Taxicabs Pvt. Ltd. * <i>87,45,000 ( 87,45,000)Equity shares of ₹ 10 each fully paid</i>	1,747.00	1,747.00
	<b>1,747.00</b>	<b>1,747.00</b>
	<b>10,536.31</b>	<b>10,561.89</b>
<b>Associate Companies in India</b>		
(i) RCCL Infrastructure Pvt. Ltd <i>15,65,200 ( 15,65,200)Equity shares of ₹ 10 each fully paid</i>	467.86	467.86
(ii) SMS-AAMW Tollways Pvt. Ltd. <i>2,600 ( 2,600)Equity shares of ₹ 10 each fully paid</i>	0.26	0.26
	<b>468.12</b>	<b>468.12</b>
<b>(B) Investment in Preference Shares of subsidiary company (Valued at cost, fully paid up)-Note No. 6(B)</b>		
(i)SMS-AABS India Tollways Private Limited** <i>25,97,400 ( 25,97,400) cumulative, non-convertible, Redeemable Preference shares of ₹ 10 each fully paid</i>	259.74	259.74



Details of Non Current Investments	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>(C) Investment in Quoted equity Shares (fair value through other comprehensive income, fully paid up)-Note No. 6(F)</b>		
(i) Dhani Services Ltd	1097.36	-
17,60,000 (NIL) Equity shares of ₹ 2 each fully paid		
Cost of Investment - Rs. 2412.93		
Fair Market Value of Investment - Rs. 1097.36		
	<b>1,097.36</b>	-
<b>(d) Investment in Quoted mutual fund (fair value through other comprehensive income)-Note No. 6(G)</b>		
<b>Debt oriented mutual fund</b>		
Axis Short Term Fund - Regular Growth	100.12	-
4,01,625.06 (NIL) Equity shares of ₹ 10 each fully paid		
Cost of Investment - Rs. 100.00		
Fair Market Value of Investment - Rs. 100.12		
ICICI Prudential Short Term Fund - Growth Option	100.13	-
2,09,529.46 (NIL) Equity shares of ₹ 10 each fully paid		
Cost of Investment - Rs. 100.00		
Fair Market Value of Investment - Rs. 100.13		
IDFC Bond Fund -Short Term Plan-Growth-(Regular Plan)	62.56	-
1,34,615.53 (NIL) Equity shares of ₹ 10 each fully paid		
Cost of investment - Rs. 62.50		
Fair Market Value of Investment - Rs. 62.56		
IDFC Banking and PSU Debt Fund-Regular Plan-Growth Fund	150.14	-
7,50,105.02 (NIL) Equity shares of ₹ 10 each fully paid		
Cost of Investment - Rs. 150.00		
Fair Market Value of Investment - Rs. 150.14		
<b>Equity oriented mutual fund</b>		
SBI Infrastructure Fund - Regular Plan - IDCW	33.37	-
1,50,000 (NIL) Equity shares of ₹ 10 each fully paid		
Cost of Investment - Rs. 25.72		
Fair Market Value of Investment - Rs. 33.37		
	<b>446.33</b>	-
Aggregate value of quoted investments at cost	2,851.15	-
Aggregate value of quoted investments at market value	1,543.69	-
Aggregate value of quoted investments at carrying value	1,543.69	-
Aggregate value of unquoted investments at cost	11,956.95	12,208.82



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

\* 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 as security against loan taken by SMS-AABS India Tollways Pvt. Ltd and was satisfied on 23.05.2022 vide charge satisfaction document dated 25.05.2022.

\*\*\*the Scheme of Merger of Patwardhan Infrastructure Private Limited (PIPL) (Wholly owned subsidiary company of SMS Limited) with SMS Limited and their respective shareholders ("the Scheme") was approved by the National Company Law Tribunal, Mumbai Bench vide order dated 24th March, 2022. The Scheme is effective from the Appointed Date i.e., 1st April, 2020 and necessary compliances has been filed with the registrar office Mumbai.

Pursuant to the Scheme, all the assets and liabilities of Patwardhan Infrastructure Private Limited shall by virtue of NCLT order now stands vested into SMS Limited by operation of law. Due to aforesaid merger the networth of the company is increased by Rs 995.27 Lacs with a corresponding increase in assets of SMS Limited, including Mat credit of Rs. 802.71 lacs.

# No fresh investment in this entites. Increase in investment is due to impact of foreign exchange fluctuations.





(₹ in lacs)

Name of the Venture	Name of Venture Partner/s	Constitution of Entity	Share of Interest	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2021
				Total Capital of Firm	Investment**	Total Capital of Firm	Investment
<b>Debit Balance in Joint Ventures (Partnership firm) considered as Non-Current Investments</b>							
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	440.03	281.39
SMS Infrastructre Ltd. & D. Thakkar Construction Pvt. Ltd. ( J.V) S	D.Thakkar Construction Pvt. Ltd.	Partnership Firm	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	-	-	-	-
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
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. ( J.V) ##	Brahamaputra Consortium Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	-	-	(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	247.90	51.95
SMS Infrastructure Ltd. & Shree Nath Enterprises( J.V)@	Shreenath Enterprises	Partnership Firm	SMS Ltd. 36.50% Shreenath Enterprises 63.50%	188.93	13.64	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	3.61	7.74	3.87
GSI ENVO Ltd. in Consortium with SMSIL *	Param Sancheti	Association of Person	SMS Ltd. 70 % & Param Sancheti* 30 %	111.89	38.03	111.89	156.65




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

(₹ in lacs)

BHARTIA SMSIL (JV)*	Bhartia Infra Projects Limited	Partnership Firm	SMS Ltd. 49 % & BIP Limited 51 %	16.73	11.38	16.73	11.38
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	39.94	23.20
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%	-	-	-	-
MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV)*	(1) M/s Datta Meghe Institute of Medical Science (DMIMS) (2) M/s Nagar Yuwak Sikshan Sanstha (NYSS) (3) M/s Shri Sainath Textile Private Limited	Association of Person	SMS Limited 50% DMIMS 10% NYSS 30% SSTPL 10%	203.30	69.10	203.30	69.10
SMSIL-MBPL JV*	Mehrotra Buildcon Pvt. Ltd.	Partnership Firm	SMS Ltd. 59.84% & Mehrotra Buildcon Pvt. Ltd. 40.16%	380.30	178.14	380.30	227.66
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	19.74	46.84	21.86
SRRCIPL-SMSL- JV^	M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd.	Partnership Firm	SMS Ltd.30 % & M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd 70%	-	-	-	-
				<b>1,683.60</b>	<b>690.18</b>	<b>1,731.16</b>	<b>916.49</b>

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

SMS Infrastructre Ltd. & D. Thakkar Construction Pvt. Ltd. ( J.V) S	D.Thakkar Construction Pvt. Ltd.#		SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	(3,064.54)	(354.28)	(3,064.54)	(2,117.51)
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## C - Investments in Joint Venture-Note No. 6(C &amp; D) (Valued at cost)

₹ in lacs

SRRCIPL-SMSL-BEKEM JV*	M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited #	Partnership Firm	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd. 60% & BEKEM Infra Projects Pvt. Limited 20%	441.43	(2.62)	441.43	(2.24)
SMSL-SRRCIPL 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	(2.02)	128.60	(2.27)
				<b>(2,494.51)</b>	<b>(358.92)</b>	<b>(2,494.51)</b>	<b>(2,122.02)</b>

Name of the Firm	Name of Partner		As at 31 March 2022	Capital Amount	As at 31 March 2022	Capital Amount	As at 31 March 2021
SANBRO CORPORATION*	SMS Ltd. #		26.00%	-208.90	(86.88)	-208.50	(86.77)
	Akshay Sancheti		29.60%		(29.84)		(29.78)
	Param Sancheti		14.80%		(29.84)		(29.78)
	Ajay Sancheti		22.20%		(17.59)		(17.50)
	Anand Sancheti		22.20%		(44.76)		(44.67)

# Credit balances in Joint Ventures considered as Other current financial liability.

## The company has written off investment in two joint venture entities (partnership firm) during F Y 2021-22. As the operations of these entities stalled 6-7 years back and the company not expected to have any further returns from these entities.

@ The financial statement of the one joint venture entity (partnership firm) was not available on record. Due to which, the share in profit / (Loss) is not accounted for in FY 2021-22 & FY 2020-21. The operations of these entities stalled 6-7 years back and the company is expected receipts from o/s income tax refund, vat refund and security deposits in this entity and hence carried forward balances in books.

\*Due to Non-availability of Audited Financial Statements of the thirteen joint ventures entities (partnership firm), the share in profit/loss during the current financial year F.Y 2021-2022 are not accounted. Accordingly, total capital of the firm as on 31st March, 2021 & 31st March, 2022 is considered on the basis of last audited financial statement of FY 20-21. As per financials shared with us, the company is expecting profit from of these JV entities and no major losses is expected in any of these JVs.





(₹ in lacs)

^ The Company has entered into joint venture agreement with one entity (partnership firm). As per financials shared with us, the company do not expect any losses in this JV. However in the absence of the audited financial statement of FY 2021-22, the company has accounted for the investments based on the records available with the Company.

§ Note for Loss in FY 2020-21 and profit in F.Y 2021-2022 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 this, the JV has earned profits over the last 12 years and has been accounted in the respective books of account of JV partners. SMSL is now executing the remaining works 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 has reduction in the value of its investment in the JV, making it negative.

DTC being an insolvent company has gone into NCLT and Vide order Dt: 14.03.2022, NCLT dismissed claim of the JV for Rs. 3960.67 lacs. Hence, the entity has reversed provision of Bad & Doubtful debt taken in FY 19-20 and instead recognised losses for Rs. 3960.67 lacs on account of non-recovery of amount from DTC. There is no impact on profit and loss statement in FY 21-22 in the books of JV company. Also, JV entity has approached Abhyudaya Co-Op Bank for settlement, thus resulted in reduction in liability of Abhyudaya Co-Op Bank to Rs. 2500.00 Lacs. This has resulted to an overall increase in net profit of JV to Rs. 2518.90 Lacs in FY 21-22 and SMS has booked his share of profit of Rs. 1763.23 lacs. as an exceptional item.

\*\*Movement in investment is due to profit/loss & addition/withdrawal of capital from the entities.

**Other Investment-Note No. 6 A (C) (Valued at cost, fully paid up)**

	As at 31st March 2022	As at 31 March 2022
(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
	<b>1.05</b>	<b>1.05</b>



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>7 Other Financial Assets (Non-Current)</b>		
Considered good -Unsecured		
Security deposits	5,876.38	3,662.87
Fixed deposit receipt with remaining maturity for more than 12 months*	1,556.81	3,574.95
Earnest money deposits	1,296.52	909.42
Retention money	959.73	4,581.76
Other receivable	7.88	35.56
	<b>9,697.32</b>	<b>12,764.55</b>

\* Note:- Above fixed deposit receipts are held as a margin money/ security deposit against letter of credit/ bank guarantee/ collateral security against loans.

<b>8 Other Non-Current Assets</b>		
Considered good -Unsecured		
Capital advance	1,773.36	241.91
	<b>1,773.36</b>	<b>241.91</b>

<b>9 Inventories (Valued at Cost * or Net realisable Value whichever is lower)</b>		
Work-in-progress	21,798.27	21,601.01
Construction & Project Inventory	10,225.01	9,639.12
Stores and spares	543.72	474.21
Goods held for sale	-	1,546.94
	<b>32,567.00</b>	<b>33,261.27</b>

\*Note - Refer accounting policy note no. 2.



SMS Limited

Notes to Standalone Financial Statements for the Year ended on 31st March 2022

(₹ in lacs)

As at 31 March 2022 As at 31 March 2021

10 Trade Receivables (Current)

Trade Receivables considered good

Considered good -Unsecured

Related Party

Others

8,393.48	6,944.00
22,855.41	22,868.06
<u>31,248.89</u>	<u>29,812.06</u>





## Trade Receivables ageing schedule

[₹ in lacs]

Particulars	Outstanding for following periods from date of transactions *					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>						
(i) Undisputed Trade receivables – considered good -Unsecured	23,959.72	325.07	4,531.59	520.30	18.90	29,355.58
(ii) Disputed Trade Receivables–considered good	-	-	-	-	1,893.31	1,893.31

## As at 31 March 2021

(i) Undisputed Trade receivables – considered good -Unsecured	20,624.22	1,412.67	241.85	5,909.95	40.63	28,229.32
(ii) Disputed Trade Receivables–considered good	-	-	-	-	1,582.76	1,582.76

\*The ageing is given on the basis of date of the transactions instead of due date of payment.



SMS Limited

Notes to Standalone Financial Statements for the Year ended on 31st March 2022

		(₹ in lacs)	
		As at 31 March 2022	As at 31 March 2021
<b>11A</b>	<b>Cash and Cash Equivalents</b>		
(i)	Balances with banks in current accounts	61.40	286.16
(ii)	Cash on Hand		
	a) In local currency	253.96	279.88
	b) In foreign Currency	0.98	0.13
		<u>316.35</u>	<u>566.16</u>
<b>11B</b>	<b>Bank Balances other than Cash and Cash Equivalents</b>		
	Fixed deposits with remaining maturity of less than 12 months (held as a margin money/ security deposit against LC/ BG/ collateral security against loans).	4,552.99	3,765.41
		<u>4,552.99</u>	<u>3,765.41</u>

\* 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.



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>12 Loans (Current)</b>		
Considered good -Unsecured		
Loans to related parties	9,288.40	7,735.54
Other loans	762.14	800.14
	<u>10,050.53</u>	<u>8,535.69</u>
<b>13 Other Financial Assets (Current)</b>		
Considered good -Unsecured		
Withheld amount	5,430.44	6,524.58
Security deposits	3,061.54	2,818.95
Retention money	2,435.91	1,531.02
Amount due on account of TDS	483.53	528.66
Others receivables	525.23	510.23
Interest accrued but not due	1.76	2.25
	<u>11,938.41</u>	<u>11,915.69</u>





(₹ in lacs)

**Note 12- Loans (Current)**

Additional disclosures related to Loans given to related party that are:

(a) repayable on demand; and (b) without specifying any terms or period of repayment.

Type of Borrower	Amount of loan outstanding	Percentage to the total Loans
<b>As at 31st March 2022</b>		
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	9,288.40	92.42%
<b>As at 31st March 2021</b>		
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	7,735.54	90.63%



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>14 Other Current Assets</b>		
<b>Balance with statutory authority</b>		
GST receivable	3,918.70	4,096.02
Value added tax receivable	4,691.56	5,718.61
Service tax receivable	87.75	87.75
<b>Advances other than capital advances</b>		
To creditors	2,529.17	3,765.36
To subcontractor	1,426.78	1,493.50
Against expenses & salary	35.65	44.02
<b>Others</b>		
Deposit under protest	5,637.43	5,953.72
Prepaid expenses	1,005.64	1,086.39
	<b>19,332.67</b>	<b>22,245.39</b>



₹ in lacs)

As at 31st March  
2022 As at 31st  
March 2021

## 15 Equity Share capital

a	<b>Authorized shares</b> 15,500,000 (15,000,000) equity shares of Par value of ₹ 10/- each	1,550.00	1,500.00
b	<b>Issued, subscribed and fully paid-up shares</b> 1,02,61,382 (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 31st March 2022		As at 31st March 2021	
	No.	(₹ in lacs)	No.	(₹ 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	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,02,61,382</b>	<b>1,026.14</b>	<b>1,02,61,382</b>	<b>1,026.14</b>

## 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 preferential 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 31st March 2022		As at 31st March 2021	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Face value of ₹ 10/- each fully paid</b>				
Abhay Harakchand Sancheti	0	0.00%	3214696	31.33%
Ajay Shaktikumar Sancheti	592687	5.8%	592687	5.8%
Anand Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Shri Paramveer Abhay Sancheti	1607348	15.66%	0	0.00%
Shri Nirbhay Ajay Sancheti	1818310	17.72%	1818310	17.72%
Shri Akshay Abhay Sancheti	1607348	15.66%	0	0.00%
Best Power Plus Private Limited	2224374	21.68%	2224374	21.68%





S. No	Promoter name	No. of Shares at the beginning	Change during the year	No. of Shares at the end of the year	% of total shares	% of change during the
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## Details of Shareholding of Promoters in the company as on 31.03.2022 as under:

1	Late Shri . Abhay Harakchand Sancheti	3214696	-3214696	0	0.00%	-100.00%
2	Shri. Ajay Shaktikumar Sancheti	592687	0	592687	5.8%	0.00%
3	Shri. Anand Shaktikumar Sancheti	2410997	0	2410997	23.50%	0.00%
4	Shri. Paramveer Abhay Sancheti	0	1607348	1607348	15.66%	100.00%
5	Shri. Nirbhay Ajay Sancheti	1818310	0	1818310	17.72%	0.00%
6	Shri. Akshay Abhay Sancheti	0	1607348	1607348	15.66%	100.00%
7	Mrs. Bharti Abhay Sancheti	106	0	106	0.00%	0.00%
8	Mrs. Savita Ajay Sancheti	106	0	106	0.00%	0.00%
9	Mrs. Shruti Anand Sancheti	106	0	106	0.00%	0.00%
	<b>TOTAL</b>	<b>8037008</b>	<b>0</b>	<b>8037008</b>	<b>78.35%</b>	

## Details of Shareholding of Promoters in the company as on 31.03.2021 as under:

1	Late Shri . Abhay Harakchand Sancheti	3214696	0	3214696	31.33%	0.00%
2	Shri. Ajay Shaktikumar Sancheti	2410997	-1818310	592687	5.8%	-75.42%
3	Shri. Anand Shaktikumar Sancheti	2410997	0	2410997	23.50%	0.00%
5	Shri. Nirbhay Ajay Sancheti	0	1818310	1818310	17.72%	100.00%
7	Mrs. Bharti Abhay Sancheti	106	0	106	0.00%	0.00%
8	Mrs. Savita Ajay Sancheti	106	0	106	0.00%	0.00%
9	Mrs. Shruti Anand Sancheti	106	0	106	0.00%	0.00%
	<b>TOTAL</b>	<b>8037008</b>	<b>0</b>	<b>8037008</b>	<b>78.35%</b>	



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>16 Other Equity</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	1,116.85	1,116.85
Add: Additions during the year due to merger of PIPL	286.14	
<b>Closing Balance</b>	<b>1,402.99</b>	<b>1,116.85</b>
<b>Securities Premium</b>		
Balance as per the last financial statements	10,647.69	10,647.69
<b>Closing Balance</b>	<b>10,647.69</b>	<b>10,647.69</b>
<b>Retained Earning</b>		
Balance as per last financial statements	49,461.52	51,597.27
Add: Profit / (Loss) during the year	3,646.12	(2,135.76)
Add: Additions during the year due to merger of PIPL	698.05	-
<b>Closing Balance</b>	<b>53,805.69</b>	<b>49,461.52</b>
<b>Other Comprehensive Income</b>		
<b>Re-measurement gains/ (losses) on defined benefit plans net off tax</b>		
Balance as per the last financial statements	155.79	(39.11)
Add: Additions during the year	79.40	194.90
<b>Closing Balance</b>	<b>235.19</b>	<b>155.79</b>
<b>Net (loss)/gain on FVTOCI equity Securities</b>		
Balance as per the last financial statements	-	-
Add: Gain / (Loss) during the year	(1,153.08)	-
Add: Additions during the year due to merger of PIPL	11.08	-
<b>Closing Balance</b>	<b>(1,142.00)</b>	<b>-</b>
<b>Net (loss)/gain on FVTOCI Debt mutual funds</b>		
Balance as per the last financial statements	-	-
Add: Gain / (Loss) during the year	0.30	-
<b>Closing Balance</b>	<b>0.30</b>	<b>-</b>
<b>Total of Other Comprehensive Income</b>	<b>(906.51)</b>	<b>155.79</b>
<b>Total of Other Equity</b>	<b>64,949.86</b>	<b>61,381.84</b>

**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

**17 Borrowings (Non-Current)****Secured****Term Loans**

(i) From Banks	11,011.27	9,330.97
(ii) From Financial Institution	11,749.77	17,072.89
	<b>22,761.04</b>	<b>26,403.87</b>

**Unsecured****Loans from Directors**

	2,740.00	-
	<b>25,501.04</b>	<b>26,403.87</b>



SMS Limited

Notes to Standalone Financial Statements for the Year ended on 31st March 2022

(₹ in lacs)

As at 31st  
March 2022

As at 31st  
March 2021

**Borrowings (Non-Current)**

**Secured**

**Term Loans**

(i) From Banks

(1) ICICI Bank Ltd.	197.03	529.54
(2) Kotak mahindra bank ltd.	379.66	-
(3) IndusInd bank	10.40	66.87
(4) Axis Bank Ltd.	4,992.05	6,755.85
(5) HDFC Bank Ltd.	339.57	91.72
(6) Punjab National Bank (GECL)	2,409.00	1,886.99
(7) State Bank of India (GECL)	2,295.81	-
(8) Bank of India (GECL)	236.71	-
(9) Canara Bank (GECL)	151.03	-

**Total**

**11,011.27**

**9,330.97**

(ii) From Financial Institution

(1) SREI equipment finance ltd.	11,285.36	12,337.65
(2) Indiabulls housing finance ltd.	-	4,735.24
(3) TATA Capital Financial Services Ltd.	399.50	-
(4) Toyota Motor Financial Services Ltd.	64.91	-

**11,749.77**

**17,072.89**

**Unsecured**

**Loans from Directors**

(i) Anand Sancheti

2,740.00

-

**2,740.00**

-

Note -The loan from director is in the form of Quasi Equity, It has been infused in the company based on commitment with consortium lenders and remain in the business till the fund based limit is reduced to Rs.240 crore. This unsecured loan is non interest bearing. The amount is not discounted for arriving the fair value despite being non-current liability in nature, due to the fact that repayment period of the loan is not certain.





17.1 Details of Securities and Terms of Repayments

1. Secured

(i) 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 details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
LQNA00037181400	7.12	8.50%	31/03/2018	17	0.47	1 year 5 months
LQNA00037304565	26.73	9.00%	03/06/2018	5	5.90	5 months
LANAG0038897541	1.40	9.25%	02/04/2019	3	0.65	3 months
LANAG0039405149	1.08	9.50%	04/06/2018	5	0.26	5 months
LANAG0039454714	1.63	9.50%	02/07/2018	7	0.26	7 months
LANAG0039789936	3.16	9.25%	09/07/2018	7	0.50	7 months
LQNA00040788458/774/749/ 810/702/524/565	17.76	10.50%	11/09/2018	11	1.83	11 months
LQNA00043012049/104/172/ 884/082/097	163.48	10.75%	30/10/2018	13	14.12	1 year 1 month
LQNA00041149057/976/032/ 743/944	63.27	10.79%	27/11/2018	14	5.07	1 year 2 months
LQNA00042505239	114.85	9.51%	21/11/2020	19	6.54	1 year 7 months
LQNA00043038691	41.29	8.12%	22/12/2020	33	1.40	2 year 9 months
LQNA00043279407	42.24	8.01%	30/01/2021	34	1.39	2 year 10 months
LVNA00043279314/LVNA000 043279286	45.19	8.00%	27/03/2021	34	1.49	2 year 10 months
LQNA000442052279	32.40	8.00%	28/08/2021	29	1.23	2 year 5 months
LANAG00044819956*	22.45	7.40%	27/10/2021	32	0.78	1 year 8 month
LANAG00044843418	31.56	7.40%	27/10/2021	32	1.09	1 year 8 month
<b>Total</b>	<b>615.60</b>					

\*Roc charge against the following Secured term loan is not yet created & registered due to technical reason.

(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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
CE1038730	473.22	7.58%	18/10/2021	54	10.52	4 year 6 months
<b>Total</b>	<b>473.22</b>					

(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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
NN00495E, NN00494E	21.94	9.55%	05/01/2020	14	1.66	1 year 2 months
NN00496E	10.77	9.55%	05/02/2020	14	0.81	1 year 2 months
NN01115L, 18L, 17L, 18L, 19L, 20L, 21L, 22L	23.52	9.57%	28/01/2020	14	1.78	1 year 2 months
NN01124L, NN01125L, NN01126L	17.25	9.55%	07/03/2020	14	1.33	1 year 2 months
<b>Total</b>	<b>73.48</b>					



(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 31.03.2022	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	5,165.91	9.50%	05/12/2020	46	136.77	3 years 10 months
Various Contracts Bundled	1,437.58	9.50%	05/12/2020	33	49.67	2 years 9 months
Various Contracts Bundled	157.35	9.50%	05/12/2020	21	8.16	1 years 9 months
<b>Total</b>	<b>6,760.84</b>					

(5) HDFC 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 details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	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	63.30	8.66%	20/02/2021	22	3.12	1 year 10 months
115746851	5.51	7.85%	12/02/2021	23	0.26	1 year 11 months
117257454	16.17	7.50%	20/02/2021	23	0.76	1 year 11 months
116999012	9.77	7.85%	11/02/2021	23	0.46	1 year 11 months
85367749	30.88	8.66%	09/04/2021	24	1.41	2 years
85367757	22.35	8.35%	09/04/2021	24	1.02	2 years
85476507/85476512/85476519 /85476520/85476527/85476531	37.32	8.51%	09/06/2021	27	1.52	2 years 3 months
119452876/119480318 /119481582	21.46	7.65%	25/06/2021	28	0.84	2 years 4 months
85542043/85542048	26.92	8.51%	30/06/2021	28	1.06	2 years 4 months
85638043	209.33	8.65%	18/10/2021	28	8.34	2 years 4 months
85987561	53.80	8.65%	21/11/2021	33	1.90	2 years 9 months
124455571	23.86	7.05%	20/11/2021	35	0.76	2 years 11 months
86158694/86158714/86158741	25.17	7.51%	20/01/2022	34	0.82	2 years 10 months
125348820/219	35.50	7.50%	22/12/2021	33	1.19	2 years 9 months
<b>Total</b>	<b>581.44</b>					

(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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
37610010000347 #	1,875.00	8.35%	19/01/2021	46	41.67	3 years 10 months
37610010000002 ##	1,034.00	8.35%	01/12/2021	69	21.54	5 years 9 months
<b>Total</b>	<b>2,909.00</b>					



(7) State Bank of India

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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
38960897033 #	2,899.98	7.35%	15/01/2021	30	60.42	4 years 2 months
<b>Total</b>	<b>2,899.98</b>					

(8) Bank of India

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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
870065410000014 #	299.00	8.35%	01/02/2021	30	6.23	4 years 2 months
<b>Total</b>	<b>299.00</b>					

(9) Canara 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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
5284703000003 #	196.00	7.85%	18/03/2021	48	4.09	4 years 1 month
<b>Total</b>	<b>196.00</b>					

# Number of instalments due is subject to moratorium period of 12 months

## Number of instalments due is subject to moratorium period of 24 months

(ii) 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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
186515	2,314.13	12.11%	05/12/2019	35	67.37	2 year 11 months
187072/186516/187071	12,649.00	12.99%	05/12/2019	35	91.06	2 year 11 months
<b>Total</b>	<b>14,963.13</b>					

(2) Tata Capital Financial Services Limited

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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Principal	Maturity period w.r.t. Balance Sheet date
21846981	638.75	12.00%	21/10/2021	36	21.75	3 years
<b>Total</b>	<b>638.75</b>					





[3] Toyota Financial Services India Limited

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 details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
NNGP1226117/NNGP1226156	71.08	6.90%	15/01/2022	34	2.31	2 years 10 months
NNGP1231190	25.32	6.90%	10/03/2022	36	0.78	3 years
<b>Total</b>	<b>96.40</b>					



(₹ in lacs)

	As at 31st March 2022	As at 31st March 2021
<b>17A Lease Liabilities (Non-Current)</b>		
Lease Liabilities as per Ind AS 116	2,758.14	-
	<b>2,758.14</b>	<b>-</b>
<b>18 Other Financial Liabilities (Non-Current)</b>		
Security deposits from sub contractor	2,240.22	1,438.53
Retention money from sub contractor	2,032.88	2,015.41
Other Secured Advance	213.06	-
Deposits from outsiders	297.27	440.51
Other payable	35.00	35.00
Security deposit from customer	32.25	32.25
	<b>4,850.69</b>	<b>3,961.70</b>
<b>19 Provisions (Non-Current)</b>		
<b>Employee Benefits</b>		
Gratuity	951.42	970.77
Leave benefits	242.06	259.10
	<b>1,193.47</b>	<b>1,229.87</b>
<b>20 Other Non-Current Liabilities</b>		
Mobilisation advance from customers	677.20	1,021.58
Secured advance from customers	2,589.31	576.06
	<b>3,266.51</b>	<b>1,597.64</b>



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>21 Borrowings (Current)</b>		
<b>Loan repayable on Demand</b>		
<b>Secured</b>		
From Banks		
Cash credit	28,451.41	33,803.87
Current maturities of long-term borrowings	7,745.80	5,241.33
	<b>36,197.21</b>	<b>39,045.20</b>
<b>Unsecured</b>		
From Others	982.06	843.31
	<b>982.06</b>	<b>843.31</b>
	<b>37,179.27</b>	<b>39,888.51</b>
<b>21A Lease Liabilities (Current)</b>		
Lease Liabilities as per Ind AS 116	166.73	-
	<b>166.73</b>	<b>-</b>





**1. Note 21- Cash credit is secured by way of**

- a) Primary Security on entire stocks comprising of raw-material, work in progress, finished goods, consumable stores and spare and other materials, receivables, 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 18.05.2021 ranking on pari-pasu basis amongst participating banks.
- b) Personal guarantees of Shri. Anand Sancheti, Shri. Ajay Sancheti, Shri. Akshay Sancheti and Shri. Paramveer Sancheti to the extent of ₹ 14,52,45.00 lacs for fund based and non-fund based limits.
- c) Personal guarantee of Smt Vijaya Sancheti also provided for this credit facility. However, except for PNB, all member banks has approved for release of personal guarantee of Smt Vijaya Sancheti in lieu of increase in pledge of equity shares of SMS Limited held by promoters from 10% to 15%. Approval from PNB is expected to receive shortly.
- 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
Akshay Sancheti	308000
Paramveer Sancheti	308000
Ajay Sancheti	461861
Anand Sancheti	461861

\* As per pledge deed dated 14.12.2018, Late Shri Abhay Sancheti, Shri Anand Sancheti & Shri Ajay Sancheti has to pledge 15,39,722 no. of equity shares of SMS Limited owned by them i.e. around 15% of total paid up capital of SMS Limited as per condition stipulated by member banks. Also revised pledge deed, after considering transfer of equity shares of SMS Limited from Late shri Abhay Sancheti to Shri Akshay Sancheti & Shri PArAmveer Sancheti will be executed shortly to create pledge over 15% of equity shared held by Promoters as stipulated by bankers

- 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 rate of 12% per annum.



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>Borrowings (Current)</b>		
<b>Current maturities of long-term borrowings</b>		
<b>Secured</b>		
<b>Term Loans</b>		
(i) From Banks		
(1) ICICI Bank Ltd.	418.57	419.22
(2) Kotak mahindra bank ltd.	93.56	120.58
(3) IndusInd bank	63.08	57.35
(4) Axis Bank Ltd.	1,768.78	1,609.56
(5) HDFC Bank Ltd.	241.87	45.27
(6) Punjab National Bank (GECL)	500.00	83.33
(7) State Bank of India (GECL)	604.17	-
(8) Bank of India (GECL)	62.29	-
(9) Canara Bank (GECL)	44.97	-
	<b>3,797.29</b>	<b>2,335.30</b>
(ii) From Financial Institution		
(1) SREI equipment finance ltd.	3,677.77	2,717.10
(2) Indiabulls housing finance ltd.	-	188.93
(3) TATA Capital Financial Services Ltd.	239.25	-
(4) Toyota Motor Financial Services Ltd.	31.49	-
	<b>3,948.51</b>	<b>2,906.03</b>
	<b>7,745.80</b>	<b>5,241.33</b>



	(₹ in lakh)	
	As at 31st March 2022	As at 31st March 2021
<b>22 Trade Payable (Current)</b>		
1. Letter of credit issued and outstanding	976.71	3,722.90
2. Dues to Micro and small enterprises	5,310.15	576.47
3. Trade payables other than 1 & 2 above	14,572.67	11,794.55
	<u>17,261.53</u>	<u>16,033.92</u>





(₹ in Lakhs)

	As at 31st March 2022	As at 31st March 2021
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	1,310.13	578.47
(b) the amount of interest paid by the buyer in terms of section 18 of the micro, small and medium enterprises development act, 2006 (27 of 2006), along with the amount of the payments 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	25.45	15.46
(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.	-	-

## Trade Payables aging schedule

Particulars	Outstanding for following periods from date of transactions *				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>					
(i) MSME	1,277.59	32.24	0.26	0.00	1,310.13
(ii) Others	12,857.31	1,097.56	321.52	1,634.78	15,951.38
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>As at 31 March 2021</b>					
(i) MSME	520.65	56.62	0.97	0.00	578.24
(ii) Others	11,440.02	798.39	1,047.87	2,171.38	15,457.67
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

\* The aging is given on the basis of date of the transactions instead of due date of payment.



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>23 Other Financial Liabilities (Current)</b>		
Expenses payable	4,766.42	3,121.11
Creditors for Capital Goods	709.24	116.67
Other Secured Advance	989.82	-
Interest accrued but not due	52.73	194.81
Salary and consultancy payable	817.86	905.02
Withheld amount	907.74	412.62
Credit balances in JV (Partnership firm)	445.79	2,208.79
Other payable	341.85	92.50
	<b>9,031.45</b>	<b>7,051.52</b>
<b>24 Other Current Liabilities</b>		
<b>1 Statutory dues payable</b>		
ESIC payable	0.79	0.98
Profession tax payable	2.00	5.55
Provident fund payable	111.02	111.64
Tax deducted at source and TCS payable	252.35	503.93
Value added tax	579.10	686.91
GST payable	876.44	1,188.83
Service tax payable	46.24	46.24
<b>2 Advance from debtors</b>	<b>1,463.65</b>	<b>1,473.21</b>
	<b>3,331.60</b>	<b>4,017.28</b>
<b>25 Provisions (Current)</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	63.91	42.26
Provision for leave benefits	56.76	10.68
	<b>120.67</b>	<b>52.94</b>
<b>26 Revenue from Operations</b>		
<b>Revenue from operations</b>		
Contract receipts	89,464.57	67,689.99
Other Operating Revenue	1,081.64	264.32
	<b>90,546.21</b>	<b>67,954.31</b>
<b>27 Other income</b>		
<b>Interest Income on</b>		
Bank deposits	285.81	462.38
Others	496.99	372.22
Dividend on investment in subsidiaries	779.22	524.67
Share of profit in joint ventures	0.00	42.36
Profit on sale of fixed assets	604.28	23.60
Miscellaneous income	83.23	30.85
Rental income on investment property	8.64	11.72
Insurance claim	2.35	15.03
Net gain on foreign currency transaction	124.32	598.71
Profit on sale of listed equity shares	0.00	709.44
	<b>2,384.83</b>	<b>2,790.99</b>



	(₹ In lakh)	
	Year ended 31st March 2022	Year ended 31st March 2021
<b>28 Cost of Project Material Consumed</b>		
Inventory at beginning of the year	10,113.32	10,582.87
Add: Purchases	19,410.60	17,207.33
Less: Inventory at the end of the year	10,768.73	10,113.32
<b>Total cost of project materials consumed</b>	<b>18,755.19</b>	<b>17,676.87</b>
<b>29 Change in Inventories of Work in Progress</b>		
Opening WIP	21,601.01	18,772.19
Closing WIP	(21,798.27)	(21,601.01)
<b>Change in inventory of work in progress</b>	<b>(197.27)</b>	<b>(2,828.81)</b>
<b>30 Direct Expenses</b>		
Work expenses	40,258.87	23,219.03
Machinery repairs and maintenance	1,856.68	1,458.58
Vehicles - repairs and maintenance	86.69	74.56
Power and fuel	1,188.16	992.05
Royalty	1,161.60	423.53
Hire charges	1,014.02	620.78
Insurance	357.61	323.47
Transporting charges	95.58	351.36
R.T.O taxes	22.94	16.81
Custom duty	3.37	3.09
	<b>46,045.52</b>	<b>27,483.26</b>
<b>31 Employee Benefit Expenses</b>		
<b>Salaries and wages</b>		
Salaries, wages, ex-gratia and bonus	9,368.53	10,019.69
Leave encashment expenses	32.40	192.50
Gratuity expenses	318.96	323.36
<b>Contribution to Provident and other funds</b>		
Contribution to Provident fund	597.87	632.81
Contribution to employees state insurance corporation	8.26	10.67
<b>Staff welfare expenses</b>	8.11	9.96
	<b>10,334.13</b>	<b>11,188.99</b>
<b>32 Finance Costs</b>		
<b>Interest cost</b>		
To bank & financial institutions	5,166.88	8,112.05
To others	387.85	436.76
Interest on mobilisation advance	78.80	117.37
Interest on statutory dues	229.51	119.55
Bank finance charges	1,575.76	1,551.33
Interest on lease as per Ind AS 116	577.03	3.29
	<b>8,015.83</b>	<b>10,340.76</b>





	(₹ in lacs)	
	Year ended 31st March 2022	Year ended 31st March 2021
<b>33 Depreciation and Amortization Expenses</b>		
Depreciation of tangible assets	3,613.64	3,243.26
Depreciation of investment properties	6.60	6.60
Amortization of intangible assets	90.63	111.37
	<u>3,710.86</u>	<u>3,361.23</u>
<b>34 Other Expenses</b>		
Advertising and sales promotion	14.93	2.06
Bank charges	20.50	25.10
Business promotion expenses	54.06	52.79
Commission & brokerage	64.05	48.18
Corporate social responsibility	40.29	180.98
Cost auditors remuneration	5.25	5.25
Donation	3.94	105.47
Fine and penalty	10.48	13.60
GST expenses including state compensation cess	19.27	8.93
Internal auditors remuneration	60.44	57.31
Legal and professional fees	1,268.41	1,418.61
Lodging, boarding & guest house expenses	71.05	75.14
Office and other miscellaneous expenses	205.94	110.52
Postage, telephone & internet cost	30.49	29.06
Power and fuel	106.86	111.13
Printing and stationery	12.10	12.71
Rates and taxes	97.23	49.85
Rent	206.17	210.15
Repairs to building	7.46	4.43
Security charges	349.87	329.35
Share of Loss from Joint Venture & partnership firm	2.71	-
Statutory auditors remuneration	28.50	27.50
Tender expenses	6.82	7.21
Travelling and conveyance	133.82	78.87
Written-off balances	355.69	-
	<u>3,176.30</u>	<u>2,964.31</u>



As at 31st March 2022      As at 31st March 2021

## 35. Deferred Tax Assets/(liability) (Net)

- (i) Components of deferred income tax assets and liabilities arising on account of temporary differences are:

<b>Deferred income tax liability</b>		
Timing difference on tangible and intangible assets depreciation and amortisation	580.46	671.24
Timing difference on Mining Assets considered as allowable expenditure on the basis of payments made	509.49	487.68
Timing difference on Right to use assets considered as allowable expenditure on the basis of payments made	41.57	4.19
Timing difference on Net (loss)/gain on FVTOCI Debt mutual funds	0.16	
Due to PIPL merger	1.01	-
<b>Deferred income tax liability</b>	<b>1,132.69</b>	<b>1,163.11</b>
<b>Deferred income tax asset</b>		
Provision for gratuity	354.80	353.99
Leave encashment	104.42	94.27
Net (loss)/gain on FVTOCI equity Securities	152.02	41.21
<b>Deferred income tax asset</b>	<b>611.23</b>	<b>489.48</b>
<b>MAT Credit entitlement</b>	<b>953.52</b>	<b>251.53</b>
A) Due to PIPL merger prior to F Y 2021-22	802.71	-
B) Due to PIPL merger for F Y 2021-22	8.94	-
C) MAT Credit entitlement of SMS Ltd.	141.87	251.53
<b>Deferred income tax asset</b>	<b>1,564.76</b>	<b>741.00</b>
<b>Total Deferred Tax Assets/(liability) (Net)</b>	<b>432.06</b>	<b>(422.10)</b>
Deferred tax liabilities	1,132.69	1,163.11
Deferred tax assets	1,564.76	741.00
<b>Net deferred tax Assets/(liability)</b>	<b>432.06</b>	<b>(422.10)</b>
<b>Amount charged to profit &amp; loss account for deferred tax</b>		
Deferred tax expense on profit before tax	51.60	168.22
Deferred tax expense on Other comprehensive income	(109.21)	104.69
<b>Total</b>	<b>(57.60)</b>	<b>272.91</b>
<b>Movement in Deferred tax Assets/(liability) (Net)</b>	<b>854.17</b>	<b>(272.91)</b>
A) Amount charged to profit & loss account for deferred tax	57.60	(272.91)
B) MAT transfer from PIPL due to merger	802.71	-
C) Deferred tax assets transfer from PIPL due to merger	(1.01)	-
D) MAT amount of SMS limited reduced consequent to filing of income tax return of previous year	(5.14)	-
	<b>854.17</b>	<b>(272.91)</b>



	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
<b>36. Income Tax Assets (Net)</b>		
i. The following table provides the details of income tax assets and liabilities		
Income tax assets	14,954.60	12,850.85
Income tax liabilities	11,107.94	9,957.13
Net balance	<u>3,856.65</u>	<u>2,893.72</u>
ii. The gross movement in the current tax asset/ (liability) is as follows:		
Net current income tax asset at the beginning	2,893.72	1,227.96
Income tax paid / TDS deducted/amount paid under appeal	2,218.29	1,468.41
Current income taxes	1,155.97	128.12
Adjustment of tax relating to earlier periods	104.52	(325.47)
Adjustment of MAT against income tax liability related to earlier year	(5.14)	-
Net current income tax asset at the end	<u>3,856.65</u>	<u>2,893.72</u>
iii. Income tax expense in the Statement of Profit and Loss comprises:		
Current income taxes	1,155.97	128.12
Adjustment of tax relating to earlier periods	104.52	(325.47)
Deferred income taxes credit	(162.12)	272.91
Income tax expenses / (credit) (net)	<u>1,098.37</u>	<u>75.56</u>
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	3,671.12	(1,865.30)
Adjustment of prior period errors		48.37
Total comprehensive income before income tax before adjustment of prior period errors	3,671.12	(1,913.67)
Enacted tax rates in India	34.94	34.94
Computed expected tax expense	1,527.63	(668.71)
Deduction of income tax under Chapter VI-A	-	(60.26)
Restatement of deferred Tax liability of earlier year due to change in tax rate	-	-
Effect of items not allowed for tax purpose - Permanent Difference	(524.83)	1,039.07
Adjustments between Tax provision and final computed tax liability		
Adjustments relating to assessment of earlier year income tax return	104.52	(325.47)
Others	(9.49)	90.71
Income tax expense credit/(charge) to the Statement of Profit and Loss	<u>1,097.82</u>	<u>75.33</u>





	(₹ in lacs)	
	As at 31st March 2022	As at 31st March 2021
37 Exceptional Items (Net of taxes)		
Share of Profit/(Loss) in joint venture		
SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V)	1,763.23	(2,723.59)

**Note for Exceptional item**Note for Loss in FY 2020-21 and profit in F.Y 2021-2022 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 this, the JV has earned profits over the last 12 years and has been accounted in the respective books of account of JV partners. SMSL is now executing the remaining works 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.

DTC being an insolvent company has gone into NCLT and Vide order Dt: 14.03.2022, NCLT dismissed claim of the JV for Rs. 3960.67 lacs. Hence, the entity has reversed provision of Bad & Doubtful debt taken in FY 19-20 and instead this recognised losses for Rs. 3960.67 lacs on account of non-recovery of amount from DTC. This resulted to Nil impact on profit and loss statement in FY 21-22 in the books of JV company. Also, JV entity has approached Abhyudaya Co-Op Bank for settlement, thus resulted to reduction in liability of Abhyudaya Co-Op Bank reduced to Rs. 2500.00 Lacs. This has resulted to overall increase in net profit of JV to Rs. 2518.90 Lacs in FY 21-22 and SMS has booked his share of profit of Rs. 1763.23 lacs, as an exceptional item.



38. Earnings Per Share (EPS)	As at 31 March 2022	As at 31st March 2021
Face Value Per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹) – After Exceptional Item	35.53	(20.81)
Basic Earnings Per Share (₹) – Before Exceptional Item	18.35	5.73
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs) – After Exceptional Item	3,646.12	(2,135.76)
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs) – Before Exceptional Item	1,882.89	587.83
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	35.53	(20.81)
Diluted Earnings Per Share (₹) – Before Exceptional Item	18.35	5.73
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs) – After Exceptional Item	3,646.12	(2,135.76)
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lacs) – Before Exceptional Item	1,882.89	587.83
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,02,61,382	1,02,61,382
<b>Reconciliation of Weighted Average Number of Shares Outstanding</b>		
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

### 39 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.

Particulars	As at 31 March 2022	As at 31st March 2021
Non-current Borrowings	22,761.04	26,403.87
Current Borrowing	36,197.21	39,045.20
<b>Total Debt</b>	<b>58,958.25</b>	<b>65,449.06</b>
Less : Cash & Cash Equivalent and other bank balance	4,869.33	4,331.57
<b>Net debt</b>	<b>54,088.92</b>	<b>61,117.49</b>
Equity	65,976.00	62,407.98
Unsecured borrowings from the Director	2,740.00	-
Total capital	68,716.00	62,407.98
Capital and net debt	<b>1,22,804.92</b>	<b>1,23,525.47</b>
Gearing Ratio	44.04%	49.48%

Note -The loan from director is in the form of Quasi Equity, it has been infused in the company based on commitment with consortium lenders and remain in the business till the fund based limit is reduced to Rs.240 crore and accordingly considered as a part of total capital.

## 40 A Contingent Liabilities and Guarantees

(Rupees)

	As at 31st March 2022	As at 31st March 2021
<b>Contingent Liability</b>		
<b>Claims against the company not acknowledged as debts</b>		
Income Tax Act	855.77	855.77
Service Tax including Penalty of Rs. 18801.08 Lacs (Rs. 18707.08 Lacs)*	43,666.20	43,678.27
Sales Tax/VAT	4,818.35	5,191.25
Life Time road transport tax	721.79	721.79
Legal Cases against company	130.77	312.03
Custom act,1962	10.00	10.00
Claims from clients	1,948.72	1,476.08
<b>Guarantees excluding Financial Guarantees</b>		
Corporate Guarantees to associate companies and joint venture	25,794.17	31,882.91
Performance Bank Guarantees of Subsidiaries & Associates Co's	5,577.55	6,134.40

\* Includes Rs. 17496.87 Lacs (and penalty of Rs.14505.44 Lacs) against appeal 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 & SST, Nagpur in order in appeal no. NGR/EXCUS/000/APPc/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 2015-16, as in aforesaid appeal 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 pending before CESTAT, Mumbai should not exceed INR 142.31 Lacs i.e., actual amount of common credit availed by SMS Limited.

\* Also include Rs. Rs.7486.25 Lacs (and penalty of Rs.4237.59 Lacs) against appeal pending before CESTAT, Mumbai. The contract with the UCIL is the contract for development of mines and also the contract for extraction of Uranium. SMSL had paid for the development part the service tax at the the rates applicable under the composition scheme from time to time. The extraction part is paid by SMSL under Service tax through Normal rates as were applicable from time to time. The Service Tax department is asking SMSL to pay the part under composition scheme be paid under the normal rates. The case in the Tribunal is pending for hearing in defense of such controversial view of the Department. Meanwhile, SMSL took the view of this case from the subject experts who had opined that the stand of SMSL stands prudent and defensible.

\*\*Claims from clients already paid to ONGC Rs 1476.08 Lacs and is contested under arbitration. Even in case of unfavourable order at arbitration level no cash flow expected. For Rs 591.41 Demand for Banwas project matter already taken up with concern authority & against which the amount was already withheld by the department and no cash out flow expected.

**Contingent Assets**

Claim raised to the client not acknowledged as receivable*	2,667.04	8,965.66
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\*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, award was given by the tribunal in favor of SMS Limited on 22nd Dec 2021 and allowed claim of Rs. 2667.04 Lacs along with interest @ 7% from the date of publishing this award. Against this award konkan railway corporation limited has gone to higher forum. Due to which, the same is considered as Contingent Asset and disclosed in the notes to accounts.

**B Commitments**

Capital Commitment	6,142.75	3,775.65
Revenue Commitment	46,120.47	77,076.81
	<b>52,263.22</b>	<b>80,851.46</b>

**41 Payment to Auditors (Excluding Taxes)**

Audit fee	21.90	20.90
Tax audit fee	4.40	4.40
Other services (Certification Fees)	2.20	2.20
	<b>28.50</b>	<b>27.50</b>





42. 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 revaluations 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 ₹ 6,78,047 lakhs out of which 12% is expected to be recognised as revenue in the next year and the balance thereafter.

43. Disclosure in accordance with Ind AS 115 'Revenue From Contracts with Customers' -

PARTICULARS		2021-22	2020-21
<b>A</b>	<b>Contracts with customers</b>		
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>B</b>	<b>Contract balances</b>		
i	<b>Opening Balances</b>		
	Contract Receivable	29,812.08	34,281.17
	Contract Assets	19,119.18	23,158.75
	Contract Liability	3,070.85	3,713.27
ii	<b>Closing Balance</b>		
	Contract Receivable	31,248.89	29,812.08
	Contract Assets	17,764.01	19,119.18
	Contract Liability	4,730.16	3,070.85
<b>C</b>	<b>Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period</b>	2,266.90	3,032.37
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
	The significant payment term are when the work completed the related payment is due. The consideration receivable against the performance obligation are variable and the all the factor related with the estimation of variable payment are considered at the the of recognition.	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 significant change in the contract assets and contract liability balance during the reporting period.	Nil	Nil
<b>D</b>	<b>Significant judgement in the application of standard</b>		
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
<b>E</b>	<b>Determining the timing of satisfaction of performance obligations</b>		
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



- 44 Disclosures for Some of the key disclosure requirements for lessee involves disclosing amounts relating to the reporting period for the following items :

Particulars	2021-22	2020-21
i Depreciation charge for right-of-use assets	176.79	11.13
ii Interest expenses on lease liabilities	577.02	3.29
iii Expenses relating to short term assets accounted on straight line or other systematic basis over lease term	1,220.19	630.93
iv Total cash outflow for Leases other than Sale and Leaseback transactions	-	26.19
v Total cash outflow for Sale and Leaseback transactions leases	811.63	-
vi Interest income recognised on SD given under lease arrangements	25.99	-
vii Additions of right-of use assets	4,089.88	-
viii Carrying value of right-of use assets at the end of the reporting period	3,947.35	34.28
ix Gain/(loss) arising from sale and lease back transactions	52.06	-
x Maturity analysis of lease liability as at the end of the reporting period		-
<b>Financial Year:</b>		
22-23	166.73	-
23-24	227.22	-
24-25	1,654.41	-
25-26	50.58	-
26-27	74.59	-
27-28	109.16	-
28-29	641.78	-
<b>Total amount of lease liabilities as at end of the reporting period</b>	<b>2924.87</b>	<b>-</b>

x) Sale and Leaseback Transactions:

During the FY 21-22, the company has acquired the assets under sale and leaseback transaction to the tune of Rs. 4089.88 Lakhs. The title / ownership of the assets are transferred to the lessor and acquired those assets from lessor on sale and leaseback transaction during current financial year. The transfer of assets falls under the definition of sale as per Ind AS 115 - Revenue from Customers and the Company has measured the right to use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company being lessee. Accordingly, the Company being "seller-lessee" have recognised the amount of gain that relates to the rights transferred to the "buyer-lessor" to the tune of Rs. 52.06 Lakhs.

xii) Key terms and conditions of individual sale and leaseback transactions

(a) the lessee's reasons for sale and leaseback transactions and the prevalence of those transactions - To infuse the liquidity in the company by collecting the cash flow at one go and paying the lease on a monthly basis.

\*Note - Refer accounting policy note no. 2.



Sale and lease back transaction with	Duration of Repayment	Beginning of lease	End of lease	Amount of monthly Rental Charges	Periodicity	Related Party	Buy Back Values considered in Right to use asset
RAVEENA NIRBHAY SANCHETI	84 Months	01/06/2021	31/05/2028	6.00	Monthly	YES	119.92
TRISHALA ANAND SANCHETI	84 Months	01/06/2021	31/05/2028	6.60	Monthly	YES	126.51
KAVITA PARAMVEER SANCHETI	84 Months	01/06/2021	31/05/2028	6.00	Monthly	YES	119.92
BHARATI SANCHETI	84 Months	01/06/2021	31/05/2028	6.60	Monthly	YES	126.50
KARAN ANAND SANCHETI	84 Months	01/06/2021	31/05/2028	6.60	Monthly	YES	126.53
J M COTSPIN PRIVATE LIMITED	36 Months	01/11/2021	31/10/2024	₹7.48 Up till March22 & 28.78 April22 onwards	Monthly	NO	895.96
INVATO SALES & SERVICES PRIVATE LIMITED	36 Months	01/11/2021	31/10/2024	₹2.25 till March22 & 21.44 April-22 onwards	Monthly	NO	506.25
ARS INFO CONCEPT PVT LTD	36 Months	01/11/2021	31/10/2024	₹9.00 till march22 & 10.88 April22 onwards	Monthly	NO	267.09

During the FY 21-22, the company has acquired the assets under sale and leaseback transaction to the tune of Rs. 4089.88 Lakhs. The title / ownership of the assets are transferred to the lessor and acquired those assets from lessor on sale and leaseback transaction during current financial year. The transfer of assets falls under the definition of sale as per Ind AS 115 - Revenue from Customers and the Company has measured the right to use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company being lessee. Accordingly, the Company being "seller-lessee" have recognised the amount of gain that relates to the rights transferred to the "buyer-lessor" to the tune of Rs. 52.06 Lakhs.





## 45 Employees Benefit

('₹ in lacs)

Particulars	Gratuity plan		Leave encashment plan	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Table I: Assumptions</b>				
Discount Rate	7.29% per annum	6.81% per annum	7.29% per annum	6.81 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	6.81% per annum	6.88% per annum	NA	NA
Average future service (In Years)	24.43 Years	24.59 Years	24.43 Years	24.59 Years
<b>Table II: Service Cost</b>				
Current Service Cost	255.78	248.25	119.33	126.51
Past Service Cost (Including curtailment Gains/Losses)*	-	-	-	-
Gains or losses on Non Routine settlements	-	-	-	-
<b>Total</b>	<b>255.78</b>	<b>248.25</b>	<b>119.33</b>	<b>126.51</b>
*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.				
<b>Table III: Net Interest Cost</b>				
Interest Cost on Defined Benefit Obligation	75.24	86.64	18.37	35.11
Interest Income on Plan Assets	12.06	11.40	-	-
<b>Net Interest Cost (Income)</b>	<b>63.18</b>	<b>75.24</b>	<b>18.37</b>	<b>35.11</b>
<b>Table IV: Change in Present Value of Obligations</b>				
Opening of defined benefit obligations	1,190.13	1,316.70	269.78	510.35
Service cost	255.78	248.25	119.33	126.51
Interest Cost	75.24	86.64	18.37	35.11
Benefit Paid	(76.70)	(161.82)	(3.37)	(433.06)
Actuarial (Gain)/Loss on total liabilities:	(122.09)	(299.65)	(105.31)	30.88
- due to change in financial assumptions	(83.09)	11.07	(6.51)	0.77
- due to change in demographic assumptions	-	0.00	-	-
- due to experience variance	(39.00)	(310.72)	(98.80)	30.10
<b>Closing of defined benefit obligation</b>	<b>1,322.36</b>	<b>1,190.13</b>	<b>298.81</b>	<b>269.78</b>
<b>Table V: Change in Fair Value of Plan Assets</b>				
Opening fair value of plan assets	177.10	165.75	-	-
Actual Return on Plan Assets	12.02	11.34	-	-
Employer Contribution	76.70	161.82	3.37	433.06
Benefit Paid	(76.70)	(161.82)	(3.37)	(433.06)
<b>Closing fair value of plan assets</b>	<b>189.12</b>	<b>177.10</b>	<b>-</b>	<b>-</b>
<b>Table VI: Actuarial (Gain)/Loss on Plan Asset</b>				
Expected Interest Income	12.06	11.40	-	-
Actual Income on Plan Asset	12.02	11.34	-	-
<b>Actuarial gain / (loss) on Assets</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>-</b>	<b>-</b>
<b>Table VII: Other Comprehensive Income</b>				
Opening amount recognized in OCI outside P&L account	-	-	-	-
Actuarial gain / (loss) on liabilities	122.09	299.65	-	-
Actuarial gain / (loss) on assets	(0.04)	(0.06)	-	-
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>122.05</b>	<b>299.59</b>	<b>-</b>	<b>-</b>
<b>Table VIII: The amount to be recognized in Balance Sheet Statement</b>				
Present Value of Obligations	1,322.36	1,190.13	298.81	269.78
Fair value of plan assets	189.12	177.10	-	-
<b>Net Obligations</b>	<b>1,133.24</b>	<b>1,013.03</b>	<b>298.81</b>	<b>269.78</b>
Amount not recognized due to asset limit	-	-	-	-
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>1,133.24</b>	<b>1,013.03</b>	<b>298.81</b>	<b>269.78</b>
<b>Table IX: Expense Recognized in Statement of Profit and Loss</b>				
Service cost	255.78	248.25	119.33	126.51
Net Interest Cost	63.18	75.24	18.37	35.11
Net actuarial (gain)/loss	-	-	(105.31)	30.88
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>318.96</b>	<b>323.49</b>	<b>32.40</b>	<b>192.50</b>
<b>Table X: Major categories of plan assets (as percentage of total plan assets)</b>				
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%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
<b>Table XI: Change in Net Defined Obligations</b>				
Opening of Net defined benefit liability	1013.03	1150.95	269.78	510.35
Service cost	255.78	248.25	119.33	126.51
Net Interest Cost	63.18	75.24	18.37	35.11
Re-measurements	(122.05)	(299.59)	(105.31)	30.88
Employer Contribution	(76.70)	(161.82)	(3.37)	(433.06)
<b>Closing of Net defined benefit liability</b>	<b>1,133.24</b>	<b>1,013.03</b>	<b>298.81</b>	<b>269.78</b>



## 46 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 Hazardous Waste Management Pvt. Ltd (Formerly Known as SMS Mine Developers Pvt. Ltd)	12. Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
4. Spark Mall & Parking Pvt. Ltd.	13. Maharashtra Enviro Power Ltd.
5. SMS Taxi Cabs Pvt. Ltd.	14. PT. SMS Mines Indonesia
6. SMS Vidyut Pvt. Ltd.	15. SMS Mining Limited
7. SMS Water Grace BMW Pvt. Ltd	
8. SMS Tolls And Developers Ltd.	
9. SMS-AABS India Tollways Private Limited	

## b Associates

1. RCCL Infrastructure Ltd.	2. SMS AAMW Tollways Pvt. Ltd.
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## c Joint Venture

1. SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	11. SMSIL-SRRCIPL (JV)
2. SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd.	12. SMSIL-MBPL (JV)
3. SMS Infrastructure Ltd, Shreenath Enterprises J.V.	13. MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV)
4. SRRCIPL-SMSIL-BEKEM-JV	14. AGIPL-SMSIL (JV)
5. Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	15. Sanbri Corporation
6. GSI Envo Ltd. In consortium with SMS Infrastructure Ltd.	16. Saket - SMSIL (JV)
7. SMSIL KTCO (JV)	17. SRRCIPL-SMSIL (JV)
8. Bharti SMSIL (JV)	
9. SMSIL-MBPL-BRAPL (JV)	
10. GDCL-SMSIL (J.V.)	

## 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	15. KPANY Mines and Mineral LLP
2. SMS Envocare Ltd.	16. SPANY Medisearch Life Science Private Limited
3. SMS Waluj CETP Pvt. Ltd.	17. Best Power Plus Private Limited
4. SMS Multi Objective Organisation	18. Kingsway Foundation
5. Atul Multi Objective Organisation	19. Pinnacle
6. Valencia Constructions Pvt. Ltd.	20. BSS Associates
7. Veet Rag Exploration & Minerals Pvt. Ltd.	21. Ravzema Nirbhay Sancheti
8. Veet Rag Hospitality Pvt. Ltd.	22. Trishala Anand Sancheti
9. San Commercials Pvt. Ltd.	23. Kavita Paramveer Sancheti
10. Nilawar Water Grace Waste Management Private Limited	24. Bharati Sancheti
11. Butibori CETP Pvt Ltd	25. Karan Anand Sancheti
12. Grey Mountain Private Limited	26. SMS Water Grace Enviroprotect Pvt Ltd.
13. San Finance Corporation	27. SMS Water Grace Mediwaste Management Pvt Ltd
14. Sanson Developers	28. Smt Vijaya Sancheti



## 2) Transaction carried out with related parties referred to above

(₹ in Lacs)

Nature of Transaction	Related Parties		Key Mangement Personnel
	Subsidiary Companies	Associates, JVs & Other Related Parties	
Loan \ Advance Given \ Repaid	13,878.97 (32,632.62)	27,136.03 (27,079.11)	1,160.00 -
Loan \ Advance Received \ Recovered	12,360.42 (34,333.61)	28,615.02 (24,390.04)	3,600.00 -
Donations	-	1.00 1.08	- -
Interest Income	440.46 (117.92)	7.41 (183.83)	- -
Interest Expenses	52.97 -	166.11 (237.68)	- -
Other Services Rendered	248.37 (159.74)	26.63 (18.21)	- -
Rent Expenses	13.92 (13.74)	14.40 (14.40)	- -
Rent Income	152.73 (31.58)	1.68 (1.12)	- -
Revenue from operations	1,252.68 (362.89)	11,587.82 (9,364.80)	- -
Sale of Assets	- (4.60)	1,934.52 -	- -
Services Taken	1,049.16 (963.35)	501.68 (630.52)	- -
Sitting Fees	-	-	134.00 (124.00)
Managerial Remuneration	-	-	994.56 (894.62)
Commission & Brokerage	-	63.76 (47.70)	- -
Security Deposit	- (32.25)	265.93 -	- -
Royalty Expenses	-	2.54	-
Reimbursement of expenses	0.16 -	- -	- -
Purchase of Share (Investment)	1.00 -	- -	- -
Mobilisation Advance Received	-	14.92	-
Change in Investment	-	1,554.37 (2,721.48)	- -
Purchase	-	2.72 (4.29)	- -
Profit on Foreign Exchange	148.65 (588.33)	- -	- -
Lease Rent	-	318.00	-
Dividend Received	779.22 (524.67)	- -	- -
Outstanding balances include in Current Asset & Current Liabilities & Investment Outstanding	12,372.02 (9877.47)	3,352.64 (2724.78)	-2997.37 (-33.91)

\*All figures in brackets are related to previous financial year 2020-2021













## 47 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 and other current liabilities are approximate to 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, 2022 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
<b>Assets:</b>					
Investments	11,956.95	-	1,543.69	13,500.64	13,500.64
Trade receivables	31,248.89	-	-	31,248.89	31,248.89
Loans	10,050.53	-	-	10,050.53	10,050.53
Others financial assets	21,635.73	-	-	21,635.73	21,635.73
Cash and cash equivalents	316.35	-	-	316.35	316.35
Other bank balances	4,552.99	-	-	4,552.99	4,552.99
<b>Liabilities:</b>					
Borrowings	62,680.31	-	-	62,680.31	62,680.31
Lease Liabilities	2,924.87	-	-	2,924.87	2,924.87
Trade payables	17,261.51	-	-	17,261.51	17,261.51
Other financial liabilities	13,882.13	-	-	13,882.13	13,882.13

The carrying value and fair value of financial instruments by categories as at 31st March, 2021 were as follows:

<b>Assets:</b>					
Investments	12,208.82	-	-	12,208.82	12,208.82
Trade receivables	29,812.08	-	-	29,812.08	29,812.08
Loans	8,535.69	-	-	8,535.69	8,535.69
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
<b>Liabilities:</b>					
Borrowings	66,292.37	-	-	66,292.37	66,292.37
Trade payables	16,035.90	-	-	16,035.90	16,035.90
Other financial liabilities	11,013.22	-	-	11,013.22	11,013.22



## 48 Analytical Ratios (Following Ratio disclosed as per Additional Requirements)

Ratio	Numerator ( Narration)	Denominator	Current Period F.Y 2021-22	Previous Period F.Y 2020-21	% of Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.70	1.63	2%	
(b) Debt-Equity Ratio	Total Debt ( Long term loan from bank & financial institution, Cash credit and CPLTD)	Shareholder's Equity	0.86	1.05	-18%	
(c) Debt Service Coverage Ratio	Earnings available for debt service ( PAT with Finance Cost and Depreciation)	Debt Service	1.18	1.11	4%	
(d) Return on Equity Ratio	(Net Profits after taxes – Preference Dividend)	Average Shareholder's Equity	5.53%	-3.42%	9%	
(e) Inventory turnover ratio	Total cost of project materials consumed ( Opening Inventory + Purchases – Closing Inventory )	Average Inventory	1.74	1.71	0%	
(f) Trade Receivables turnover ratio	Net Sales	Avg. Accounts Receivable	2.90	2.18	27%	Variance is due to growth in topline by 34% and recovery in receivables as compared to last year
(g) Trade payables turnover ratio	Total cost of project materials consumed ( Opening Inventory + Purchases – Closing Inventory )	Average Trade Payables	1.12	1.07	5%	
(h) Net capital turnover ratio	Net Sales	Working Capital	1.94	1.48	31%	Variance is due to growth in topline by 34% by utilizing the almost same amount of working capital
(i) Net profit ratio	Net Profit	Net Sales	4.03%	-3.14%	7%	
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	10.30%	6.39%	4%	
(k) Return on investment	Earning before interest, taxes and depreciation	Cost of investment	9.72%	7.07%	2%	



## 45. Financial risk management

(₹ in Lacs)

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 31st March 2022	As at 31st March 2021
Trade receivables	31,248.89	29,812.08
Work in progress	21,798.27	21,601.01
<b>Total</b>	<b>53,047.17</b>	<b>51,413.09</b>

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 31st March 2022	As at 31st March 2021
Bank guarantees	71,423.82	72,135.07
<b>Total</b>	<b>71,423.82</b>	<b>72,135.07</b>

**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 31st March 2022	As at 31st March 2021
Cash and cash equivalent	316.35	566.16
Bank balance other cash and cash equivalent	4,552.59	3,765.41
<b>Total</b>	<b>4,869.33</b>	<b>4,331.57</b>





**C Market Risk****Foreign exchange 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.

**50 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities:**

The company covered under section 135 of the Companies Act, following are the disclosed with regard to CSR activities:-

	As at 31st March 2022	As at 31st March 2021
(i) Amount required to be spent by the company during the year	34.61	82.68
(ii) Last year Unspent amount	0.71	99.01
(iii) Amount of expenditure incurred	41.00	180.98
(iv) (Shortfall)/excess at the end of the year	5.68	(0.71)
(v) Total of previous years (Shortfall)/excess as at the end of the current year	NIL	(0.71)
(vi) Reason for shortfall	NIL	Meagre amount pending

**(vii) Nature of CSR activities-****1. Construction/ acquisition of any assets**

NIL

NIL

**2. On purpose other than (1) above**

A) Contribution for maintaining quality of soil and air	-	5.50
B) Contribution to fight against COVID-19 pandemic	5.76	6.27
C) Contribution to Eradicating hunger, poverty and malnutrition	25.00	35.00
D) Contribution to promoting education	9.53	134.21
E) Contribution to Prime Minister National Relief Fund	0.71	-
	<b>41.00</b>	<b>180.98</b>

**51 A Reconciliation of total comprehensive income and other equity consequent to restatement of prior period error**

Reconciliation of comprehensive income	As on 31 March 2021	As on 31 March 2020
Total comprehensive income as per the last audited financial statement	-1,989.23	4,884.74
Prior Period Item (Foreign currency fluctuation due to change in rate)	48.37	-
Total comprehensive income as per the current year financial statement	<b>-1,940.86</b>	<b>4,884.74</b>

**B Reconciliation of other equity**

	As on 31 March 2021	As on 31 March 2020
Total amount of other equity as per the last audited financial statement	61,333.47	63,333.60
Prior period item	48.37	(10.90)
Total amount of other equity as per the current year financial statement	<b>61,381.84</b>	<b>63,322.70</b>

- 52** 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 1<sup>st</sup> July, 2017, exempt contract become taxable and also in cases of inclusive contract there is increase in tax rate from the original contract. This resulted in increased tax liability on the company against which company filed the claims with the concern Department. Outcome of few claims is still pending with the Department. But on the basis of opinion taken from the legal advisor, the company made the provision for the GST impact turnover in books of account.



- 53 SMS Limited has availed credit facilities/finance from SREI Equipment Finance Limited (SREI) vide sanction Letter dated 5th Dec 2019 for equipments sourced from SREI. The Non-performance of machines resulted in operational financial loss to SMS Limited and led to commercial dispute.

After prolonged deliberations an understanding was arrived at with SREI for resolving the issue and it was mutually agreed that as against the credit facility of Rs. 219 crores, after set off of operational losses the SMS Limited would repay to SREI the sum of Rs. 140 crores towards full and final settlement against the Master Facility Agreement with SREI

As per the settlement, SMS Limited repaid Rs. 90.96 crores and balance amount of Rs. 49.04 crores was repayable on execution of relevant documentation by SREI.

However, SREI backtracked on the understanding and demanded the entire outstanding amount, contrary to the settlement. Subsequently, SREI treating this as a dispute invoked arbitration as per the clause of the Master Facility Agreement.

Thereby, with the consent of both the parties, Former Chief Justice of Kolkata High Court was appointed as the Sole Arbitrator and arbitration proceedings were commenced during September 2021.

In anticipation of reduction of the liability against the compensation towards operational losses and considering the fact that SREI has invoked the arbitration proceedings, the repayment is kept pending and interest is also not recognised.

The management is hopeful of outcome of the case in favour of the Company. However, pending outcome of the ongoing dispute under the arbitration, the entire outstanding amount as per books is classified based on the repayment schedule.

- 54 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 and also by sale of vehicles parked at depot. The company is also in discussion with concern authority for recovery of losses.

SMS Limited had invested an amount of Rs. 3320.66 lacs in Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited). This subsidiary was floated to Develop and Operate a Multilevel Fully Automated Car Parking System and Commercial Complex in Kamranagar, 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 cineplexes. 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 management 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, and in FY 21-22 the malls were not allowed to operate for the partial period as per the government guidelines.

But as stated above the pharmacy business has generated the cashflow due to which losses has been reduced. This business will be generating the sufficient revenue to repay the loan in coming years. 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 this company, the management intends to carry these investments at its historical cost without any impairment.

- 55 SMS Ltd had invested an amount of Rs. 155.18 lacs towards equity, Rs. 4055.31 lacs as unsecured loan and Rs. 2122.59 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 resulted to profit in these years. 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 and even after Covid 19 due to technical issues department require some more time to give its consent, 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.

- 56 SMS Limited had invested an amount of Rs. 992 lacs in SMS Vidyut Private Limited. This subsidiary 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 in favour of the Company and hence, the management continue to carry the value of investment in SMS Vidyut Private Limited at historical cost.





- 57 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 17.06.2018, 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.

- 58 Due to COVID-19, there were continuing 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 during FY 2020-21 and 1st quarter of FY 2021-22. All these affected the productivity and also resulted in significant rise in input cost. Consequently, there were significant drop in the turnover and the profit during the FY 2020-21. The company had to suffer the same situation during the 2nd wave during the first quarter of financial year 2021-22.

Taking into view all the above mentioned situations, the management initiated various measures to overcome these issues and took steps to improve the revenue and financial. Due to this company has achieved a revenue of Rs 90546.21 Lakhs during FY 2021-22 against a revenue of Rs.67954.31 Lakhs during the FY 2020-21. Thus there has been overall improvement in financial of the company post Covid-19 pandemic. The company have work in hands of Rs. 8,78,047 Lakhs and the company foresee an improved financial in the years to come.

- 59 where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;

(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company except to the extent of work in progress which has been recorded in books as at the end of the year.

- 60 Previous Years figures are regrouped and rearranged wherever necessary  
61 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 : 21/07/2022  
UDIN: 22043614APLR1F7679



For and on behalf of the Board of Directors



ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

  
SANTA P. ACHARKAR  
Company Secretary



DILIP B. SURANA  
Director  
DIN: 00953495

  
RAJESH GUPTA  
Chief Financial Officer



## 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, 2022, 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, 2022, 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**

As explained in Note 57 of the consolidated financial statement, the Group has consolidated its subsidiary financials - **SMS Taxicabs Private Limited** and its jointly controlled entity - **M/s Shreenath Enterprises SMS Infrastructure Limited JV** and **M/s. Bhartia SMSIL JV** based on the provisional financial statement of FY 2021-22. As per the information and explanation



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given to us and based on our examination of records, the audit of these jointly controlled entities is not mandatory as per the applicable law, rules and regulations.

Due to which we are unable to determine the fair values of certain material assets and liabilities of the subsidiary and jointly controlled entity. Many elements in the accompanying consolidated financial statements would have been materially affected during the course of statutory audit of subsidiary company and jointly controlled entity. The effects on the consolidated financial statements due to consideration of provisional financial statement of subsidiary company and jointly controlled entity have not been determined.

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.

## Emphasis of Matter

1. We draw attention to face of the Statement of Profit and Loss and Note No. – 43A and to additional note no.-73 of the consolidated financial statements wherein, consequent to settlement of loan liability of joint venture (JV) – SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (DTC) & others, resulting to profit of Rs. 2516.33 Lacs, the company has recognised its share in profit and loss account amounting to Rs. 1761.43 lacs as an exceptional item.
2. We draw attention to Note No. 76 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 & reconciliations.

### 3. Associate company not consolidated

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

In the absence of the financial statements of one associate company - RCCL Infrastructure Private Limited, the balances appearing as investment in the books of accounts of holding company is considered as it is, without considering holding





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company's share of networth and profit / (loss) for the financial year 2021-22 (as per equity method).

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

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

We draw attention to Note No. 17 of the consolidated financial statement wherein the company has entered into MOU with Satelife 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 imposed, the Company has decided to terminate an 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 on account of funds raised for submission of deposit will also be serviced by the developer.

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

We draw attention to Note No. 72 of the consolidated financial statements wherein the Company has applied for merger with Holding Company – SMS Limited. The appointed date of merger petition is 01.04.2020. The final order / approval of merger from National Company Law Tribunal (NCLT) was received on 24<sup>th</sup> March 2022. Due to which, the Company has prepared its consolidated financial statement after considering the merger effective FY 2021-22 and de-recognise all the assets and liabilities of its subsidiary company.

#### 6. **Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private Limited) - Subsidiary of the Holding Company**

We draw attention to Note No. 60 of the consolidated financial statement wherein during FY 2021-22, Spark Mall And Parking Pvt Ltd has purchased the pharmacy business & Central Clinical Laboratory / Medical Laboratory from SMD Hospitals Private Limited on 1st August 2021 against the consideration of Rs 3640 Lakhs.

7. We draw attention to Note No. 62 of the consolidated financial statement regarding ongoing arbitration with SREI Equipment Finance Limited (SREI). The Company has claimed the operational financial losses incurred due to deficiencies in the equipment's sourced from SREI since SREI invoked arbitration. In anticipation of reduction of the





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liability against the compensation towards operational losses and considering the above facts, the repayment is kept pending and interest is also not recognised. On the date of signing of consolidated financial statement, honourable sole arbitrator upheld the argument of SMS Limited and passed order in favour of SMS limited.

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.

### ➤ SMS Limited – Holding Company

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	<p><b>Evaluation of impairment of Non-Current Investments and Current Loans.</b></p> <p>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.</p> <p>We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment as a key audit matter because of</p> <ul style="list-style-type: none"><li>• The significance of the amount of these investments in the consolidated Balance Sheet.</li><li>• Performance and net worth of these entities and</li><li>• The degree of management judgement involved in determining the recoverable amount of these investments including:</li></ul>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures in respect of impairment of investment in and Loans given, included the following :</p> <ul style="list-style-type: none"><li>• 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;</li><li>• 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;</li><li>• Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;</li><li>• Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products;</li><li>• Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management;</li><li>• 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.</li></ul>



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Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>Valuation assumptions, such as discount rates.</p> <p>Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments.</p> <p>Refer Note No. 6 and 12 to the Consolidated Financial Statements.</p>	<ul style="list-style-type: none"><li>• 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</li><li>• Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.</li></ul>
2.	<p><b>Evaluation of Contingent Liabilities</b></p> <p>Claims against the company not acknowledged as debts is disclosed in the Note No.- 47(A) to the Consolidated Financial Statement.</p> <p>The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of the contingent liabilities.</p> <p>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.</p> <p>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.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"><li>• Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the company;</li><li>• We along with our internal tax experts –<ul style="list-style-type: none"><li>a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;</li><li>b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards;</li><li>c) Assessed management's estimate of the possible outcome of the disputed cases.</li></ul></li></ul>
3.	<p><b>Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:</b></p> <p>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</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"><li>• Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department.</li><li>• Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not.</li></ul>





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Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>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 advisor, the company made the provision for the GST impact turnover in books of account.</p> <p>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.</p> <p>Refer Note No. - 61 to the Consolidated Financial Statements</p>	<ul style="list-style-type: none"><li>• Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law.</li><li>• Read and analysed select key correspondences, external legal opinions / consultations by management in this regards.</li><li>• Assessed management's estimate of the possible recovery of the claim raised to the Department.</li></ul>

## 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.





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### **Responsibilities of Management and for the Consolidated Financial Statements**

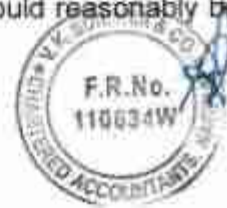
The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows 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.

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



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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.





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- 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 one subsidiaries, and two jointly controlled entities, whose financial statements / financial information reflect total assets of Rs.10933.49 Lacs as at 31st March, 2022, total revenues of Rs. 28.24 and net cash outflow amounting to Rs.36.98 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





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Rs. 1126.25\_Lacs for the year ended 31st March' 2022 in Note No.8 (2), 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. 3784.71 Lacs as at 31st March, 2022, total revenues - Nil and net cash inflows amounting to Rs. 5.41\_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.

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. 57 to the Consolidated Financial Statements)



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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. 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.
  - 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 SMS Taxicabs Private Limited – Subsidiary of the Holding Company.
  - f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 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





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Company-SMS Taxicabs Private Limited is disqualified as on 31st March, 2022 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 SMS Taxicabs Private Limited – Subsidiary of the Holding Company.
- 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 step-down 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-AAMW Tollways Private Limited, RCCL Infrastructure Private Limited – Associate Company and SMS Taxicabs Private Limited– Subsidiary Company, the opinion on the internal financial controls over the financial reporting is not given by the Statutory Auditor of the associate company, the Holding Company has not consolidated its associate and the unaudited financial statements of subsidiary company have considered for the purpose of preparation of consolidated financial statement of SMS Group, due to which 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 seventeen 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.





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- 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 associate 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 47A to the Consolidated Financial Statements.
  - 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.

2. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020, which is based on the auditor's reports of the Company and its twelve subsidiaries companies and one step-down associate company incorporated in India.

In case of SMS-AAMW Tollways Private Limited, RCCL Infrastructure Private Limited - Associate of the Company and SMS Taxicabs Private Limited- Subsidiary Company, the reporting on the matters specified in CARO 2020 is not given by the Statutory Auditor of the associate company, the Holding Company and the unaudited financial statements of subsidiary company have considered for the purpose of preparation of



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consolidated financial statement of SMS Group, due to which we are unable to comment on the same.

In case of two foreign subsidiary companies, the reporting on the matters specified in CARO 2020 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 seventeen jointly controlled entities, the reporting on the matters specified in CARO 2020 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.

**For V. K. Surana & Co.**

*Chartered Accountants*

Firm Reg No.110634W



**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, September 21, 2022

UDIN - 22063414B/PPTZAIQ62





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### **Annexure "A" to the Independent Auditor's Report on the Consolidated Financial Statements of SMS Limited**

(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, 2022, we have audited the internal financial controls over financial reporting of **SMS LIMITED** (hereinafter referred to as "the Company"), its twelve subsidiary companies and its one step-down associate, which are companies incorporated in India, as of March 31, 2022.

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

The respective Board of Directors of the Company, its twelve subsidiary companies and its one step-down associate company, 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, its twelve subsidiary companies and one step-down associate company, 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





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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, its twelve subsidiary companies and one step-down associate company 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



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may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, its twelve subsidiary companies, its one associate company, 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, 2022, 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 and one step-down associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Name of the Company	Relationship
1. SMS-AABS India Tollways Private Limited	Subsidiary Company
2. Ayodhya Gorakhpur SMS Tolls Private Limited	Subsidiary Company
3. SPANV Medisearch Lifesciences Private Limited	Step-down Associate Company

- B) In case of SMS-AAMW Tollways Private Limited, RCCL Infrastructure Private Limited – Associate Company and SMS Taxicabs Private Limited– Subsidiary Company, the opinion on the internal financial controls over the financial reporting is not given by the Statutory Auditor of the associate company, the Holding Company has not consolidated its associate and the unaudited financial statements of subsidiary company have considered for the purpose of preparation of consolidated financial statement of SMS Group, due to which we are unable to comment on the same.
- C) 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.



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D) In case of all seventeen 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.

Our opinion is not modified in respect of the above matters.

**For V. K. Surana & Co.**

*Chartered Accountants*

Firm Reg No. 110634W



**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, September 21, 2022

UDIN - 22043414 BDPTZA1042





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## Annexure "B" to the Independent Auditor's Report on the Consolidated Financial Statements of SMS Limited

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMS Limited of even date)

As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that the auditors of the following companies have given qualification or adverse or remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company, which includes SMS LIMITED (hereinafter referred to as "the Company"), its twelve subsidiary companies and its one step-down associate, which are companies incorporated in India, as of March 31, 2022.

The details of Holding Company, its twelve subsidiary companies and its one step-down associate and details of qualification or adverse or remarks on the standalone financial statements of the respective companies given by the respective auditor are as under:

Sr. No.	Name of the Company	CIN	Relationship with Holding Company	Date of the respective auditor's report
1	SMS LIMITED	U80100MH1997PLC107906	Holding	21-07-2022
2	SMS ENVOCLEAN PRIVATE LIMITED	U52100MH2005PTC156774	Subsidiary	20-08-2022
3	SMS INFOLINK PRIVATE LIMITED	U74110MH2011PTC221718	Subsidiary	03-09-2022
4	SMS HAZARDOUS WASTE MANAGEMENT PRIVATE LIMITED	U90000MH2007PTC170870	Subsidiary	27-08-2022
5	SPARK MALL AND PARKING PRIVATE LIMITED	U74999MH2008PTC178827	Subsidiary	01-09-2022
6	SMS VIDHYUT PRIVATE LIMITED	U40101MH2006PTC166038	Subsidiary	05-09-2022
7	SMS WATER GRACE BMW PRIVATE LIMITED	U52100MH2007PTC167615	Subsidiary	20-08-2022
8	SMS TOLLS AND DEVELOPERS LIMITED	U45400MH2007PLC172869	Subsidiary	05-09-2022
9	SMS WASTE MANAGEMENT PRIVATE LIMITED	U90001MH2014PTC260149	Subsidiary	19-08-2022
10	MAHARASHTRA ENVIRO POWER LIMITED	U40105MH2005PLC150780	Subsidiary	20-08-2022
11	SMS MINING LIMITED	U14290MH2021PLC368362	Subsidiary	03-09-2022
12	SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED	U45200MP2014PTC032929	Subsidiary	12-09-2022
13	AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED	U63000MH2013PTC240214	Subsidiary	03-09-2022
14	SPANV MEDISEARCH LIFESCIENCES PRIVATE LIMITED	U74999MH2018PTC303510	Step-down associate	11-07-2022



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The reference of clause number of the CARO report against which qualification or adverse or remarks on the standalone financial statements of the respective companies have been given by the respective auditor:

Sr. No.	Name of the Company	Clause number of the CARO report which is qualified or adverse or remarks
1	SMS LIMITED	(ii)(b), (iii)(b), (iii)(f), (vii)(b) & (ix)(a)
2	SMS ENVOCLEAN PRIVATE LIMITED	(iii)(b), (iii)(f)
3	SMS INFOLINK PRIVATE LIMITED	(xvii)
4	SMS HAZARDOUS WASTE MANAGEMENT PRIVATE LIMITED	(iii)(b), (iii)(f), (xvii)
5	SPARK MALL AND PARKING PRIVATE LIMITED	(iii)(b), (iii)(f), (vii)(b), (ix)(a), (xvii)
6	SMS VIDHYUT PRIVATE LIMITED	(iii)(b), (iii)(f), (ix)(a), (xvii)
7	SMS WATER GRACE BMW PRIVATE LIMITED	(iii)(b), (iii)(f)
8	SMS TOLLS AND DEVELOPERS LIMITED	(vii)(b)
9	SMS WASTE MANAGEMENT PRIVATE LIMITED	(xvii)
10	MAHARASHTRA ENVIRO POWER LIMITED	(iii)(b), (iii)(f), (vii)(b)
11	SMS MINING LIMITED	(xvii)
12	SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED	(iii)(b), (iii)(f)
13	AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED	(vii)(b)
14	SPANV MEDISEARCH LIFESCIENCES PRIVATE LIMITED	(i)(a)(i), (i)(c), (iii)(f), (vii)(a), (ix)(d), (xvii)



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In case of SMS-AAMW Tollways Private Limited, RCCL Infrastructure Private Limited - Associate of the Company and SMS Taxicabs Private Limited- Subsidiary Company, the reporting on the matters specified in CARO 2020 is not given by the Statutory Auditor of the associate company, the Holding Company and the unaudited financial statements of subsidiary company have considered for the purpose of preparation of consolidated financial statement of SMS Group, due to which we are unable to comment on the same.

In case of two foreign subsidiary companies, the reporting on the matters specified in CARO 2020 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 seventeen jointly controlled entities, the reporting on the matters specified in CARO 2020 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.

**For V. K. Surana & Co.**

*Chartered Accountants*

Firm Reg No.110634W



**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, September 21, 2022

UDIN - 22043414GDPTZA1042





	Note No.	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3A	34,692.02	29,422.28
(b) Capital work in progress	3B	5,982.52	1,693.29
(c) Investment property	4	1,850.55	1,763.46
(d) Goodwill	5	3,155.44	680.93
(e) Other Intangible assets	6	27,999.63	43,578.58
(f) Intangible assets under development	7	7,759.10	10,954.48
(g) Investments accounted for using the equity method	8	8,405.71	(0.00)
<b>(h) Financial assets</b>			
(i) Investments	8	42,536.02	45,443.89
(ii) Loans	9	1,427.75	625.15
(iii) Other financial assets	10	9,997.09	13,914.85
(i) Deferred tax assets (Net)	11	18,401.39	17,328.17
(j) Other non-current assets	12	2,455.40	834.16
<b>Total non-current assets</b>		<b>1,64,662.62</b>	<b>1,66,239.24</b>
<b>(2) Current assets</b>			
(a) Inventories	13	34,243.68	34,545.36
<b>(b) Financial assets</b>			
(i) Investments	14	3,981.88	4,351.28
(ii) Trade receivables	15	35,809.62	33,172.61
(iii) Cash and cash equivalents	16	9,694.24	8,376.20
(iv) Bank Balance other Than (iii) above	16	4,982.54	4,183.60
(v) Loans	9	16,067.62	20,990.53
(vi) Other financial assets	17	21,196.37	21,339.34
(c) Current Tax Assets (Net)	11	5,479.77	4,049.32
(d) Other current assets	18	24,253.70	27,477.82
<b>Total current assets</b>		<b>1,55,709.43</b>	<b>1,58,486.07</b>
(3) Assets classified as held for Sale	19	24.28	24.28
<b>Total assets</b>		<b>3,20,396.33</b>	<b>3,24,749.59</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	20	1,026.14	1,026.14
(b) Instruments entirely equity in nature	22	298.22	298.22
(c) Other Equity	21	71,150.42	66,283.43
<b>Equity Attributable to owners of the parent</b>		<b>72,474.78</b>	<b>67,607.80</b>
(d) Instruments entirely equity in nature	22	286.53	286.53
(e) Money received against share warrants	23	8,031.22	8,031.22
(f) Non-controlling interests	24	12,540.38	10,859.88
<b>Equity Attributable to Non-controlling interests</b>		<b>20,858.13</b>	<b>19,177.63</b>
<b>Total equity</b>		<b>93,332.92</b>	<b>86,785.43</b>
<b>(2) Liabilities</b>			
<b>i) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	25	79,332.87	86,603.29
(ia) Lease Liabilities	25A	2,765.60	25.98
(ii) Other financial liabilities	26	9,698.69	8,425.11
(b) Provisions	27	12,040.17	26,394.19
(c) Deferred tax liabilities (Net)	11	3.01	424.97



	Note No.	As at 31 March 2022	As at 31 March 2021
(d) Other non current liabilities	28	3,844.80	2,362.98
<b>Total Non-current Liabilities</b>		<b>1,07,685.14</b>	<b>1,24,236.52</b>
<b>II) Current liabilities</b>			
(a) <b>Financial Liabilities</b>			
(i) Borrowings	29	70,702.11	74,746.80
(ia) Lease Liabilities	29A	166.85	0.11
(ii) Trade payables dues to			
Micro and Small Enterprises	30	1,409.45	660.96
Other than Micro and Small Enterprises	30	21,528.59	19,143.50
(iii) Other financial liabilities	31	17,188.50	10,042.20
(b) Other current liabilities	32	4,855.99	5,634.52
(c) Provisions	27	3,245.78	2,614.58
(d) Current Tax liability (Net)	11	267.00	860.98
<b>Total Current liabilities</b>		<b>1,19,364.27</b>	<b>1,13,703.64</b>
III) Liabilities classified as held for Sale	19	14.00	24.00
<b>Total liabilities</b>		<b>2,27,063.41</b>	<b>2,37,964.16</b>
<b>Total equity and liabilities</b>		<b>3,20,396.33</b>	<b>3,24,749.59</b>

## 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 and on behalf of the Board of Directors of  
SMS Limited

For V. K. Surana &amp; Co.

Chartered Accountants

Firm Registration No. :110634W




CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 21 September, 2022

UDIN : 22043414BDPTZA1042



ANAND S. SANCHETI

Managing Director

DIN: 00953362


  
RAJESH KUMAR GUPTA

Chief Financial Officer



DILIP B. SURANA

Director

DIN: 00953495


  
SMITA P. AGARKAR  
Company Secretary

Nagpur, 15th September, 2022



	Note No.	Year Ended 31 March 2022	Year Ended 31 March 2021
			(₹ in lacs)
Revenue from operations	33	1,76,677.45	1,48,899.43
Other income	34	4,868.72	4,397.18
<b>Total income</b>		<b>1,81,546.17</b>	<b>1,53,296.61</b>
<b>Expenses</b>			
Cost of Raw/project material consumed	35	19,255.88	18,064.07
Direct Expenses	36	75,467.85	52,930.17
Purchase of Stock-in-trade	37	2,615.38	215.79
Change in Inventories of Stock in trade and Work in Progress	38	(602.09)	(1,507.26)
Employee benefits expense	39	15,851.74	15,771.64
Finance costs	40	18,742.64	21,173.89
Depreciation and amortization expense	41	25,926.24	23,620.20
Other expenses	42	8,054.04	5,744.17
<b>Total expense</b>		<b>1,65,311.68</b>	<b>1,36,012.67</b>
<b>Profit Before Share of profit/(loss) of an Associate Companies, Exceptional Items and Tax</b>		<b>16,234.49</b>	<b>17,283.94</b>
Share of profit / (loss) of associate companies	43	(213.28)	-
<b>Profit Before Exceptional Items and Tax</b>		<b>16,021.21</b>	<b>17,283.94</b>
Exceptional items	43A	1,761.43	(2,772.47)
<b>Profit before tax</b>		<b>17,782.65</b>	<b>14,511.47</b>
Tax Expense	44		
Current Tax		3,835.81	3,716.37
Adjustment of tax relating to earlier periods		107.84	(409.47)
Deferred Tax		(981.62)	(1,374.35)
<b>Profit for the year</b>		<b>14,820.62</b>	<b>12,578.92</b>
<b>Attributable to</b>			
Non controlling interest		5,468.55	6,985.36
Owners of the parent		9,352.07	5,593.56
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or (loss)</b>	21		
Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value		(1,066.04)	15.61
Remeasurement benefit of defined benefit plans		119.17	320.86
Share of OCI of associate companies net of tax		0.89	-
Income tax effect on the above		54.71	(105.44)
<b>Items that will be reclassified to profit or (loss)</b>	21		
Gain/(Loss) on Recognition of Investment in Preference Shares / Debt Instruments at Fair Value		(5,183.13)	(3,916.52)
Unwinding interest on preference share issued		(42.96)	(38.70)
Unwinding interest income on investment in Preference Shares		484.77	264.99
Income tax effect on the above		(6.01)	(12.29)
<b>Other comprehensive income / (loss) for the year (net of taxes)</b>		<b>(5,638.60)</b>	<b>(3,471.49)</b>
<b>Attributable to</b>			





	Note No.	Year Ended 31 March 2022	(₹ in lacs) Year Ended 31 March 2021
Non controlling interest		(2,319.52)	(1,806.56)
Owners of the parent		(3,319.08)	(1,664.93)
<b>Total comprehensive income for the year Attributable to</b>		<b>9,182.02</b>	<b>9,107.43</b>
Non controlling interest		3,149.04	5,178.80
Owners of the parent		6,032.99	3,928.63
<b>Earning per equity share after exceptional item</b>	<b>46</b>		
Basic		91.14	54.51
Diluted		91.14	54.51
<b>Earning per equity share before exceptional item</b>	<b>46</b>		
Basic		73.97	81.53
Diluted		73.97	81.53

## 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 &amp; 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




CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 21 September, 2022

UDIN : 22043414 BDPT2A 1042



RAJESH KUMAR GUPTA  
Chief Financial Officer



SMITA P. AGARKAR  
Company Secretary

Nagpur, 15th September, 2022

	Year Ended 31 March, 2022	Year Ended 31 March, 2021
		(₹ in lacs)
<b>Cash flow from operating activities</b>		
Net profit before tax as per the statement of profit and loss (after exceptional item and tax thereon)	17,782.65	14,511.47
<b>Adjustment for :</b>		
Depreciation/amortization of Property, Plant and Equipment and intangible assets	25,926.24	23,620.20
Finance Cost	18,742.64	21,173.89
Profit on sale of Fixed Assets	(666.32)	(232.56)
Profit on sale of Investments including redemption thereof	(40.74)	(736.81)
Gain arising on financial assets measured at fair value through profit or loss	(3.49)	(199.15)
Rental income on Investment Property	(10.81)	(13.76)
Foreign Exchange rate fluctuations	(113.18)	(277.67)
Grant/Subsidy Received	(357.37)	(750.26)
Fair valuation loss on equity instrument routed through P&L	1,492.07	-
Share of Loss from Joint Venture & Partnership Firm (which are not consolidated)	654.81	144.92
Share of (profit) / loss of associate companies	213.28	-
Loss on Sale of Property, Plant and Equipment including derecognition thereof	-	23.61
Loss on Sale of Listed Equity Shares	-	52.56
Investment written off	500.00	-
Balances written back / written off	367.43	(110.33)
Interest income	(2,732.75)	(1,782.74)
Commission / Discount Received	(40.07)	(22.98)
Restatement / Prior period errors in Retained Earnings	-	(49.40)
Dividend Income	(2.52)	-
<b>Operating profit before working capital changes</b>	<b>61,711.85</b>	<b>55,350.99</b>
<b>Adjustment for :</b>		
Increase / (decrease) in trade payables	3,173.66	(2,862.13)
Increase / (decrease) in non current provisions	(14,354.02)	(11,570.98)
Increase / (decrease) in current provisions	631.19	559.13
Increase / (decrease) in other current liabilities	(778.52)	1,171.35
Increase / (decrease) in other non-current liabilities	1,481.82	(1,726.96)
Increase / (decrease) in other current financial liabilities	7,146.30	(7,514.08)
Increase / (decrease) in other non-current financial liabilities	1,273.58	269.09
Decrease / (increase) in current trade receivables	(2,637.01)	3,610.33
Decrease / (increase) in other non-current financial assets	3,917.76	538.64
Decrease / (increase) in other current financial assets	142.97	(2,046.23)
Decrease / (increase) in other current assets	2,856.69	(5,198.97)
Decrease / (increase) in other non-current assets	12.25	(104.40)
Decrease / (increase) in other Bank balances	(798.94)	641.86
Decrease / (increase) in inventories	301.68	(2,515.80)
Decrease / (increase) in Income Tax assets	(2,503.68)	(2,386.93)
Decrease / (increase) in Liabilities classified as held for Sale	(10.00)	-
Decrease / (increase) in Income Tax liabilities	(1,015.94)	1,120.90
	<b>60,551.65</b>	<b>27,335.81</b>
Direct taxes paid (net of refunds)	2,913.33	2,050.28
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>57,638.33</b>	<b>25,285.53</b>



	Year Ended 31 March, 2022	Year Ended 31 March, 2021
(₹ in lacs)		
<b>Cash flow from investing activities</b>		
(Purchase) / Sale of fixed assets, including intangible assets, CWIP and capital advances	(20,656.39)	(8,887.94)
Proceeds from Sale / (Purchase) of Investments	(13,305.21)	(12,763.76)
Share of profit / (loss) of associate companies	(213.28)	-
Decrease / (increase) in non current loans and advances	(802.60)	4,521.34
Decrease / (increase) in current loans and advances	4,922.91	(3,501.71)
Grant/Subsidy Received	357.37	750.26
Rental income on Investment Property	10.81	13.76
Interest received	2,732.75	1,782.74
Dividends received	2.52	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(26,951.11)</b>	<b>(18,085.32)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	(4,530.80)	7,540.39
Proceeds from short-term borrowings	(3,877.96)	13,831.08
Finance Cost	(18,742.64)	(21,173.89)
Increase/ (decrease) in Non controlling interest for dividend paid	(1,468.53)	(988.81)
Dividend & DDT paid on equity shares	(749.25)	(504.50)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(29,369.18)</b>	<b>(1,295.73)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,318.04	5,904.48
Cash and cash equivalents at the beginning of the year	8,376.20	2,471.72
<b>Cash and cash equivalents at the end of the year</b>	<b>9,694.24</b>	<b>8,376.20</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	334.36	390.61
With banks- on current account	8,079.62	5,794.39
Other Cash and cash equivalents	1,280.25	2,191.19
<b>Total cash and cash equivalents</b>	<b>9,694.24</b>	<b>8,376.20</b>

Significant Accounting Policies

Refer Note 2

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

As per our report of even date

For and on behalf of the Board of Directors of  
SMS Limited

For V. K. Surana &amp; Co.

Chartered Accountants

Firm Registration No. :110634W




CA Sudhir Surana

Membership No. 043414

Place : Nagpur

Date : 21 September, 2022

UDIN : 22093414 BDP T ZA 1092



ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B. SURANA

Director

DIN: 00953495



RAJESH KUMAR GUPTA

Chief Financial Officer



SMITA P. AGARKAR

Company Secretary

Nagpur, 15th September, 2022



	Reserves and Surplus											Items of Other Comprehensive Income				Total other equity			Non controlling interest			Amount
	Capital reserve	Securities premium	General reserve	Holding reserve (including retained earnings)	Gain/(Loss) on Recognition of Investment Instruments at Fair Value	Gain/(Loss) on Recognition of Investment Instruments at Fair Value	Re-measurement gains or losses on defined benefit plans	Unwinding interest on Investment Preference Shares	Unwinding interest on Preference Shares Issued	Equity component of Preference share capital-Non controlling interest			Equity component of Preference share capital-Owners Of The Parent		Equity component of Preference share capital-Non controlling interest	Money Received against Share Warrants	Other Non-controlling interest					
										Equity component of Preference share capital-Non controlling interest	Equity component of Preference share capital-Owners Of The Parent	Equity component of Preference share capital-Non controlling interest	Equity component of Preference share capital-Owners Of The Parent									
<b>Balance as at 31 March 2020</b>	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	6,561.85	1,026.14						
Changes in Equity Share Capital due to prior period errors																						
<b>Restated balance at 1 April 2020</b>	(8.04)	-	-	(29.33)	-	-	-	-	-	(37.37)	(20.07)	-	-	-	8.04	-						
Changes in equity share capital during the year	93.46	10,647.69	1,116.85	53,486.53	30.21	(2,463.10)	(115.40)	111.32	(48.24)	62,859.30	(286.53)	286.53	286.53	8,031.22	6,669.89							
<b>Balance as at 31 March 2021</b>	-	-	-	53,559.56	-	-	-	-	-	5,593.56	-	-	-	-	6,985.36	-						
Changes in Equity Share Capital due to prior period errors	-	-	-	-	27.56	(2,010.02)	-202.12	(19.74)	135.14	(1,664.93)	-	-	-	-	(1,806.56)	-						
<b>Restated balance at 1 April 2021</b>	-	-	-	(504.50)	57.77	(4,473.11)	86.72	91.59	85.91	66,283.43	298.22	286.53	286.53	8,031.22	(988.81)	-						
Changes in equity share capital during the year	93.46	10,647.69	1,116.85	58,575.56	57.77	(4,473.11)	86.72	91.59	85.91	66,283.43	298.22	286.53	286.53	8,031.22	10,859.88							
<b>Balance as at 31 March 2022</b>	-	-	-	58,575.56	57.77	(4,473.11)	86.72	91.59	85.91	66,283.43	298.22	286.53	286.53	8,031.22	10,859.88	-						
<b>B. Other equity, instruments entirely equity in nature, Money received against share warrants and Non-controlling interests</b>																						
<b>Balance as at 1 April 2020</b>																						
Statement / Prior Period Errors / Change in Accounting Policies																						
<b>Restated balance as at 1 April 2020</b>																						
Profit for the year																						
Interim Dividend paid																						
<b>Balance as at 31 March 2021</b>																						



B. Other equity, instruments entirely equity in nature, Money received against share warrants and Non-controlling interests

	Reserves and Surplus			Items of Other Comprehensive Income					Total other equity			Non controlling interest	
	Capital reserve	Securities premium	General reserve	Holding reserve (including retained earnings)	Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value	Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value	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 Owners Of The Parent	Equity component of Preference share capital-Non controlling interest	Equity component of Preference share Warrants	Money Received against Share Warrants
<b>Balance as at 1 April 2021</b>	93.46	10,647.69	1,116.85	58,575.56	57.77	(4,473.11)	86.72	91.59	86.91	298.22	286.53	8,031.22	10,859.88
Restatement / Prior Period Errors / Change in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition of reserves of PIPL due to merger	-	-	(286.14)	(698.05)	-	(11.08)	-	-	-	-	-	-	-
Goodwill of PIPL derecognized due to merger	-	-	830.70	(416.75)	57.77	(4,484.19)	86.72	91.53	86.91	298.22	286.53	8,031.22	10,859.88
<b>Restated balance as at 1 April 2021</b>	93.46	10,647.69	-	57,460.77	-	-	-	-	-	-	-	-	5,468.55
Profit for the year	-	-	-	9,352.06	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	(2,640.46)	(979.22)	75.29	247.23	(21.91)	-	-	-	(2,319.52)
<b>Balance as at 31 March 2022</b>	93.46	10,647.69	1,116.85	66,761.63	(2,582.69)	(5,452.34)	162.01	338.82	85.00	298.22	286.53	8,031.22	12,540.38

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.

Refer Note 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 &amp; Co.

Chartered Accountants

Firm Registration No. 110634W

For and on behalf of the Board of Directors of SMS Limited



CA Sudhir Surina

Partner

Membership No. 043414

Place: Nagpur

Date: 21 September, 2022

UDIN: 22043414BDDPTZA1042



ANAND S. SANCHETI

Managing Director

DIN: 00953362



DILIP B. SURANA

Director

DIN: 00953495



SMRITI P. ABARKAR

Company Secretary



KALESH KUMAR GUPTA

Chief Financial Officer

Nagpur, 15th September, 2022



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 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, 2022 were authorised for issue in accordance with resolution of the Board of Directors on 15<sup>th</sup> September, 2022.

### 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 subsidiary (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, regulations, public





expectation, technology, prices and conditions and can take place many years in the future, the carrying amounts of provisions is reviewed 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.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest if any.

#### **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 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.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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.

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

#### **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 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 Ayodhya Gorakhpur SMS Tolls Private Limited,  
Toll Collection Rights

##### **a) Recognition and Measurement**

Toll collection rights are stated at cost, less accumulated amortisation and impairment losses.  
Cost includes: Contractual Upfront / monthly /fortnightly payments towards acquisition

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





In case of concession arrangements under of such costs are estimated and recognised on a discounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts.

c) Amortisation of intangible asset under SCA

The intangible rights relation to infrastructure assets, which are recognised in the form of rights to charge users of the infrastructure assets are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets i.e. proportionate of actual traffic count from the intangible assets expected to earned over the balance concession period as estimated by management.

d) Accounting of receivable and payable from / to the grantor

When the arrangements has a contractual obligation to pay cash or other financial asset to the grantor specifically towards the concession arrangements during the construction period or otherwise, such unconditional obligation to pay cash is recorded as financial liabilities on the date when the obligation arises accordance with Ind AS 109 Financial instruments at amortise cost, with a corresponding recognition of an intangible asset. Thereafter, the unwinding of interest, recognised based of effective interest rate method, also becomes eligible for capitalisation on qualifying assets being related to Intangible Assets.

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 is calculated on a written down value basis over the estimated useful life of the assets as per provided in Part C of schedule II of the company act 2013 or remaining life of the project whichever is less.

Depreciation method, useful lives and residual values are reviewed periodically, including at each financial year.

Fixed assets costing up to Rs. 5,000 individually are fully depreciated in the year of purchase.

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 expected 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.

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.





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 quantity of waste disposed during the year. As per condition for award of project the majority of assets are required to be handed over to over to concessionor in as it is condition. Hence residual value of the asset is considered at 0.20 % of Gross Block of Asset.

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.

#### **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.

Financial assets of the Company comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in profit or loss for the period."

### **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.

In case of SMS-AABS India Tollways Private Limited,





Preference Shares issued by the company which are Cumulative and Non-Redeemable in Nature are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The liability component of the preference shares is measured at amortised cost using the effective interest method. The equity component of the preference shares is not re-measured subsequently.

### **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.

In case of Ayodhya Gorakhpur SMS Tolls Private Limited,

Construction materials, components, stores, spares and tools:- They are valued at lower of cost and net realizable value. Cost is determined on first in first out basis and comprise all cost of purchase, duties, taxes'(other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

### **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 are 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 judgments 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 judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment 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 judgment 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 judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Contract fulfillment 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 these criteria requires the application of judgment, 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**

Dividend 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,
- (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.









**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 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 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 an unconditional right to defer its settlement for 12 months after the reporting date.

## **Leave Entitlements: Mining Department**

### **a. Earned Leave:**

i. All regular employees are eligible for 24 days of leave in a year, credited at the rate of one day leave for every 15 days of working. Calendar year will be considered for the purpose of computing the earned leave. This leave will be credited in advance on the 1st January of the year, adjusted for the no. of days worked in the previous year.

ii. An employee on probation is entitled to avail one day leave per month during probation. Generally, the period of probation is for six months. If the probation is extended, the employee would continue to get one day leave per month. On completion of probation, the leave calculated at one day leave for every 15 days will be credited for the probation period as well as for the remaining period in that calendar year. Subsequently, for the following year, 24 days of leave, adjusted for the no. of days worked in the previous year, will be credited in advance as being done for a regular confirmed employee.

iii. The leave eligibility for trainees is same as for the probationers. Trainees are eligible for a day of leave per month during the training period. If the training period is extended, the employee would continue to get one day leave per month and on completion, leave calculated at one day leave for every 15 days will be credited for the training period as well as for the remaining period in that calendar year. Subsequently, for the following year, 24 days of leave, adjusted for the no. of days worked in the previous year, will be credited in advance as being done for a regular confirmed employee.

### **b. Sick Leave:**

The employees are not eligible for any kind of sick leave.

### **c. Examination Leave:**





The company encourages people in their pursuit of higher education and continuous learning for professional development. As an incentive, the employees who are pursuing higher studies from a recognized institute / university, in the area of their current function in the Company, are granted special leave with pay on the day of examinations against production of documentary evidence. A maximum of 10 days per year for first attempt and 6 days for further attempts will be allowed per year. Only three attempts are permitted for the same paper. Such employees should have taken prior permission from their HOD for pursuing the course and the same should have been forwarded to HR before joining the course.

d. Maternity Leave:

Women employees who have worked for not less than 80 days in the twelve months immediately preceding the expected date of delivery are entitled for maternity leave as per the Maternity Benefit Act, for a maximum period of 12 weeks, that is to say, six weeks up to and including the day of delivery and six weeks immediately following that day.

In case of miscarriage, a woman employee is entitled for 6 weeks immediately following the day of her miscarriage.

e. Transfer Leave:

When an employee is transferred from one location to another location, s/he will be allowed to avail one day leave with pay, if the distance to the new location from the current location of posting is more than 250 KM but less than or up to 500 KM. If the distance is more than 500 KM, a maximum of two days of leave with pay can be availed within one week before or after relocating to the new location.

f. Leave during Notice Period:

An employee who is serving notice period on resignation is not entitled to avail any kind of leave during the notice period. However, the balance leave if any may be adjusted in the notice period, on approval from the HOD. However, no encashment of leave will be allowed for the balance leave.

g. Leave without pay:

Employees are discouraged to take any leave without pay. However in cases of exigencies, an employee who does not have any leave balance may be sanctioned leave without pay.

h. This policy is applicable only to KCC workers;

The total EL balance at the time of leaving service is paid in F&F settlement to KCC workers.

**Leave Entitlements: Other than mining department**

This year we have introduced Casual Leave (CL) and Sick Leave (SL) for the convenience of employees. From the New Year, Eight Days CL and Ten Days SL will be credited to leave account of all employees. These leaves are to be availed during the calendar year else will lapse if not availed at the end of the year.



Now onwards every employee, who has worked for a period of two hundred and forty days (240) or more during a calendar year, shall be allowed during the subsequent calendar year, leave with wages for a number of days calculated at the rate of one day for every twenty days of work performed by the employee during the previous calendar year' This means any employee who has worked more than 240 days during calendar year will be granted 15 days EL during 2020.

Every employee shall now be entitled for eight days festival holidays in a calendar year including mandatory holidays on 26th January, 1st May, 15<sup>th</sup> August and 2nd October and balance four as mutually agreed on festivals.

In addition, for the convenience of employees during the festivals, out of 15 ELs, seven ELs will be adjusted in mutually agreed festival holidays and rest eight ELs will be credited to the leave account of the employee. Calendar for 8 festival holidays and 7 EL holidays will be promulgated before start of the new calendar year.

With introduction of new types of leave every employee who has worked for more than 240 days during calendar year 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 encashing Earned leave, if accumulated in excess of 45 as per the SAEA-2017.

Further to motivate and reward the hard working and dedicated employees with proven track record, management has decided to create a discretionary leave quota under IM, HODs and DICs. Under this scheme, if deserving employee exhausts his/her entire leave quota and due to exigencies he/she avails additional leave, then under discretionary leave quota IM, HOD and DIC can approve additional leave with wages for 2 days, 5 days and 5 days respectively. MD has powers to approve unlimited number of days of leave for well deserving employees with the recommendation of IM, HOD and DIC. This additional quota will be exercised by IM/HOD/DIC based on request by individual employee with supporting note for his/her outstanding performance.

**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, 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.

## ii. 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. Prior period items:**

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

**x. 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.

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**

Ministry of Corporate Affairs (MCA), vide notification dated March 23,2022, has made the following amendments to Ind AS which are effective from April 1, 2022:

- a. Ind AS 101 : First time adoption of Ind AS
- b. Ind AS 109 : Annual Improvements to Ind AS (2021)
- c. Ind AS 103 : Reference to Conceptual Framework
- d. Ind AS 37 : Onerous Contracts - Costs of Fulfilling a Contract
- e. Ind AS 16 : Proceeds before intended use
- f. Ind AS 41 :Agriculture

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its consolidated financial statements.



## Notes to Consolidated Financial Statements for the year ended 31st March, 2022

(` in lacs)

3A	Property, plant and equipment	Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers & Printer	Road	Right to use asset	Mining Assets	Total
		<b>At 1st April 2020</b>	0.95	120.06 (6.38)	9,164.87	62,207.76	863.00	28,130.71	1,217.44	896.75	14.76	60.93	861.86	1,03,539.09
		Prior period errors	-	-	-	-	-	-	-	-	-	-	-	(6.38)
		Additions	-	-	452.31	2,903.21	24.27	406.25	40.72	41.07	-	-	640.59	4,510.41
		Disposals	-	-	17.63	477.75	10.90	280.07	66.64	70.98	-	-	-	923.97
		Interhead adjustment	-	-	-	-	0.57	-	(0.57)	-	-	-	-	-
		<b>At 31st March 2021</b>	0.95	113.68	9,599.56	64,633.23	876.94	28,258.89	1,190.94	866.84	14.76	60.93	1,502.45	1,07,119.15
		<b>At 1st April 2021</b>	0.95	113.68	9,599.56	64,633.23	876.94	28,258.89	1,190.94	866.84	14.76	60.93	1,502.45	1,07,119.15
		Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
		Additions	-	968.64	434.32	4,272.19	66.10	797.66	113.76	97.91	-	4,089.88	98.22	10,938.89
		BTA/Slump sale	-	-	2.15	-	32.88	0.73	37.61	-	-	-	-	73.37
		Disposals	-	-	6.77	1,238.11	76.00	623.62	14.55	69.61	-	-	-	2,028.86
		Interhead adjustment	-	-	(10.25)	4.22	4.75	-	1.29	-	-	-	-	-
		<b>At 31st March 2022</b>	0.95	1,082.32	10,019.00	67,671.53	904.66	28,433.66	1,329.05	895.14	14.76	4,150.81	1,500.67	1,16,107.55
		<b>Accumulated Depreciation</b>												
		<b>At 1st April 2020</b>	0.10	-	6,673.66	37,460.74	756.83	26,938.11	940.54	811.28	0.04	14.77	24.10	73,620.17
		Prior period errors	-	-	-	(0.16)	-	-	-	0.02	-	-	-	(0.15)
		Charge for the year	0.01	-	520.91	3,728.30	43.08	370.29	77.64	59.37	13.64	11.18	16.35	4,840.78
		Disposals	-	-	13.00	380.59	10.81	251.78	41.14	65.63	-	-	-	763.94
		Interhead adjustment/Rectification	-	-	-	-	0.57	-	(0.57)	-	-	-	-	-
		<b>At 31st March 2021</b>	0.11	-	7,181.56	40,808.30	789.67	27,056.62	976.47	804.04	13.67	25.95	40.45	77,696.86
		<b>At 1st April 2021</b>	0.11	-	7,181.56	40,808.30	789.67	27,056.62	976.47	804.04	13.67	25.95	40.45	77,696.86
		Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
		Charge for the year	0.01	-	358.44	4,164.15	51.91	386.23	89.35	49.11	1.08	176.83	59.89	5,337.00
		BTA/Slump sale	-	-	0.54	-	2.50	0.06	3.35	-	-	-	-	6.46
		Disposals	-	-	6.77	853.11	74.39	611.58	14.36	69.61	-	-	-	1,629.82
		Interhead adjustment/Rectification	-	-	(9.84)	(3.52)	2.92	-	9.76	0.68	-	-	-	(0.00)
		<b>At 31st March 2022</b>	0.12	-	7,523.94	44,115.83	772.62	26,831.34	1,064.57	784.22	14.76	202.79	100.34	81,410.51
		<b>Net carrying amounts</b>												
		<b>At 31st March 2021</b>	0.84	113.68	2,417.99	23,824.93	87.26	1,202.27	214.47	62.80	1.08	34.97	1,462.00	29,422.28
		<b>At 31st March 2022</b>	0.83	1,082.32	2,495.05	23,555.70	132.04	1,602.33	264.48	110.92	0.00	3,948.02	1,500.33	34,692.02



3B Capital Work- In- progress

Particular	Leasehold Land	Freehold Land	Building	Plant and Equipment's	Furniture and Fixtures	Vehicles	Office Equipment's	Computers	Road	Right to use asset	Mining Assets	Total
At 1st April 2020	-	-	81.01	956.33	-	-	2.46	-	-	-	-	1,039.79
Additions	-	-	36.76	285.58	0.82	7.31	-	0.46	-	-	414.54	745.47
Capitalised during the year	-	-	39.88	41.04	0.82	7.31	2.46	0.46	-	-	-	91.97
At 31st March 2021	-	-	77.89	1,200.87	-	-	-	-	-	-	414.54	1,693.29
At 1st April 2021	-	-	77.89	1,200.87	-	-	-	-	-	-	414.54	1,693.30
Additions	-	-	9.91	5,132.22	-	-	-	-	-	-	-	5,142.13
Capitalised during the year	-	-	77.89	676.80	-	-	-	-	-	-	98.22	852.91
At 31st March 2022	-	-	9.91	5,656.29	-	-	-	-	-	-	316.32	5,982.52

**MAHARASHTRA ETVIRO POWER LIMITED**

The company has received land in the form of Non-monetary grant and same had been recognised at a nominal amount in line with the accounting policy.





## (a) For Capital-work-in progress,

## CWIP aging schedule as at 31st March 2022:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- CWIP-Buildings	9.91	-	-	-	9.91
Projects in progress- CWIP-Mining Asset	-	316.32	-	-	316.32
Projects in progress- CWIP-Plant and Equipments	5,132.78	192.84	326.12	4.55	5,656.29
<b>Total</b>	<b>5,142.69</b>	<b>509.16</b>	<b>326.12</b>	<b>4.55</b>	<b>5,982.52</b>

## CWIP aging schedule as at 31st March 2021:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress- CWIP-Buildings	77.89	-	-	-	77.89
Projects in progress- CWIP-Mining Asset	414.54	-	-	-	414.54
Projects in progress- CWIP-Plant and Equipments	305.44	555.55	339.48	0.39	1,200.86
<b>Total</b>	<b>797.87</b>	<b>555.55</b>	<b>339.48</b>	<b>0.39</b>	<b>1,693.29</b>

## (b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule are given

## For Maharashtra Enviro Power Limited

## CWIP Completion schedule as at 31st March 2022:

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1 Ton Incinerator, Butibori	1,034.98	-	-	-	1,034.98
Secured landfill -3, Butibori	1,257.39	-	-	-	1,257.39
Secured landfill -6, Ranjangaon	784.69	-	-	-	784.69
Land Development Secured Landfill-7, Ranjangaon	183.16	-	-	-	183.16
3 Ton Incinerator, Ranjangaon	-	20.98	-	-	20.98
22KV Express Feeder	-	2.77	-	-	2.77
<b>Total</b>	<b>3,260.22</b>	<b>23.75</b>	<b>-</b>	<b>-</b>	<b>3,283.98</b>

## CWIP Completion schedule as at 31st March 2021:

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1 Ton Incinerator	-	-	-	-	-
Secured landfill -3	-	4.41	-	-	4.41
Secured landfill -6, Ranjangaon	-	16.05	-	-	16.05
Land Development Secured Landfill-7, Ranjangaon	-	146.40	-	-	146.40
3 Ton Incinerator, Ranjangaon	-	-	18.15	-	18.15
22KV Express Feeder	-	-	2.77	-	2.77
<b>Total</b>	<b>-</b>	<b>166.86</b>	<b>20.92</b>	<b>-</b>	<b>187.78</b>



4	Investment Property	LAND	BUILDING	TOTAL
<b>a</b>	<b>Gross Carrying Amounts</b>			
	Balance as at 31st March 2020	1,236.61	379.27	1,615.89
	Addition	216.80	-	216.80
	<b>Balance as at 31st March 2021</b>	<b>1,453.42</b>	<b>379.27</b>	<b>1,832.69</b>
	Addition	137.08	-	137.08
	Less Disposal	43.39	-	43.39
	<b>Balance as at 31st March 2022</b>	<b>1,547.11</b>	<b>379.27</b>	<b>1,926.38</b>
<b>b</b>	<b>Accumulated Depreciation</b>			
	Balance as at 31st March 2020	-	62.64	62.64
	Depreciation charged	-	6.60	6.60
	<b>Balance as at 31st March 2021</b>	<b>-</b>	<b>69.23</b>	<b>69.23</b>
	Depreciation charged	-	6.60	6.60
	<b>Balance as at 31st March 2022</b>	<b>-</b>	<b>75.83</b>	<b>75.83</b>
<b>c</b>	<b>Net Carrying Amounts</b>			
	<b>Balance as at 31st March 2021</b>	<b>1,453.42</b>	<b>310.04</b>	<b>1,763.46</b>
	<b>Balance as at 31st March 2022</b>	<b>1,547.11</b>	<b>303.44</b>	<b>1,850.55</b>

**Information regarding income and expenditure of Investment property**

	As at 31 March 2022	As at 31 March 2021
Rental income derived from investment properties	8.64	11.72
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	2.54	0.21
Depreciation charged on the investment property that generated rental income during the year.	3.45	3.45
<b>Profit arising from investment properties that generated rental income after depreciation and direct expenses</b>	<b>2.65</b>	<b>8.06</b>
Direct operating expenses including repairs and maintenance arising from investment property that did not generate rental income during the year.	-	-
Depreciation charged on the investment property that did not generate rental income during the year.	3.15	3.15
<b>Profit/(Loss) arising from investment properties that did not generate rental income after depreciation and direct expenses</b>	<b>(3.15)</b>	<b>(3.15)</b>
<b>Net Profit/( Loss) from Investment activity.</b>	<b>(0.50)</b>	<b>4.91</b>

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 accredited independent valuer instead of registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, in the last three financial years based on consistent policy followed by the company. In absence of complete valuation of all the investment property from the registered valuer as defined under aforesaid rule, the fair value of the property are not disclosed. As per management view, fair value of all assets would be on higher side as compared to book value of assets, considering acquisition date and current market scenario.



(₹ in lacs)

	As at 31 March 2022	As at 31 March 2021
<b>5 Goodwill</b>		
<b>a Investment in Subsidiaries (Unquoted)</b>		
Goodwill arising on account of Consolidation (valued at cost)		
Opening Balance	680.93	680.93
Derecognised due to elimination of subsidiary company PIPL consequent to Merger	(416.75)	-
	<b>264.18</b>	<b>680.93</b>
<b>b Addition of Pharmacy Business #</b>	<b>2,891.26</b>	-
<b>Closing balance</b>	<b>3,155.44</b>	<b>680.93</b>

Note:- there is no impairment loss on account of goodwill arises at the time of consolidation.





# Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited):-  
Goodwill created on account of acquisition of Pharmacy Business from SMD Hospital Pvt. Ltd.

Particulars	Goodwill
<b>Gross Carrying Value</b>	
As at 1st April 2021	-
<b>Additions on account of</b>	
BTA/Slump sale	3,025.73
Additions	-
Disposals	-
<b>As at 31st March 2022</b>	<b>3,025.73</b>
<b>Accumulated Amortization</b>	
As at 1st April 2021	-
<b>Charge for the year</b>	
BTA/Slump sale	134.48
Additions	-
Disposals	-
<b>As at 31st March 2022</b>	<b>134.48</b>
<b>Net Carrying Value</b>	
<b>As at 31st March 2022</b>	<b>2,891.26</b>



(₹ in lacs)

6 Other Intangible Asset		Computer Software	General Arrangement Drawing	Motor Car Permits	Project Facilities on NH-28	Right to use Assets	Rights*	Total
<b>A Gross carrying amount</b>								
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	
<b>At 31st March 2021</b>	<b>1,360.83</b>	<b>581.14</b>	<b>7,309.60</b>	<b>98,355.71</b>	<b>58.51</b>	<b>20,569.02</b>	<b>1,28,234.81</b>	
At 1st April 2021	1,360.83	581.14	7,309.60	98,355.71	58.51	20,569.02	1,28,234.81	
Additions	35.74	-	-	1,624.07	-	-	1,659.80	
BTA/Slump sale	2.54	-	-	-	-	-	2.54	
Disposal	-	-	-	-	0.02	-	0.02	
<b>At 31st March 2022</b>	<b>1,399.11</b>	<b>581.14</b>	<b>7,309.60</b>	<b>99,979.78</b>	<b>58.49</b>	<b>20,569.02</b>	<b>1,29,897.13</b>	
<b>B Accumulated Amortisation</b>								
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	-	-	-	-	-	-	-	
<b>At 31st March 2021</b>	<b>916.81</b>	<b>168.55</b>	<b>2,165.45</b>	<b>77,937.52</b>	<b>35.42</b>	<b>3,432.48</b>	<b>84,656.22</b>	
At 1st April 2021	916.81	168.55	2,165.45	77,937.52	35.42	3,432.48	84,656.22	
Charge for the year	122.41	22.40	243.41	16,315.38	17.30	520.08	17,240.98	
BTA/Slump sale	0.31	-	-	-	-	-	0.31	
Disposal	-	-	-	-	-	-	-	
<b>At 31st March 2022</b>	<b>1,039.52</b>	<b>190.95</b>	<b>2,408.85</b>	<b>94,252.89</b>	<b>52.72</b>	<b>3,952.57</b>	<b>1,01,897.51</b>	
<b>C Net carrying amounts</b>								
At 31st March 2021	444.03	412.59	5,144.15	20,418.19	23.09	17,136.53	43,578.58	
At 31st March 2022	359.59	390.19	4,900.75	5,726.88	5.77	16,616.45	27,999.63	

\* Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)

Rights includes, Capital expenditure made for Cinema Construction which is not put to use as on Mar 22 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**

Particulars	Rights	Project Expenditures	Other Intangible assets under development	Total
<b>Gross block</b>				
Opening 01.04.2020	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
<b>Closing 31.03.2021</b>	<b>-</b>	<b>20,203.50</b>	<b>69.87</b>	<b>20,273.37</b>
Opening 01.04.2021	-	20,203.50	69.87	20,273.37
Addition	-	-	2.97	2.97
Capitalised During the year	-	-	-	-
<b>Closing 31.03.2022</b>	<b>-</b>	<b>20,203.50</b>	<b>72.84</b>	<b>20,276.34</b>
<b>Accumulation</b>				
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	-	-	-	-
<b>Closing 31.03.2021</b>	<b>-</b>	<b>9,312.70</b>	<b>6.19</b>	<b>9,318.89</b>
Opening 01.04.2021	-	9,312.70	6.19	9,318.89
Depreciation for the year	-	3,198.35	-	3,198.35
Depreciation on Disposal	-	-	-	-
<b>Closing 31.03.2022</b>	<b>-</b>	<b>12,511.05</b>	<b>6.19</b>	<b>12,517.24</b>
<b>At 31st March 2021</b>	<b>-</b>	<b>10,890.80</b>	<b>63.67</b>	<b>10,954.48</b>
<b>At 31st March 2022</b>	<b>-</b>	<b>7,692.45</b>	<b>66.65</b>	<b>7,759.10</b>

**(a) Intangible assets under development aging schedule****As at 31 March 2022**

Intangible assets under development	Amount in CWIP for a period of			Total
	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.97	-	7,756.13	7,759.10
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>2.97</b>	<b>-</b>	<b>7,756.13</b>	<b>7,759.10</b>

**As at 31 March 2021**

Intangible assets under development	Amount in CWIP for a period of			Total
	1-2 years	2-3 years	More than 3 years	
Projects in progress	761.50	-	10,192.98	10,954.48
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>761.50</b>	<b>-</b>	<b>10,192.98</b>	<b>10,954.48</b>





	As at 31 March 2022	As at 31 March 2021
(₹ in lacs)		
<b>8 Non-current Investments</b>		
a Investments accounted for using the equity method		
In Equity Instrument		
i RCCL Infrastructure Pvt. Ltd #	(0.00)	(0.00)
1565200 (1565200)Equity shares of ₹ 10 each fully paid Including Goodwill 1.71 Lacs		
ii SMS-AAMW Tollways Pvt. Ltd.#	-	-
2600 (2600)Equity shares of ₹ 10 each fully paid Including Goodwill Nil, Capital Reserve Nil		
iii SPANV Medisearch Lifesciences Pvt Ltd*		
(3500133 (Nil) Equity shares of ₹1 each fully paid) Net worth attributable to shareholding of SMS group upto the date of holding associate relationship	4,933.19	-
Goodwill on account of consolidation	3,684.90	-
Profit /(loss) during the year	(212.38)	-
	<b>8,405.71</b>	<b>(0.00)</b>
b Investment In Preference Instruments	4,823.70	3,397.20
c Investment in Joint Ventures	0.00	28.93
d Investment in Partnership Firm	33,337.02	37,384.70
e Investment in Unquoted equity Instruments	13.54	13.54
f Investment in Government Securities	1.54	1.54
g Investment in Mutual Fund	1,065.70	567.18
h Investment in Debt Instruments	1,048.44	1,410.00
i Other Investments (unquoted): (At Fair Value through Other Comprehensive Income)	269.00	269.00
j Investment in Quoted equity Instruments	1,977.08	2,371.80
	<b>42,536.02</b>	<b>45,443.89</b>

## Note :-

In the absence of the financial statement of one associate company RCCL Infrastructure Pvt. Ltd, 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.

- # 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 carrying value of investment.
- 2 Total unrecognised losses of associate company is ₹ -1126.25 Lacs as at 31/03/2022. (₹ -1109 Lacs)
- 3 During F.Y 2021-22 the share in loss of associate company not accounted for amounts to ₹ -17.73 Lacs (₹ -0.06 Lacs)
- \* Spanv Medisearch Lifesciences Private Limited

Particulars	No of equity shares
As per Demat Account	3278621
As per Books	3500133
Mismatch difference due to technical error	221512

On the date of signing of balance sheet technical error get rectified.



**SMS Limited**

**Notes to Consolidated Financial Statements for the year ended 31st March,2022**

(₹ in lacs)

**Details of Non Current Investments**

	As at 31 March 2022	As at 31 March 2021
<b>A. Investment in Equity Instruments</b>		
<b>Unquoted (Valued at cost)</b>		
1 Equity Shares of Abhyudaya Co-operative Bank Limited 99,990 (99,990) Equity Shares of ₹ 10/- each Issued at Par	9.99	9.99
2. Khamgaon Urban Co-Operative Bank Ltd. 100 (100) Equity shares of ₹ 10/- each issued at Par	0.01	0.01
3. Nandura Urban Co-Operative Bank Ltd. 43 (43)Equity shares of ₹ 100/- each issued at Par	0.04	0.04
4. Malkapur Urban Co-Operative Bank Ltd. 1000 (1000) Equity shares of ₹ 100/- each issued at par	1.00	1.00
5. Abhyudaya Co-operative Bank Limited	2.50	2.50
	<b>13.54</b>	<b>13.54</b>

**B. Investment in Preference shares of Associate Companies in India**

**Unquoted (Valued at cost)**

1. Agroh Biaora Tollways Pvt Ltd 70,00,000, (70,00,000) 5% Non Cumulative Convertible Preference Shares of ₹10 Each Note : As this are Convertible Preference shares, they are valued at cost	700.00	700.00
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**Unquoted (At Fair Value through Other Comprehensive**

2. Manawar Kukshi Tollways Pvt Ltd 6,00,000, (6,00,000)1% Cumulative Redeemable Preference Shares of ₹ 100 Each Note : Redeemable preference shares purchased for ₹ 600 Lacs cumulative valued at Fair Value.	190.37	171.50
3. Ayushajay Construction Pvt. Ltd. 4,34,03,730 (2,37,47,730), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of ₹ 10 Each Note : Redeemable Preference Shares purchased for ₹ 4340 Lacs valued at Fair Value. (₹ 2375 Lacs cumulative valued at Fair Value	1,627.05	1,095.88
4. Charu Infotech Pvt. Ltd. 62,26,600 (37,96,600), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of ₹ 10 Each Note : Redeemable preference shares purchased for ₹ 623 Lacs valued at Fair Value.(₹ 380 Lacs) cumulative valued at Fair Value)	267.41	156.25



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2022

(₹ in lacs)

Details of Non Current Investments

	As at 31 March 2022	As at 31 March 2021
5 Khaighat Manawar Toll Pvt. Ltd. 29,30,000, (29,30,000), 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹ 10 Each  Note : Redeemable Preference Shares purchased for ₹ 293 Lacs cumulative valued at Fair Value.	92.96	83.76
6 Madhav Infracon (BK Corridor) Pvt. Ltd. 15,00,000 (15,00,000) 6.5% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 Each)  Note : Redeemable Preference shares purchased for ₹ 150 Lacs cumulative valued at Fair Value.	-	42.88
7 Sarangpur Agar Road Pvt. Ltd. 14,75,000 (14,75,000), 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares purchased for ₹ 147 Lacs cumulative valued at Fair Value.	46.80	42.21
8 Shilpy Finlease Pvt. Ltd. 50,20,600 (36,16,600), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased of ₹ 10 Each  Note : Redeemable Preference shares purchased for ₹ 502 Lacs  valued at Fair Value.(₹ 362 Lacs) cumulative valued at Fair Value	149.64	150.44
9 Agroh Infrastruture Developers Private Limited 3,30,39,452 (1,76,39,452), 6% Non Convertible Redeemable Preference Shares of ₹ 10 Each  Note : Redeemable Preference Shares purchased for ₹ 3304 Lacs  valued at Fair Value. (₹ 1764 Lacs) cumulative valued at Fair Value)	1,513.98	829.13
10 BE Infratech Private Limited 9,00,000,(Nil) 0.0001% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased of ₹ 100 Each  Note : Redeemable Preference shares purchased for ₹ 900 Lacs cumulative valued at Fair Value.	235.48	125.15

**4,823.70**      **3,397.20**





## Details of Non Current Investments

	As at 31 March 2022	As at 31 March 2021
<b>C Investments in Mutual Funds (At Fair Value through Other Comprehensive Income)</b>		
<b>Quoted</b>		
<b>Debt oriented mutual fund</b>		
1 Aditya Birla Sun Life Dynamic Bond Fund-Growth-Regular Plan	155.96	152.53
2 Aditya Birla Sun Life Credit Risk Fund - Gr. REGULAR	8.84	8.48
3 SBI Credit Risk Fund Regular Growth	15.54	14.72
4 SBI Dynamic Bond Fund - Regular Plan - Growth	146.65	142.58
5 Axis Banking & PSU Debt Fund - Growth (BDGPG)	3.78	3.63
6 IDFC Banking & PSU Debt Fund - Growth	107.12	85.21
8 ICICI Prudential Multicap Fund- Growth	47.59	33.30
9 Axis Short Term Fund - Regular Growth	100.12	-
10 ICICI Prudential Short Term Fund - Growth Option	100.13	-
11 IDFC Bond Fund -Short Term Plan-Growth-(Regular Plan)	62.56	-
12 IDFC Banking and PSU Debt Fund-Regular Plan-Growth Fund	150.14	-
<b>Equity oriented mutual fund</b>		
13 UTI Flexi Cap Fund (Earlier UTI Equity Fund) - Regular Growth Plan	50.75	38.61
14 Edelweiss Balanced Advantage Fund - Growth	83.14	62.40
15 State Bank of India mutual fund	-	25.72
16 SBI Infrastructure Fund - Regular Plan - IDCW	33.37	-
	<b>1,065.70</b>	<b>567.18</b>
<b>D Investment in Partnership firm : (At amortised cost)</b>		
<b>Unquoted</b>		
SAN Finance Corporation	33,337.02	37,384.70
	<b>33,337.02</b>	<b>37,384.70</b>
<b>E Other Investments (unquoted): (At Fair Value through</b>		
1 Edelweiss Infrastructure Yield Plus	269.00	269.00
	<b>269.00</b>	<b>269.00</b>
<b>F Investments in Debentures</b>		
Surya International Private Limited, (216, 1% Convertible Debentures of ₹ 10 Lacs Each)	1,048.44	1,410.00
As this are Compulsorially Convertible Debentures, at rates prevailing on the date of conversion so are valued at fair value through OCI which is purchased at a cost of ₹ 2160 Lacs)		
	<b>1,048.44</b>	<b>1,410.00</b>



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2022

(₹ in lacs)

Details of Non Current Investments:

	As at 31 March 2022	As at 31 March 2021
<b>g Investment in Equity Instruments</b>		
<b>Quoted (Valued at fair value through P&amp;L)</b>		
Shares of Dhani Services** (14,10,944 shares of face Value ₹ 10/- each) (14,10,944)	879.72	2,371.80
<b>Quoted (At Fair Value through Other Comprehensive</b>		
Dhani Services Ltd	1,097.36	-
17,60,000 ( NIL) Equity shares of ₹ 2 each fully paid		
Cost of Investment - ₹ 2412.93 Lacs		
Fair Market Value of Investment - ₹ 1097.36 Lacs		
	<b>1,977.08</b>	<b>2,371.80</b>



## Details of Non Current Investments

**MAHARASHTRA ENVIRO POWER LIMITED**

Details of Partnership Firm as on 31st March 2022

Name of Partnership Firm: SAN Finance Corporation

Sr.no	Partners Name	Partners Capital (current)	Partners Capital (Fixed)	Share of each Partner	Share in Profit/(loss)
1)	Ajay Sancheti	(5,366.14)	0.13	27%	(397.00)
2)	Anand Sancheti	(20,916.74)	0.13	27%	(397.00)
3)	Paramveer Sancheti	(4,152.52)	0.06	18%	(264.66)
4)	Akshay Sancheti	(4,657.63)	0.06	18%	(264.66)
5)	Maharashtra Enviro Power Limited	36,732.02	0.13	10%	(147.04)
	<b>Total</b>	<b>1,638.99</b>	<b>0.50</b>	<b>100%</b>	<b>(1,470.36)</b>

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)	Share of each Partner	Share in Profit/(loss)
1)	Ajay Sancheti	(3,716.06)	0.13	27%	(397.00)
2)	Anand Sancheti	(18,028.97)	0.13	27%	(397.00)
3)	Paramveer Sancheti (Leagal heirs of Late Mr. Abhay Sancheti)	(2,802.04)	0.06	18%	(264.66)
4)	Akshay Sancheti (Legal hairs of Late Mr. Abhay Sancheti)	(2,480.02)	0.06	18%	(264.66)
5)	Maharashtra Enviro Power Limited	40,435.56	0.13	10%	(147.04)
	<b>Total</b>	<b>13,408.97</b>	<b>0.50</b>	<b>100%</b>	<b>(1,470.36)</b>

## Note :-

Mutual Funds are Pledged as security against Cash Credit facility sanction by Axis Bank.

- Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular
- Aditya Birla Sun Life Credit Risk Fund Gr. Regular.
- SBI Dyanamic Bond Fund - Regular Plan - Growth.
- SBI Credit Risk Fund Regular Growth.
- Edelweiss Infrastructure Yield Plus
- Axis Banking & PSU Debt Fund - Growth (BDGPG)
- IDFC Banking & PSU Debt Fund - Growth
- UTI Flexi Cap Fund ( Earlier UTI Equity Fund) - Regular Growth
- ICICI Prudential Multicap Fund- Growth
- Edelweiss Balanced Advantage Fund - Growth





## h 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	As at 31	As at 31	As at 31
				March 2022	March 2022	March 2021	March 2021
				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
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V) #	Brahamaputra Consortium Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	-	-	(1.40)	11.59
							<u>28.93</u>

# The company has written off investment in two joint venture entities (partnership firm) during FY 2021-22. As the operations of these entities stalled 6-7 years back and the company not expected to have any further returns from these entities.



	(₹ in lacs)			
	Non Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>9 Loans</b>				
<b>A Loan to related parties</b>				
Loans receivables considered good Unsecured				
Joint Controlled entitle	846.92	-	9,389.19	8,476.14
Loans and Advances to Directors	-	-	33.84	32.64
<b>B Other loans</b>				
Loans receivables considered good Unsecured				
Other Parties	580.83	625.15	5,644.59	12,481.75
<b>Total</b>	<u>1,427.75</u>	<u>625.15</u>	<u>16,067.62</u>	<u>20,990.53</u>



**Details of loans and advances:-****Non Current****SMS ENVOCLEAN PRIVATE LIMITED**

Loan to related parties	846.92	-	1,121.06	-
Loan to Other loans	580.83	625.15	-	-

**Current****AYODHYA GORAKHPUR SMS TOLLS Pvt Ltd**

Loans and Advances to Directors	-	-	33.84	32.64
Loan to related parties	-	-	1,257.19	1,257.19
Loan to Other loans	-	-	1,543.66	1,553.79

**SMS-AABS INDIA TOLLWAYS Pvt Ltd**

Loan to related parties	-	-	-	-
Loan to Other loans	-	-	4,424.89	9,795.60

**Patwardhan Infrastructure Pvt Ltd**

Loan to related parties	-	-	-	98.78
Loan to Other loans	-	-	-	129.11

**PT. SMS Mines Indonesia**

Loan to related parties	-	-	-	-
Loan to Other loans	-	-	15.79	14.56

**SMS Limited**

Loan to related parties	-	-	-	-
Loan to Other loans	-	-	660.25	988.69

**SMS Water Grace BMW Pvt. Ltd**

Loan to related parties	-	-	1,398.51	690.41
Loan to Other loans	-	-	-	-

**Maharashtra- Enviro Power Ltd.**

Loan to related parties	-	-	1,900.00	-
Loan to Other loans	-	-	-	-

**Spark Mall and Parking Pvt Ltd**

Loan to related parties	-	-	3,645.99	6,378.34
Loan to Other loans	-	-	-	-

**SMS Hazardous Waste Management Pvt Ltd**

Loan to related parties	-	-	33.99	35.19
Loan to Other loans	-	-	-	-

**SMS VIDHYUT PRIVATE LIMITED**

Loan to related parties	-	-	32.15	15.94
Loan to Other loans	-	-	-	-

**SMSIL KTCO (JV)**

Loan to related parties	-	-	0.28	0.28
Loan to Other loans	-	-	-	-

	1,427.75	625.15	16,067.62	20,990.53
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**Additional disclosures related to Loans given to related party that are: (a) repayable on demand; and (b) without specifying any terms or period of repayment.**

Disclosures where Loans or Advances in the nature of loans are granted to

Type of Borrower	Non Current		Current	
	Amount of loan outstanding	Percentage to the total Loans	Amount of loan outstanding	Percentage to the total Loans
<b>As at 31st March 2022</b>				
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	33.84	0.21%
KMPs	-	0.00%	-	0.00%
Related Parties	846.92	59.32%	9,389.19	58.44%
<b>As at 31st March 2021</b>				
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	32.64	0.16%
KMPs	-	0.00%	-	0.00%
Related Parties	-	0.00%	8,476.14	40.38%





(₹ in lacs)

As at 31 March 2022	As at 31 March 2021
------------------------	------------------------

**10 Other non current financial assets****(Unsecured considered good)**

Fixed Deposit with remaining maturity for more than 12 months\*

Fixed Deposit with remaining maturity for more than 12 months*	1,574.30	4,402.92
Earnest Money Deposits	1,296.52	909.42
Retention Money	959.73	4,581.76
Security Deposit	6,158.67	3,985.20
Other Receivables	7.88	35.56
	<b>9,997.09</b>	<b>13,914.85</b>

\* Note:- Most of the Fixed Deposit receipts are held as a Margin Money/ Security Deposit against Letter of Credit/ Bank Guarantee/ Collateral security against Loans/ Other Commitment.



	As at 31 March 2022	As at 31 March 2021
<b>11 A Current Tax Assets (Net)</b>		
The details of income tax assets and liabilities		
Income tax assets in case of same entities	6,116.22	14,427.70
Income tax liabilities in case of same entities	(636.45)	(10,378.38)
Net balance	<u>5,479.77</u>	<u>4,049.32</u>
<b>B Deferred Tax Assets (Net)</b>		
Deferred tax assets in case of same entities	16,708.89	15,798.56
Minimum Alternate Tax Credit Entitlement	1,692.50	1,529.61
Net deferred tax assets	<u>18,401.39</u>	<u>17,328.17</u>
<b>C Current Tax liability (Net)</b>		
Income tax liabilities in case of same entities	642.91	1,111.86
Income tax assets in case of same entities	(375.91)	(250.88)
Net balance	<u>267.00</u>	<u>860.98</u>
<b>D Deferred Tax liability (Net)</b>		
Deferred tax liabilities in case of same entities	3.01	424.97
Net deferred tax liabilities	<u>3.01</u>	<u>424.97</u>

**Note :-**

1. In case of SMS Infolink Private Limited , SMS Hazardous 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 arises between the income tax law & books of accounts prepared in accordance with applicable Financial reporting framework. Due to which, the deferred tax expenses / Income , and corresponding deferred tax assets / liabilities of jointly controlled operations has been considered as Nil for the purpose of consolidated financial 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.



	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>12 Other Non Current Assets</b>		
<b>(Unsecured considered good)</b>		
a Capital advances #	2,337.99	704.49
b Advances other than Capital Advances		
Security deposit to vendors & utilities	98.75	113.40
Other	9.54	9.53
c Prepaid expenses	9.13	6.74
	<u>2,455.40</u>	<u>834.16</u>

**Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)**

# It include ₹ 129.45 Lacs (₹ 129.45 Lacs ) Capital advance to Shriaan Business Solution Pvt Ltd (RCSC) for civil and construction in the mall at Delhi. The vendor has completed the work but doesn't raised the tax invoices against the same as technical staff of work was pending. In FY 21-22, the technical audit is conducted by Chafle & Associates and reported the deduction against the work. Vendor is not agreeing the deductions and hence not raised the tax invoices against the same.





	(₹ in lacs)	
	As at March 31 2022	As at March 31 2021
<b>13 Inventories (As taken and Valued at lower of Cost* or Net realisable Value and certified by management)</b>		
Work in progress	22,586.03	22,498.17
Construction & Project Inventory	10,780.69	10,125.60
Stock-in-trade	540.70	70.39
Stores and spares	278.30	234.40
Chemicals	53.94	69.87
Material in transit	4.02	-
Goods held for sale	-	1,546.94
	<b>34,243.68</b>	<b>34,545.36</b>

\* Note:- Refer significant accounting policy as per note no 2



Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>14 Current Investments</b>		
A Investment in Listed Equity Shares	363.39	595.87
B Investment in Mutual Fund	223.49	204.43
C Investment in Debentures	-	500.00
D Investment in Limited Liability Partnership*	-	-
E Investment in Partnership Firms	3,395.00	3,050.98
	<b>3,981.88</b>	<b>4,351.28</b>

**Details of Current Investments****A Investment in Listed Equity Shares****Investments in Quoted Equity Shares (fair value through other comprehensive income, fully paid up)**

<b>(i) AJR infra and tolling limited</b>	270.46	104.36
<i>14698970 (14698970) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - ₹ 121.70 Lacs (₹ 121.70 Lacs)		
Fair Market Value of Investment - ₹ 270.46 Lacs (₹ 104.36 Lacs)		
<b>(ii) Hindustan construction company limited</b>	0.02	0.01
<i>100 (100) Equity shares of ₹ 1 each fully paid</i>		
Cost of Investment - ₹ 0.01 Lacs (₹ 0.01 Lacs)		
Fair Market Value of Investment - ₹ 0.02 Lacs (₹ 0.01 Lacs)		
<b>(iii) IDBI bank limited</b>	8.56	7.73
<i>20000 (20000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - ₹ 8.08 Lacs (₹ 8.08 Lacs)		
Fair Market Value of Investment - ₹ 8.56 Lacs (₹ 7.73 Lacs)		
<b>(iv) JMC projects (India) limited</b>	0.02	0.02
<i>25 (25) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - ₹ 0.02 Lacs (₹ 0.02 Lacs)		
Fair Market Value of Investment - ₹ 0.02 Lacs (₹ 0.02 Lacs)		
<b>(v) Just dial limited</b>	38.06	-
<i>5350 (Nil) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - ₹ 48.07 Lacs (Nil)		
Fair Market Value of Investment - ₹ 38.06 Lacs (Nil)		
<b>(vi) NCC limited</b>	1.64	2.25
<i>2800 (2800) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - ₹ 2.37 Lacs (₹ 2.37 Lacs)		
Fair Market Value of Investment - ₹ 1.64 Lacs (₹ 2.25 Lacs)		
<b>(vii) PTC India financial services limited</b>	4.68	5.39
<i>30000 (30000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - ₹ 6.21 Lacs (₹ 6.21 Lacs)		
Fair Market Value of Investment - ₹ 4.68 Lacs (₹ 5.39 Lacs)		



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2022

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>(viii) PTC India limited</b>	10.09	9.76
<i>12250 (12250) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - ₹ 9.67 Lacs (₹ 9.67 Lacs)		
Fair Market Value of Investment - ₹ 10.09 Lacs (₹ 9.76 Lacs)		
<b>(ix) Reliance power limited</b>	20.25	6.81
<i>150000 (150000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - ₹ 6.62 Lacs (₹ 6.62 Lacs)		
Fair Market Value of Investment - ₹ 20.25 Lacs (₹ 6.81 Lacs)		
<b>(x) Sadbhav Engineering Limited</b>	0.01	0.03
<i>50 (50) Equity shares of ₹ 1 each fully paid</i>		
Cost of Investment - ₹ 0.04 Lacs (₹ 0.04 Lacs)		
Fair Market Value of Investment - ₹ 0.01 Lacs (₹ 0.03 Lacs)		
<b>(xi) Sobha limited</b>	7.10	-
<i>1000 (Nil) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - ₹ 7.77 Lacs (Nil)		
Fair Market Value of Investment - ₹ 7.10 Lacs (Nil)		
<b>(xii) Suen Life Sciences Limited</b>	2.32	1.78
<i>2500 (2500) Equity shares of ₹ 1 each fully paid</i>		
Cost of Investment - ₹ 2.01 Lacs (₹ 2.01 Lacs)		
Fair Market Value of Investment - 2.32 Lacs (1.78 Lacs)		
<b>(xiii) YES bank limited</b>	0.19	0.25
<i>1550 (1550) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - ₹ 0.24 Lacs (₹ 0.24 Lacs)		
Fair Market Value of Investment - ₹ 0.19 Lacs (₹ 0.25 Lacs)		
<b>(xiv) Ashapura Minechem Limited</b>	-	41.06
<i>Nil (40452) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - Nil (₹ 48.42 Lacs)		
Fair Market Value of Investment - Nil (₹ 41.06 Lacs)		
<b>(xv) Dilip Buildcon Ltd</b>	-	256.50
<i>Nil (44000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - Nil (₹ 283.38 Lacs)		
Fair Market Value of Investment - Nil (₹ 256.50 Lacs)		
<b>(xvi) HDFC Bank Ltd</b>	-	7.77
<i>Nil (500) Equity shares of ₹ 1 each fully paid</i>		
Cost of Investment - Nil (₹ 7.63 Lacs)		
Fair Market Value of Investment - Nil (₹ 7.77 Lacs)		
<b>(xvii) Infosys Ltd</b>	-	13.86
<i>Nil (1000) Equity shares of ₹ 5 each fully paid</i>		
Cost of Investment - Nil (₹ 13.56 Lacs)		
Fair Market Value of Investment - Nil (₹ 13.86 Lacs)		





SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>(xviii) JITF Infralogistic Limited</b>	-	0.19
<i>Nil (2411) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - Nil (0.21 Lacs)		
Fair Market Value of Investment - Nil (0.19 Lacs)		
<b>(xix) Lemon Trees Hotels</b>	-	8.94
<i>Nil (25000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - Nil (₹ 9.99 Lacs)		
Fair Market Value of Investment - Nil (₹ 8.94 Lacs)		
<b>(xx) Moil Limited</b>	-	15.61
<i>Nil (10000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - Nil (₹ 15.93 Lacs)		
Fair Market Value of Investment - Nil (₹ 15.61 Lacs)		
<b>(xxi) NTPC Ltd</b>	-	21.54
<i>Nil (20000) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - Nil (₹ 21.75 Lacs)		
Fair Market Value of Investment - Nil (₹ 21.54 Lacs)		
<b>(xxii) Tata Motors Limited</b>	-	44.54
<i>Nil (15000) Equity shares of ₹ 2 each fully paid</i>		
Cost of Investment - Nil (₹ 44.77 Lacs)		
Fair Market Value of Investment - Nil (₹ 44.54 Lacs)		
<b>(xxiii) TCS Ltd</b>	-	47.40
<i>Nil (1500) Equity shares of ₹ 1 each fully paid</i>		
Cost of Investment - Nil (₹ 46.77 Lacs)		
Fair Market Value of Investment - Nil (₹ 47.40 Lacs)		
<b>(xxiv) Union Bank of India</b>	-	0.09
<i>Nil (252) Equity shares of ₹ 10 each fully paid</i>		
Cost of Investment - Nil (₹ 0.09 Lacs)		
Fair Market Value of Investment - Nil (₹ 0.09 Lacs)		
	363.39	595.87

**B Investment in Equity Instruments**

Investment in Mutual Funds : (At Fair Value through OCI)

**Quoted**

**Debt oriented mutual fund**

1	IDFC Corporate Bond Fund	40.19	38.37
2	Nippon India Banking & PSU Debt Fund - Growth (Earlier Reliance)	42.31	40.45
3	Nippon India Floating Rate Fund - Growth Plan (Earlier Reliance)	42.35	40.51

**Equity oriented mutual fund**

4	HDFC Small Cap Fund - Regular Growth	21.18	15.77
5	Mirae Asset Large Cap Regular Growth	17.92	15.17
6	Nippon India Large Cap Fund - Growth (Earlier Reliance)	17.56	14.04



Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>Unquoted</b>		
7 IICI Prudential Banking & PSU Debt Fund - Growth	41.98	40.13
	<b>223.49</b>	<b>204.43</b>
<b>C Investment in Debentures</b>		
Investment in Debentures (Quoted) : (At Fair Value through OCI)		
SREI Perpetual Debentures Instrument	-	500.00
	-	<b>500.00</b>
<b>D Investment in Partnership firm : (At amortised cost)</b>		
SAN Finance Corporation	3,395.00	3,050.98
	<b>3,395.00</b>	<b>3,050.98</b>

**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 has been strucked off.



	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>15 Trade receivables (Current)</b>		
Trade receivables Considered good, Unsecured		
Related Party	5,517.72	4,442.51
Other parties*	30,291.91	28,730.11
	<b>35,809.62</b>	<b>33,172.61</b>

**\* Spark Mall And Parking Pvt Ltd**

Spark Mall And Parking Pvt Ltd has filed the case in high court against the tenant Bann Huff London. Recently we have received the order from high court that "sufficient opportunities have already been granted to accused to cross examine the complainant" and closed the rights of complainant to cross examine. CY: ₹ 7.48 Lacs (₹ 7.48 Lacs)





## 15A Trade Receivables Ageing Schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good - Unsecured	26,655.99	910.75	3,823.53	653.09	143.24	31,686.56
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	1,900.79	1,900.79
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vii) others	-	-	-	-	-	2,222.27
<b>Total</b>						<b>35,809.62</b>

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good - Unsecured	22,035.71	2,406.25	476.44	6,115.29	205.50	31,239.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	1,590.24	1,590.24
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vii) others	-	-	-	-	-	343.18
<b>Total</b>						<b>33,172.61</b>

\*The ageing is given on the basis of date of the transactions instead of due date of payment.

Note:- While preparing consolidated disclosure we considered only financial of those in which these disclosures are available and differences shown in others.



(₹ in lacs)

	As at 31 March 2022	As at 31 March 2021
<b>16 A Cash and cash equivalents</b>		
Balances with banks in current accounts**	1,883.13	3,476.96
FDR with maturity less than 3 months includes interest there on	6,196.49	2,317.43
Cash on hand		
a) In local currency	333.38	390.49
b) In foreign Currency	0.98	0.13
Marketable securities (Stated at Fair Value) (Purchase at Cost ₹ 1900.10 lacs (Nil))	803.49	1,907.43
Debit balance in cash credit account**	241.38	216.98
Cheques in hand	156.63	
Fastag Receivables	78.69	66.56
POS Receivable	0.03	0.22
Paytm Wallet	0.03	0.00
	<b>9,694.24</b>	<b>8,376.20</b>
<b>B Other bank balances</b>		
Fixed Deposits with Banks		
Fixed deposits with remaining maturity of less than 12 months (held as a margin money/ security deposit against LC/ BG/ collateral security against loans/ other commitment).	4,982.54	4,183.60
	<b>4,982.54</b>	<b>4,183.60</b>

**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 ₹ 75 lacs (dated 28.12.2018) and the current rate of interest is 9.40% (MCLR 1 +2% PA). (CY : ₹ 153.91 Lacs, PY : ₹ 121.36 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 Situated 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 : ₹ 87.47 Lacs, PY ₹ 95.62 Lacs)





	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>17 Other Current Financial Assets</b>		
Other receivables	589.44	528.85
Sesen Realty Pvt Ltd (formerly Satellite Developers Pvt Ltd)*	7,665.00	7,681.43
Withheld Amount	5,527.65	6,566.75
Security deposits	3,257.48	3,054.58
Retention money	3,353.11	2,456.08
Amount receivable on account of TDS deducted	516.19	747.80
Claim from MSEDCL (33 KVA Line RBC) & (33 KVA Line LBC) (Refer Note 70)	169.90	169.90
Interest accrued but not due	86.09	30.66
Earnest Money Deposit	15.83	15.64
Interest Receivable on Debentures	15.29	-
Amount due from Partners of Jointly controlled entities	0.39	44.76
Stamp Duty Recoverable	-	26.75
Recoverable from Related Parties	-	4.38
Recoverable from Directors	-	11.77
	<b>21,196.37</b>	<b>21,339.34</b>

**SMS VIDHYUT PRIVATE LIMITED**

- \* During the FY 2020-21, the Company has entered into an understanding with Satellite Developers Private Limited (SDPL) for acquisition of premium residential apartment in their scheme "SESEN", in Malabar and Cumballa Hill Division, situated at 29, Nepean Sea Road, Mumbai - 400006. The Company has entered into agreement with SDPL to block / earmark / have first right to acquire one residential unit in the said building at a cost of ₹ 10600 Lacs. In consideration of the same, the Company has deposited ₹ 7500 Lacs to SDPL as interest free Deposit. Upon payment of entire sales consideration of ₹ 10600 Lacs to SDPL, the said amount will be refunded.

To acquire the said unit, the Company has availed term loan from Indiabulls Housing Finance Limited (Lenders) of ₹. 5000 Lacs and Dhani Loan and Services Limited (Lenders) of ₹ 2500 Lacs.

However after initial deposit, during final agreement to sale certain additional conditions and cost imposed by proposed seller is not acceptable to company after the detailed due diligence of the proposed acquisition of the residential unit, the Company has decided to terminate an agreement and requested SDPL to refund the interest free deposit. However, SDPL has requested for grant of time to refund the deposit as the amount was already utilised for the project. The Company granted additional time subject to condition that pending full refund of amount the EMI due to the lenders will be paid by SDPL.

SDPL has filed a Company Petition No. 1054 of 2020 before the National Company Law Tribunal at Mumbai proposing to implement a scheme of demerger to spin off, demerge and transfer the Project as an 'undertaking' to a separate entity namely 'Sesen Realty Private Limited' i.e. SRPL and the National Company Law Tribunal at Mumbai has heard the said petition on 8th December, 2020. After hearing the arguments from all the concern parties National Company Law Tribunal passed the order vide order No. CA. 187/ 2021 and CA. 184/2021 dated 10/11/2021.

As on 31st March 2022, the outstanding refundable deposit is ₹ 7500 Lacs along with the interest of ₹ 165 Lacs as committed from Sesen Realty Pvt Ltd is providing funds to repay loan till the refund of advance amount of Spark Mall & parking private limited. Sesen relalty private limited regularly clearing its dues. Total Interest charged during FY 2021-22 is ₹ 82.50 lacs.





	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>18 Other Current Assets</b>		
<b>Advances other than Capital Advances</b>		
Advance to suppliers	6,348.29	7,502.71
Deposit under protest	5,657.88	5,972.85
Advance to sub-contractors	1,426.78	1,493.77
Prepaid expenses	1,247.93	1,329.85
Security Deposit	145.48	220.75
Advance against expenses & Salary	102.14	87.74
Other advances	61.38	21.71
Deposit with Sales Tax Department	0.17	0.21
Rent Deposit	0.07	6.07
<b>Statutory dues receivable :</b>		
Value Added Tax Receivable	4,711.32	5,761.29
Goods & Service Tax Receivable	4,097.67	4,424.61
Other Balance with Revenue authorities	303.80	504.05
Service Tax Receivable	104.43	104.44
Works Contract Tax Receivable	9.23	9.22
Excise duty Receivable	0.81	0.81
<b>Others :</b>		
Other receivable	1.24	1.34
Interest Receivable on Security Deposit	0.56	0.59
Deposit under Appeal*	34.52	34.52
Debit Balance in HDFC credit card	-	1.31
	<b>24,253.70</b>	<b>27,477.82</b>

\* NOTE- SMS Tolls and Developers Limited- Bank Account withheld by Income Tax Department in respect of AY 2011-12, against which the Company has filed an Appeal.



	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>19 Assets / Liabilities Classified as held for Sale</b>		
<b>A Assets classified as held for Sale</b>		
Assets held for sale- Taxi Cars*	24.28	24.28
	<b>24.28</b>	<b>24.28</b>
<b>B Liabilities classified as held for Sale</b>		
Advances against assets held for sale	14.00	24.00
	<b>14.00</b>	<b>24.00</b>

- \* 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 ₹ 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" ₹ 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.



	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>20 Equity Share capital</b>		
<b>a Authorized shares</b>		
15500000 (15000000) equity shares of par value ₹ 10/- each	1,550.00	1,500.00
<b>b Issued, subscribed and fully paid-up shares</b>		
10261382 (10261382) equity shares of par value ₹ 10/- each	1,026.14	1,026.14
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>1,026.14</u>	<u>1,026.14</u>

**c Reconciliation of the shares outstanding at the beginning and at the end of the financial year**

Equity shares	As at 31 March 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
At the beginning of the year	10261382	1,026.14	10261382	1,026.14
Add : Issued During the Year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>10261382</u>	<u>1,026.14</u>	<u>10261382</u>	<u>1,026.14</u>

**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 preferential 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 2022		As at 31 March 2021	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of par value ₹ 10/- each fully paid</b>				
Late Shri Abhay Harakchand Sancheti	-	0.00%	-	0.00%
Shri Ajay Shaktikumar Sancheti	592687	5.78%	592687	5.78%
Shri Anand Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Shri Paramveer Abhay Sancheti	1607348	15.66%	1607348	15.66%
Shri Nirbhay Ajay Sancheti	1818310	17.72%	1818310	17.72%
Shri Akshay Abhay Sancheti	1607348	15.66%	1607348	15.66%
Best Power Plus Private Limited	2224374	21.68%	2224374	21.68%

**f Details of Shareholding of Promoters in the company as on 31.03.2022 as under:**

Promoter name	No. of Shares at the beginning	Change during the year	No. of Shares at the end of the year	% of total shares	% of change during the year
Late Shri . Abhay Harakchand Sancheti	3214696	-3214696	0	0.00%	-100%
Shri. Ajay Shaktikumar Sancheti	592687	0	592687	5.78%	0%
Shri. Anand Shaktikumar Sancheti	2410997	0	2410997	23.50%	0%
Shri. Paramveer Abhay Sancheti	0	1607348	1607348	15.66%	100%
Shri. Nirbhay Ajay Sancheti	1818310	0	1818310	17.72%	0%
Shri. Akshay Abhay Sancheti	0	1607348	1607348	15.66%	100%
Smt. Bharti Abhay Sancheti	106	0	106	0.00%	0%
Mrs. Savita Ajay Sancheti	106	0	106	0.00%	0%
Mrs. Shruti Anand Sancheti	106	0	106	0.00%	0%
<b>TOTAL</b>	<b>8037008</b>	<b>0</b>	<b>8037008</b>	<b>78.32%</b>	

**g Details of Shareholding of Promoters in the company as on 31.03.2021 as under:**

Promoter name	No. of Shares at the beginning	Change during the year	No. of Shares at the end of the year	% of total shares	% of change during the year
Late Shri . Abhay Harakchand Sancheti	3214696	0	3214696	31.33%	0%
Shri. Ajay Shaktikumar Sancheti	2410997	-1818310	592687	5.78%	-75.42%
Shri. Anand Shaktikumar Sancheti	2410997	0	2410997	23.50%	0%
Shri. Nirbhay Ajay Sancheti	0	1818310	1818310	17.72%	100%
Smt. Bharti Abhay Sancheti	106	0	106	0.00%	0%
Mrs. Savita Ajay Sancheti	106	0	106	0.00%	0%
Mrs. Shruti Anand Sancheti	106	0	106	0.00%	0%
<b>TOTAL</b>	<b>8037008</b>	<b>0</b>	<b>8037008</b>	<b>78.32%</b>	





	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>21 Other Equity</b>		
<b>A Reserves &amp; Surplus</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	1,116.85	1,116.85
Derecognition of reserves of PIPL due to merger	(286.14)	-
Recognition of reserves of PIPL through SMS standalone financial consequent to merger	286.14	-
<b>Closing Balance</b>	<b>1,116.85</b>	<b>1,116.85</b>
<b>B Holding Reserve (including Retained Earnings)</b>		
Balance at the beginning of financial year	58,575.56	53,515.83
Restatement / Prior Period Errors / Change in Accounting Policies	-	(29.33)
Derecognition of reserves of PIPL due to merger	(698.05)	-
Goodwill of PIPL derecognised due to merger	(416.75)	-
Restated Balance at the beginning of financial year	57,460.77	53,486.50
<b>ADD</b>		
Profit for the year	9,352.06	5,593.56
Interim Dividend Paid including Dividend Distribution Tax	(749.25)	(504.50)
Recognition of reserves of PIPL through SMS standalone financial consequent to merger	698.05	-
<b>Net surplus in the statement of profit and loss</b>	<b>66,761.63</b>	<b>58,575.56</b>
<b>C Other Comprehensive Income</b>		
<b>i Gain/(Loss) on Recognition of Investment in Preference Shares /Debt Instruments at Fair Value</b>		
Balance as per last financial statements	57.77	30.21
Addition during the year	(2,640.46)	27.56
Closing	<b>(2,582.69)</b>	<b>57.77</b>
<b>ii Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value</b>		
Balance as per last financial statements	(4,473.11)	(2,463.10)
Addition during the year	(979.22)	(2,010.02)
Derecognition of reserves of PIPL due to merger	(11.08)	-
Recognition of reserves of PIPL through SMS standalone financial consequent to merger	11.08	-
Closing	<b>(5,452.34)</b>	<b>(4,473.11)</b>
<b>iii Re-measurement gains or losses on defined benefit plans</b>		
Balance as per last financial statements	86.72	(115.40)
Addition during the year	75.29	202.12
Closing	<b>162.01</b>	<b>86.72</b>
<b>iv Unwinding interest income on investment in Preference Shares</b>		
Balance as per last financial statements	91.59	111.32
Addition during the year	247.23	(19.74)
Closing	<b>338.82</b>	<b>91.59</b>
<b>v Unwinding interest on Preference Shares Issued</b>		
Balance as per last financial statements	86.91	(48.24)
Addition during the year	(21.91)	135.14
Closing	<b>65.00</b>	<b>86.91</b>
<b>Total Closing Balance</b>	<b>(7,469.21)</b>	<b>(4,150.13)</b>



## Notes to Consolidated Financial Statements for the year ended 31st March,2022

	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>D Securities Premium Account</b>		
Balance as per the last financial statements	10,647.69	10,647.69
<b>Closing Balance</b>	<b>10,647.69</b>	<b>10,647.69</b>
<b>E Capital Reserve</b>		
Balance as per the last financial statements	93.46	101.50
Restatement / Prior Period Errors / Change in Accounting Policies	-	(8.04)
<b>Closing Balance</b>	<b>93.46</b>	<b>93.46</b>
<b>Total of other equity</b>	<b>71,150.42</b>	<b>66,283.43</b>



	As at 31 March 2022	(₹ In lacs) As at 31 March 2021
<b>22 Instruments entirely equity in nature</b>		
<b>A Equity portion of Preference Share Capital- Owners Of The Parent</b>		
Opening Share Capital	298.22	604.82
Equity portion of Preference Share Capital- Non-Controlling Interest	-	(286.53)
Restatement / Prior Period Errors / Change in Accounting Policies	-	(20.07)
<b>Closing Share Capital</b>	<b>298.22</b>	<b>298.22</b>
<b>B Equity portion of Preference Share Capital- Non-Controlling Interest</b>		
Opening Share Capital	286.53	-
Restatement / Prior Period Errors / Change in Accounting Policies	-	286.53
Equity portion of Preference Share Capital	-	-
<b>Closing Share Capital</b>	<b>286.53</b>	<b>286.53</b>

(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 )

<b>Details of Shareholders holding :-</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Ayushajay Construction Private Limited</b>		
No. of Shares	2157840	2157840
% Holding	22%	22%
<b>Agroh Infrastructure Developers Private Limited</b>		
No. of Shares	2697300	2697300
% Holding	27%	27%
<b>Surya International Private Limited</b>		
No. of Shares	999000	999000
% Holding	10%	10%
<b>B E Infratech Private Limited</b>		
No. of Shares	999000	999000
% Holding	10%	10%
<b>Charu Infotech Private Limited</b>		
No. of Shares	539460	539460
% Holding	5%	5%

As per the records of the company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.





	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>23 Money received against Share Warrants</b>		
Precinct Concorde Private Limited-- Associate Company of SMS	8,031.22	8,031.22
Taxicab Pvt Ltd.		
<b>Closing Balance</b>	<b>8,031.22</b>	<b>8,031.22</b>

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 ₹ 10 each at a premium of ₹ 10 after completion of locking period.



	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>24 Non-controlling interest</b>		
Opening Balances	10,859.88	6,661.85
Restatement / Prior Period Errors / Change in Accounting Policies	-	8.04
<b>Restated balance</b>	<b>10,859.88</b>	<b>6,669.89</b>
Profit for the year	5,468.55	6,985.36
Other Comprehensive Income for the year	(2,319.52)	(1,806.56)
Interim Dividend paid	(1,468.53)	(988.81)
	<b>12,540.38</b>	<b>10,859.88</b>



(₹ in lacs)

	As at 31 March, 2022	As at 31 March, 2021
<b>25 Non-current Borrowings</b>		
<b>I. Secured</b>		
<b>A Term loans</b>		
<b>i Banks</b>		
Axis Bank Limited	5,030.64	6,755.85
Punjab National Bank (GECL)	2,409.00	1,886.99
State Bank of India (GECL)	2,295.81	-
HDFC Bank limited	465.91	211.17
Kotak Mahindra Bank Limited	379.66	4.17
Bank of India (GECL)	236.71	-
ICICI Bank Limited	234.21	556.05
Canara Bank (GECL)	151.03	-
IndusInd bank	10.40	66.87
State Bank of India	-	1,224.41
Indian Overseas Bank	-	505.85
<b>ii Financial Institution</b>		
Indiabulls Housing Finance	49,917.57	59,240.33
SREI Equipment Finance Private Limited	11,285.36	12,337.65
Tata Motors Finance Limited	399.50	-
Toyato Motar Financial	64.91	-
Diamler Financial Services	50.46	-
<b>II. Unsecured</b>		
<b>A Preference Share Capital</b>		
<b>Liability portion of preference shares</b>		
Liability component of Financial Instrument		
Non-Convertible Redeemable Preference shares (Referred Note No.22)	379.21	336.25
<b>B Loan from director</b>		
Anand Sancheti	2,740.00	-
<b>C Others Parties</b>		
<b>From Body Corporate :</b>		
Dhani Loan & Services	2,222.22	2,500.00
Adeshwar Gems Private Limited	348.52	322.41
PT Sinamarinda Lintas Nusantara	313.11	291.07
Shri Gurudatta Sugars Limited	204.20	181.41
Jinendra Diamonds Private Limited	77.95	71.52
Others	116.48	111.28
	<b>79,332.87</b>	<b>86,603.29</b>

Note : For details of Securities other terms and conditions refer individual bank wise notes given





## 25.1 Details of Securities and Terms of Repayments

## I. SMS Limited

## A. 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 details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
LQNAG00037183400	7.12	8.60%	31/03/2018	17	0.47	1 year 5 months
LQNAG00037304565	26.73	9.00%	03/05/2018	5	5.90	5 months
LANAG00038897541	1.40	9.25%	02/04/2019	3	0.65	3 months
LANAG00039405149	1.08	9.60%	04/06/2019	5	0.26	5 months
LANAG00039654714	1.63	9.60%	02/07/2019	7	0.26	7 months
LANAG00039789936	3.16	9.25%	09/07/2019	7	0.50	7 months
LQNAG00040788458/774/749/610/702/524/565	17.76	10.50%	11/09/2019	11	1.83	11 months
UQNAG00041012049/104/172/884/082/097	163.48	10.75%	30/10/2019	13	14.12	1 years 1 month
LQNAG00041149057/976/032/743/944	63.27	10.79%	27/11/2019	14	5.07	1 years 2 months
LQNAG00042505239	114.86	9.51%	21/11/2020	19	6.54	1 years 7 months
LQNAG00043038691	41.29	8.12%	22/12/2020	33	1.40	2 years 9 months
LQNAG00043279407	42.24	8.01%	30/01/2021	34	1.39	2 years 10 months
LVNAG00043279314/LVNAG00043279286	45.19	8.00%	22/03/2021	34	1.49	2 years 10 months
LQNAG00044262279	32.40	8.00%	28/08/2021	29	1.23	2 years 5 months
LANAG00044619956*	22.45	7.40%	27/10/2021	32	0.78	2 years 8 month
LANAG00044643418	31.56	7.40%	27/10/2021	32	1.09	2 years 8 month
<b>Total</b>	<b>615.60</b>					

\*RQC charge against the following Secured term loan is not yet created & registered due to technical reason.

## (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 31.03.2022	Rate of interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
CE1036710	473.22	7.58%	18/10/2021	54	10.52	4 years 6 months
<b>Total</b>	<b>473.22</b>					



## (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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
NNN00495E, NNN00494E	21.94	9.55%	05/02/2020	14	1.66	1 year 2 months
NNN00496E	10.77	9.55%	05/02/2020	14	0.81	1 year 2 months
NNN01115L,16L,17L,18L,19L,20L,21L,22L	23.52	9.57%	28/01/2020	14	1.78	1 year 2 months
NNN01124L, NNN01125L, NNN01126L	17.25	9.55%	07/02/2020	14	1.33	1 year 2 months
<b>Total</b>	<b>73.48</b>					

## (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 31.03.2022	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	5,165.91	9.50%	05/12/2020	46	136.77	3 years 10 months
Various Contracts Bundled	1,437.58	9.50%	05/12/2020	33	49.67	2 years 9 months
Various Contracts Bundled	157.35	9.50%	05/12/2020	21	8.16	1 years 9 months
<b>Total</b>	<b>6,760.84</b>					

## (5) HDFC 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 details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	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	63.30	8.66%	20/02/2021	22	3.12	1 year 10 months
116746861	5.61	7.65%	12/02/2021	23	0.26	1 year 11 months
117257454	16.17	7.50%	20/02/2021	23	0.76	1 year 11 months
116999012	9.77	7.65%	11/02/2021	23	0.46	1 year 11 months
85367749	30.68	8.66%	09/04/2021	24	1.41	2 years
85367757	22.35	8.35%	09/04/2021	24	1.02	2 years
85476507/85476512/85476519/85476520/85476527/85476531	37.32	8.51%	09/06/2021	27	1.52	2 years 3 months
119452876/ 119480318/ 119481682	21.46	7.65%	25/06/2021	28	0.84	2 years 4 months
85542043/85542049	26.92	8.51%	30/06/2021	28	1.06	2 years 4 months
85638043	209.33	8.65%	18/10/2021	28	8.34	2 years 4 months





(₹ in lacs)

85987561	53.80	5.65%	21/11/2021	33	1.90	2 years 9 months
124455571	23.86	7.05%	20/11/2021	35	0.76	2 years 11 months
86158694/86158714/86158741	25.17	7.51%	10/01/2022	34	0.82	2 years 10 months
125348920/219	35.50	7.50%	22/12/2021	33	1.19	2 years 9 months
<b>Total</b>	<b>581.44</b>					

## (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 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
376100IL00000347 #	1,875.00	8.35%	19/01/2021	46	41.67	3 years 10 months
376100EG0000002 ##	1,034.00	8.35%	01/12/2021	69	21.54	5 years 9 months
<b>Total</b>	<b>2,909.00</b>					

## (7) State Bank of India

Secured by second charge by way of hypothecation of current assets as specified in the schedule annexed to the agreement. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
39960697033 #	2,899.98	7.95%	15/01/2021	50	60.42	4 years 2 months
<b>Total</b>	<b>2,899.98</b>					

## (8) Bank of India

Secured by second charge by way of hypothecation of current assets as specified in the schedule annexed to the agreement. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
870065410000014 #	299.00	8.35%	01/02/2021	50	6.23	4 years 7 months
<b>Total</b>	<b>299.00</b>					

## (9) Canara Bank

Secured by second charge by way of hypothecation of current assets as specified in the schedule annexed to the agreement. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
5284703000003 #	196.00	7.95%	18/03/2021	49	4.09	4 years 1 month
<b>Total</b>	<b>196.00</b>					

# Number of instalments due is subject to moratorium period of 12 months

## Number of instalments due is subject to moratorium period of 24 months





## (b) 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	2,314.13	12.11%	05/12/2019	35	67.37	2 year 11 months
187072/186516/187071	12,649.00	12.99%	05/12/2019	35	91.06	2 year 11 months
<b>Total</b>	<b>14,963.13</b>					

## (2) Tata Capital Financial Services Limited

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
21846981	638.75	12.00%	21/10/2021	36	21.75	3 years
<b>Total</b>	<b>638.75</b>					

## (3) Toyota Financial Services India Limited

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 details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
NNGP1226117/NNGP1226156	71.08	6.90%	15/01/2022	34	2.31	2 years 10 months
NNGP1231190	25.32	6.90%	10/03/2022	36	0.78	3 years
<b>Total</b>	<b>96.40</b>					

- (c) SMS Limited: -The loan from director is in the form of Quasi Equity, it has been infused in the company based on commitment with consortium lenders and remain in the business till the fund based limit is reduced to ₹ 24000 Lacs. This unsecured loan is non interest bearing. The amount is not discounted for arriving the fair value despite being non-current liability in nature, due to the fact that repayment period of the loan is not certain.

## II. SMS WATER GRACE BMW PRIVATE LIMITED

## A Secured

## (a) Term Loans From Banks

## (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.

LOAN NO. / AGREEMENT NO.	Outstanding Balance as on 31.03.2022	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date	No of loan
119273427 / 119274264 / 119273979	13.41	8.34%	29-Jun-21	28	0.18	2 years 4 Month	3
121717492 / 121717020 / 121717321	13.53	8.06%	16-Sep-21	30	0.17	2 years 6 Month	3
65408985	3.60	10.90%	23-Mar-19	25	0.16	2 years 1 Month	1



## (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.

LOAN NO. / AGREEMENT NO.	Outstanding Balance as on 31.03.2022	Rate of interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date	No of loan
LCV-979919 / LCV-982663 / TCV-982670 / TCV-982657	1.26	9.60%	5-Jul-18	3	0.11	3 Month	4

## III. SMS ENVOCLEAN PRIVATE LIMITED

## A Secured

## (a) Term Loans From Banks

## (1) Kotak Mahindra 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 on various dates. The details of individual loans are as under.

LOAN NO. / AGREEMENT NO.	Outstanding Balance as on 31.03.2022	Rate of interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date	No of loan
LCV-1187820 / LCV-1183753	2.91	10.31%	25-Jan-19	10	0.15	10 month	2

## (2) 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 on various dates. The details of individual loans are as under.

LOAN NO. / AGREEMENT NO.	Outstanding Balance as on 31.03.2022	Effective Rate of interest %	Date of Agreement/ Sanction	No of Instalments due	Amount of instalment including Interest	Maturity period w.r.t. Balance Sheet date	No of loan
84271465 / 84271471	5.36	9.52%	20-Dec-19	21.00	0.14	1 year 9 months	2
84269301 / 84269328	14.33	9.52%	19-Dec-19	21.00	0.37	1 year 9 months	2
84269305	3.79	9.52%	19-Dec-19	21.00	0.20	1 year 9 months	1
84057723	5.58	9.52%	19-Dec-19	21.00	0.29	1 year 9 months	1
84269311 / 84269332 / 84269336 / 84269340 / 84269343 / 84269347 / 84269350 / 84269355 / 84269362 / 84269337	24.26	9.52%	19-Dec-19	21.00	0.13	1 year 9 months	10
84844865 / 84844871 / 84844910 / 84844917 / 84844919 / 84845870	24.43	9.54%	30-Sep-20	31.00	0.15	2 year 7 months	6



(₹ in lacs)

84844878 / 84844923 / 84844925 / 84844928 / 84844929 / 84844932	24.72	9.53%	30-Sep-20	31.00	0.15	2 year 7 months	6
85095657 / 85095666 / 85095672 / 85459478	13.40	9.53%	31-Dec-20	34.00	0.15	2 year 10 months	3
85459478 / 85459586 / 85459601 / 85459604 / 85459614 / 85459618 / 85459620 / 85459626 / 85459628 / 85459631	52.21	8.07%	3-Jun-21	39.00	0.15	3 year 3 months	10
120035285 / 120031717	9.02	7.96%	7-Sep-21	53.00	0.10	4 years 5 month	2

## IV. MAHARASHTRA ENVIRO POWER LIMITED

## (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/ guarantors are Bharti Sancheti, Late Abhay Sancheti (Through his legal Heirs), Anand Sancheti, Vijaya Sancheti, Shruti Sancheti, Ajay Sancheti, Savita Sancheti, & SMS Limited.

Outstanding Balance as on 31.03.2022	Effective Rate of interest upto 31st March, 2022	Date of Agreement/ Sanction	Total No. of installments	Amount of installment including interest	Maturity period w.r.t. Balance Sheet date
26,450.65	12.50%	26-Mar-18	89	465.18	7 years 5 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 31.03.2022	Effective Rate of Interest %	Date of Agreement/ Sanction	No of Installments due	Amount of installment including Interest	Maturity period w.r.t. Balance Sheet date
<b>(1) ICICI Bank Ltd</b>					
5.14	10.50%	16-Dec-19	11	0.56	11 Months
2.71	9.25%	07-Sep-18	18	0.16	1 Years 6 Months
2.71	9.25%	07-Sep-18	18	0.16	1 Years 6 Months
8.87	10.87%	13-Feb-20	13	0.74	1 Years 1 Months
6.50	9.60%	15-Jul-20	27	0.27	2 Years 3 Months
21.34	7.50%	29-Jul-21	41	0.60	3 Years 5 Months
21.34	7.50%	29-Jul-21	41	0.60	3 Years 5 Months
<b>68.61</b>					
<b>(2) Axis bank Ltd</b>					
7.53	7.41%	02-Aug-21	40	0.22	3 Years 4 Months
7.53	7.41%	06-Aug-21	40	0.22	3 Years 4 Months
39.19	7.41%	06-Aug-21	39	1.16	3 Years 3 Months
<b>54.24</b>					
<b>(3) Daimler Financial Services</b>					
60.00	6.75%	02-Aug-21	60	1.18	5 Years
<b>60.00</b>					

**Additional Information to Secured Long Term Borrowings:** 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. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

**V. AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED**

Installments falling due in respect of the above loan upto 31st March, 2023 (previous year: 31st March 2022) have been grouped under "Current maturities of long term borrowings".

**a Secured By :-**

(i) 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.

(ii) Term Loans in respect of ₹ 9250 Lacs from SBI:

A) Term Loan includes loan from bank/institutions which is secured by a first and exclusive charge as under:

a) 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.

b) 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 installments with last installment of SBI being in March 2022 (Now closed).



**c. Interest Rate :-**

The Term loan have been sanctioned at Interest rate of GM 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 has been squared off in FY 21-22.

**VI. Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private Limited)****A) 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 installments	Principal Installment	Outstanding Balance as on 31.03.2022
12/06/2010	Indian Overseas Bank A/c- 87503271000003	-	12.00%	-	96.00	0.00
17/03/2009	SBI A/c no- 00000064060911 700	-	15.10%	-	96.00	0.00
17/03/2009	SBI A/c no- 00000062132001 219	-	15.15%	-	110.67	0.00

**(b) Repayment schedule**

Name of Bank	Repayment Schedule	Rate of interest as on 31.03.2022	Rate of interest as on 31.03.2021
From Indian Overseas Bank Term Loan (Now closed)	41 quarterly installments commenced from 31/12/2012 and ending on 31/03/2023	12.00%	12.00%
From State Bank of India Term Loan (Now closed)		15.10%	12.00%
From State Bank of India Term Loan (Now closed)		15.15%	12.00%

**Security ( for all loan account under consortium arrangement)****Primary**

- On pari passu basis for a debt component of ₹. 10900 Lacs.
- First charge by way of hypothecation of all movable assets and receivables/revenues both present and future.
- 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.
- 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 policies in respect of the project.

**Corporate Guarantee**

- Corporate guarantee given by its holding company SMS Limited.

**Collateral**

NIL



## (b) Other Loans

## 1) India Bulls Housing Finance Limited

Date of Agreement/ Sanction	Agreement No.	Maturity period w.r.t. Balance Sheet date	Effective Rate of Interest %	Total No. of Installments	Equated EMI amount	Outstanding Balance as on 31.03.2022
28/05/2020	HLAPNAG004913 14 (91 Cr)**	-	-	-	-	-
06/09/2021	HLLANAG005023 77 (25 Cr)	9 Years 8 months	11.00%	116	34.44	2,441.33
14/08/2020	HLAPNAG004918 51 (35 cr)	8 years 6 months	14.00%	102	54.34	3,231.14
31/07/2020	HLAPNAG004918 26 (40 cr)	8 years 5 months	14.00%	101	62.11	3,673.70
19/12/2019	HLLANAG004900 94 (80 cr)	3 years 6 months	14.00%	42	250.32	8,273.41

Note : HLAPNAG00491314 (91 Cr) Loan a/c is an Over Draft facility for 3 Years.

## Property Mortgaged

Loan A/c	Properties Details	Properties Owned By
HLAPNAG00491314 (91 Cr) HLAPNAG00491851 (35 cr) HLAPNAG00491826 (40 cr) HLLANAG00490094 (80 cr)	Pehalwan Dhaba	SMS Ltd
	Paul Complex	BSS Associates
	Plot No M-7 Green Park New Delhi	Anand Sancheti
	FSB Dhantoli	Veefrag 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	Late Shaktikumar Sancheti/ Anand Sancheti/ Late Abhay Sancheti/ Ajay Sancheti
	Shashwat	Paramveer Sancheti/ Akshay Sancheti/ Bharti Sancheti
	Sakar	Ajay Sancheti/ Savita Sancheti
	Attulya Hindustan Colony	Anand Sancheti
	P no.5-A, Dharampeth	Savita Sancheti
HLLANAG00502377 (25 Cr)	Spark Mall, Delhi	Spark Mall & Parking Pvt Ltd





## C. Delay and default of Loan

The delays and default of loan details as under:-

## Bank Name : India Bulls Housing Finance Limited (25 CR)

Due date	Amount due	Issued date	Amount Paid	Cheque no	Overdue Days
05/10/2021	21,84,932.00	11/10/2021	21,84,932.00	9,72,286.00	6

## Bank Name : India Bulls Housing Finance Limited (35 CR)

Due date	Amount due	Issued date	Amount Paid	Cheque no	Overdue Days
05/04/2021	54,34,325.00	30/04/2021	54,34,325.00	9,72,273.00	25
05/07/2021	54,34,325.00	25/10/2021	54,34,325.00	9,72,326.00	112
05/08/2021	54,34,325.00	04/11/2021	54,34,325.00	9,72,328.00	91
05/09/2021	54,34,325.00	04/12/2021	54,34,325.00	9,72,330.00	90
05/10/2021	54,34,325.00	10/02/2022	54,34,325.00	9,72,358.00	128
05/11/2021	54,34,325.00		97		
05/12/2021	54,34,325.00		67		
05/01/2022	54,34,325.00	31/03/2022	54,34,325.00	9,72,360.00	85
05/02/2022	54,34,325.00		54		
			12,32,718.00		26
05/03/2022	54,34,325.00		42,01,607.00	TDS	26

## Bank Name : India Bulls Housing Finance Limited (40 CR)

Due date	Amount due	Issued date	Amount Paid	Cheque no	Overdue Days
05/04/2021	62,10,657.00	30/04/2021	62,10,657.00	9,72,273.00	25
05/07/2021	62,10,657.00	25/10/2021	62,10,657.00	9,72,326.00	112
05/08/2021	62,10,657.00	04/11/2021	62,10,657.00	9,72,328.00	91
05/09/2021	62,10,657.00	04/12/2021	62,10,657.00	9,72,330.00	90
05/10/2021	62,10,657.00	10/02/2022	62,10,657.00	9,72,358.00	128
05/11/2021	62,10,657.00		97		
05/12/2021	62,10,657.00		67		
05/01/2022	62,10,657.00	31/03/2022	62,10,657.00	9,72,360.00	85
05/02/2022	62,10,657.00		54		
			14,31,013.00		26
05/03/2022	62,10,657.00		47,79,644.00	TDS	26

## Bank Name : India Bulls Housing Finance Limited (80 CR)

Due date	Amount due	Issued date	Amount Paid	Cheque no	Overdue Days
05/04/2021	1,00,06,021.00	30/04/2021	1,00,06,021.00	9,72,272.00	25
05/07/2021	1,00,06,021.00	25/10/2021	1,00,06,021.00	9,72,327.00	112
05/08/2021	1,00,06,021.00	04/11/2021	1,00,06,021.00	9,72,329.00	91
05/09/2021	1,00,06,021.00	04/12/2021	1,00,06,021.00	9,72,331.00	90
05/10/2021	1,00,06,021.00	10/02/2022	1,00,06,021.00	9,72,359.00	128
05/11/2021	1,00,06,021.00		97		
05/12/2021	1,00,06,021.00		67		
05/01/2022	1,00,06,021.00	31/03/2022	1,00,06,021.00	9,72,361.00	85
05/02/2022	2,50,32,466.00		54		
			1,42,31,450.00		26
05/03/2022	2,50,32,466.00		1,08,01,016.00	TDS	26



**Terms of Preference Shares****1)AGSTPL-Preference Share Capital**

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 at 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 ₹ 50 at any time before the expiry of 36 months from the date of allotment.
- ii. OCNCRPS are redeemable at ₹ 63 at any time after 36 months but before the expiry of 60 months from the date of allotment.
- iii. OCNCRPS are redeemable at ₹ 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 ₹ 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 ₹ 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 ₹ 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.

**2)AABS - Preference Share Capital**

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 ₹ 10/- each of the company at par at 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. 61 at any time before the expiry of 36 months from the date of allotment.
- ii. OCNCRPS are redeemable at ₹ 77 at any time after 36 months but before the expiry of 60 months from the date of allotment.
- iii. OCNCRPS are redeemable at ₹ 90 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 ₹ 130 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 ₹ 200 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 ₹ 330 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.





**SMS Limited**

**Notes to Consolidated Financial Statements for the year ended 31st March,2022**

(₹ in lacs)

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.

g. Redemption shall be in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption.

**VII. SMS VIDHYUT PRIVATE LIMITED**

**A Details of Securities and Terms of Repayments of secured borrowings**

**1 Mortgage details:**

a)	Mortgage on loan HLLANAG00490093	Properties Owned by	Relation
	1) FF,201,202 5F&THIRD FLR, PAUL COMMERCIAL COMPLEX, MJ-AJMI, CS NO.1228, NAGPUR.	BSS Associates	Partnership Firm of KMP of Holding Company
	2) P. NO. 1TO23	Mr. Ajay Sancheti	Shareholder, Promoter & Director of Holding Company
	3) S.NO.8, 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.	Mr. Anand Sacheti	Shareholder, Promoter & Director of Holding Company
b)	Mortgage on loan HL27000042	Properties Owned by	Relation
	RESIDENTIAL UNIT - 19, 43RD AND 44TH FLOOR OF "SESEN" AT MALABAR AND CUMBALA HILLS DIVISION, MUMBAI - 400005.	Sesen Realty Private Limited	Non-Related Party

**2 ROI & Other Details:**

**i) Indiabulls Housing Finance Ltd**

Agreement No.	Date of Agreement/ Sanction	Maturity period w.r.t. Balance Sheet date (years)	Effective Rate of Interest %	Total No. of installments	Equated EMI Amount	Outstanding Balance as on 31.03.2022	Start date of Repayment of Principal
HLLANAG00490093	19/12/2019	3.5 years	14%	42 - Monthly	219.03	7,240.02	05/02/2022
HL27000042	31/12/2020	14 years	11%	166 - Monthly	62.68	5,041.25	05/02/2024

**ii) Dhani Loans & Services Ltd**

Agreement No.	Date of Agreement/ Sanction	Maturity period w.r.t. Balance Sheet date (years)	Effective Rate of Interest %	Total No. of installments	Amount of Principal	Outstanding Balance as on 31.03.2022	Start date of Repayment of Principal
S000332566	22/01/2021	9 years	11%	36 - Quarterly	69.44	2,561.88	05/05/2022





## 3 Delay and default of Loans:

## a) Defaults as on the date of Balance Sheet :

## i) Bank Name : Indiabulls Housing Finance Limited (50 CR)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/03/2022	41.25	29/04/2022	41.25	248737	55

## ii) Bank Name : Dhani Loan &amp; services (25 CR)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/02/2022	61.88	29/04/2022	61.88	248735	83

## b) Defaults during the year :

## i) Bank Name : Indiabulls Housing Finance Limited (70 CR)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/04/2021	87.55	30/04/2021	87.55	228362	25
05/07/2021	87.55	25/10/2021	87.55	248707	112
05/08/2021	87.55	04/11/2021	87.55	248708	91
05/09/2021	87.55	04/12/2021	87.55	248709	90
05/10/2021	87.55	10/02/2022	87.55	248720	128
05/11/2021	87.55		87.55		97
05/12/2021	87.55		87.55		67
05/02/2022	438.07	31/03/2022	431.11	**248721	54
05/03/2022					26

\*\*The installments of April to December months were paid on gross amount without deducting TDS @10%, hence out of the excess amount paid of ₹ 94.50 lacs, ₹ 87.55 lacs was adjusted in January month's installment & remaining ₹ 6.95 lacs was adjusted in February & March 2022 Installments.

## ii) Bank Name : Indiabulls Housing Finance Limited (50 CR)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/04/2021	41.25	10/05/2021	41.25	228366	35
05/05/2021	41.25	10/05/2021	41.25	228366	5
05/06/2021	41.25	01/09/2021	41.25	4268	88
05/07/2021	41.25	01/10/2021	41.25	219228	88
05/08/2021	41.25		41.25		57
05/09/2021	41.25		41.25		26
05/02/2022	41.25	05/03/2022	41.25	248713	28

## iii) Bank Name : Dhani Loan &amp; services (25 CR)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/05/2021	61.88	10/05/2021	61.88	228365	5
05/08/2021	61.88	01/10/2021	61.88	219227	57



**SMS Limited**

**Notes to Consolidated Financial Statements for the year ended 31st March,2022**

(₹ in lacs)

**VIII. SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED**

**Terms of borrowings**

Overdraft facility of ₹ 50.00 Crore From SBI is a reducible OD, repayable on demand subject to last installment to be paid by 2022, and the Rate of Interest being 1.85% above MCLR (Marginal Cost of Fund Based lending rate).

**IX.SMS Hazardous Waste Management Private Limited (Formerly known as SMS Mine Developers Pvt Ltd)**

Loan taken from SMS limited is unsecured & is interest bearing with rate of interest 13%. The terms of repayment are not stipulated and accordingly considered as non-current borrowings.

**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 along with 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 along with 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 along with interest @ 10%



(₹ in lacs)

	As at 31 March 2022	As at 31 March 2021
<b>25A Lease Liabilities (Non-Current)</b>		
Lease Liabilities as per Ind AS 116	2,765.60	25.98
	<b>2,765.60</b>	<b>25.98</b>
<b>26 Other Non- Current Financial Liabilities</b>		
Membership Deposits*	4,337.18	3,951.86
Retention Money from sub contractor	2,032.88	2,015.41
Security Deposit	2,240.22	1,438.53
Advances from customer	543.08	543.80
Deposits from outsiders	297.27	440.51
Other Secured Advance	213.06	-
Other Paybles	35.00	35.00
	<b>9,698.69</b>	<b>8,425.11</b>

\*Note :-

**MAHARASHTRA ENVIRO POWER LIMITED**

Membership Deposit is measured at amortised on undiscounted basis considering the fact that the maturity period of liability is unascertained. Also includes ₹ 1 Lacs from Butibori CETP Pvt Ltd. (Related Party)





(₹ in lacs)

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>27 Provisions</b>				
<b>Provision for Employee benefits</b>				
Provision for Gratuity	1,516.67	1,328.94	173.52	109.62
Provision for Leave benefit	286.10	299.32	136.53	86.08
<b>Other Provisions</b>				
Landfill cover charges payable	1,662.77	1,579.59	112.55	112.55
Provision for Toll Rights	5,499.56	20,300.84	-	-
Provision for Installment Payable to NHAI	-	-	816.66	742.41
Provision for Expenses Payable	-	-	685.60	256.97
Provision for Incineration charges	-	-	1,320.91	1,306.94
Provision for Post Monitoring Charges	3,075.07	2,885.50	-	-
	<u>12,040.17</u>	<u>26,394.19</u>	<u>3,245.78</u>	<u>2,614.58</u>



	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>28 Other Non-current liabilities</b>		
<b>a Advances</b>		
Mobilisation Advance from customers	677.20	1,021.58
Secured Advance from customers	2,589.31	576.06
<b>b Other Advance</b>		
Deferred -Govt grant	351.15	428.25
Security Deposit	37.42	143.85
Tender Security Deposit From Suppliers	22.08	-
Security Deposit from Tenant against Rent	167.64	193.24
	<b>3,844.80</b>	<b>2,362.98</b>



**SMS Limited**

**Notes to Consolidated Financial Statements for the year ended 31st March,2022**

	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>29 Current Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Secured</b>		
Cash credit from banks*	29,542.40	34,747.72
<b>Current maturities of Long term borrowings</b>		
<b>From Banks</b>		
Axis Bank Ltd	1,784.56	1,679.96
Union Bank of India	1,720.05	1,920.05
State Bank of India (GECL)	604.17	-
Punjab National Bank (GECL)	500.00	83.33
ICICI Bank Ltd.	450.44	439.07
HDFC Bank Ltd.	321.55	94.15
Kotak Mahindra Bank Ltd.	97.74	142.77
Indusind bank	63.08	57.35
Bank of India (GECL)	62.29	-
Canara Bank (GECL)	44.97	-
State Bank of India	-	6,842.11
Abhyudaya Co-operative Bank Limited	-	109.64
Indian Overseas Bank	-	384.00
Punjab National Bank	-	67.91
<b>From Financial Institution</b>		
Indiabulls Housing Finance Ltd.	6,392.69	3,181.62
SREI Equipment Finance Ltd.	3,677.77	2,717.10
Dhani Loan & Service	277.78	-
Tata Capital	239.25	-
Toyato Motar Financial	31.49	-
Diamler Financial Services	9.54	-
<b>Unsecured</b>		
Loans from related parties**	10,623.27	10,167.03
From others***	14,259.08	12,112.99
	<b>70,702.11</b>	<b>74,746.80</b>





## SMS Limited

### Notes to Consolidated Financial Statements for the year ended 31st March,2022

#### \* Cash credit from banks

##### I SMS Limited

##### Secured by way of

a) Primary Security on entire stocks comprising of raw-material, work in progress, finished goods, consumable stores and spare and other materials, receivables, 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 18.05.2021 ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of Shri. Anand Sancheti, Shri. Ajay Sancheti, Shri. Akshay Sancheti and Shri. Paramveer Sancheti to the extent of ₹ 1,45,245.00 lacs for fund based and non-fund based limits.

c) Personal guarantee of Smt Vijaya Sancheti also provided for this credit facility. However, except for PNB, all member banks has approved for release of personal guarantee of Smt Vijaya Sancheti in lieu of increase in pledge of equity shares of SMS Limited held by promoters from 10% to 15%. Approval from PNB is expected to receive shortly.

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
Akshay Sancheti	308000
Paramveer Sancheti	308000
Ajay Sancheti	461861
Anand Sancheti	461861

As per pledge deed dated 14.12.2018, Late Shri Abhay Sancheti, Shri Anand Sancheti & Shri Ajay Sancheti has to pledge 1539722 no. of equity shares of SMS Limited owned by them i.e. around 15% of total paid up capital of SMS Limited as per condition stipulated by member banks. Also revised pledge deed, after considering transfer of equity shares of SMS Limited from Late shri Abhay Sancheti to Shri Akshay Sancheti & Shri Paramveer Sancheti will be executed shortly to create pledge over 15% of equity shared held by Promoters as stipulated by bankers. On the date of signing balance sheet pledge created as stipulated by member bank has created.

##### II MAHARASHTRA ENVIRO POWER LIMITED

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. Also having charge over the fixed deposit ₹ 131 Lacs and following investments of the company

- Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular
- Aditya Birla Sun Life Credit Risk Fund Gr. Regular.
- SBI Dyanamic Bond Fund - Regular Plan.
- SBI Credit Risk Fund Regular Growth.
- Edelweiss Infrastructure Yeild Plus
- Axis Banking & PSU Debt Fund - Growth (BDGPG)
- IDFC Banking & PSU Debt Fund - Growth
- UTI Flexi Cap Fund ( Earlier UTI Equity Fund) - Regular Growth



## SMS Limited

### Notes to Consolidated Financial Statements for the year ended 31st March,2022

- i) ICICI Prudential Multicap Fund- Growth
- j) Edelweiss Balanced Advantage Fund - Growth

#### \*\* Loans from related parties

##### I SMS ENVOCLEAN PRIVATE LIMITED

\*\*Interest free loan received from Mr. Chetan Bora CY ₹ 12 Lacs (₹ Nil) and Vishwanath Infrastructure Ltd CY ₹ Nil (₹ 9.10 Lacs) does not have specific repayment terms and it is repayable on demand.

##### II Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private

The loan from related party- SMS Envocare Ltd is interest bearing @ 14% and repayable on demand.

##### III SMS VIDHYUT PRIVATE LIMITED

The loan from following related parties are interest bearing and repayable on demand.

Veetrag Exploration & Minerals Pvt Ltd @ 14%

#### \*\*\* Loans from others

##### I SMS Limited

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 rate of 12% per annum.

##### II Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private

IndiaBulls Loan of ₹ 8920 Lacs: Secured Loan of IndiaBulls in current borrowing amount of ₹ 8920 Lacs is Rollover Facility.

##### III SMS VIDHYUT PRIVATE LIMITED

SDPL( Satellite Developers Private Limited) is paying the EMI amount as per the arrangement alongside the TDS liability which is refundable to SDPL at the time of Full & Final settlement for which the ICD has been created which is non- interest bearing borrowing.



	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>29A Lease Liabilities (Current)</b>		
Lease Liabilities as per Ind AS 116	166.85	0.11
	<b>166.85</b>	<b>0.11</b>





	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>30 Trade Payable (Current )</b>		
a Letter of Credit Issued and Outstanding	978.71	2,722.90
b Dues to Micro and small enterprises	1,409.45	660.96
c Trade Payables other than (a) & (b) above	20,549.87	16,420.59
	<b>22,938.04</b>	<b>19,804.46</b>

**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 2022	As at 31 March 2021
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	1,409.45	660.96
(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 principal amount remaining unpaid to any supplier at the end of each accounting year;		-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	23.74	16.38
(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.		



## Trade Payables aging schedule:

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,375.35	33.81	0.29	-	1,409.45
(ii) Others	15,190.42	1,126.38	362.08	1,637.25	18,316.13
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) others	-	-	-	-	3,212.46
<b>Total</b>					<b>22,938.04</b>

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	602.87	56.88	0.97	-	660.72
(ii) Others	13,028.20	814.53	1,052.87	2,179.02	17,074.62
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) others	-	-	-	-	2,069.12
<b>Total</b>					<b>19,804.46</b>

\* The ageing is given on the basis of date of the transactions instead of due date of payment.

Note:- While preparing consolidated disclosure we considered only financial of those in which these disclosures are available and differences shown in others.



	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>31 Other Current Financial Liabilities</b>		
Expenses Payable	5,027.36	3,435.60
Credit balance of Current A/c due to Reconciliation	2,770.37	213.72
Consideration payable against Slump Sale**	2,499.72	-
Salary & Consultancy Payable	1,048.61	1,107.63
Other Secured Advances	989.82	-
Withheld Amount	979.54	633.19
Amount Payable for Capital Goods	961.32	178.95
Interest Accrued	552.51	623.17
Retention Money	533.28	248.19
Amount due from Partners of Jointly controlled entities	445.30	2,209.13
Other Payable:	439.08	281.86
Security Deposit	412.74	636.97
Gratuity Payable	174.27	150.88
MIDC & other Charges Payable	168.92	147.23
Mobilisation Advance from (NHAI)	107.44	107.44
Bonus payable	71.36	61.02
Audit Fees Payable	6.29	7.23
Credit card dues	0.57	-
Credit balances in JV (Partnership firm)	0.00	0.00
	<b>17,188.50</b>	<b>10,042.20</b>

**Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)**

\*\*Spark Mall And Parking Pvt Ltd has purchased the pharmacy business & Central Clinical Laboratory / Medical Laboratory from SMD Hospitals Private Limited on 1st August 2021 against the consideration of Rs 3640.00 Lacs out of which company has paid ₹ 1140.28 Lacs and ₹ 2499.72 Lacs payable to SMD Hospitals Private Limited as on 31st March 2022.





	As at 31 March 2022	(₹ in lacs) As at 31 March 2021
<b>32 Other Current Liabilities</b>		
<b>Advances Received :</b>		
Advance From Customers	1,982.14	1,939.23
<b>Statutory Dues payable :</b>		
Goods & Service Tax Payable	977.45	1,399.69
Tax deducted & collected at source Payable	640.07	728.85
Value Added Tax Payable	579.10	686.91
Withholding tax	152.24	123.11
Provident Fund Payable	145.78	142.84
Service tax payable	140.24	140.24
Employee State Insurance Corporation Payable	61.26	52.02
Profession Tax Payable	3.10	6.53
Workers Cess Payable	0.22	0.24
Labour welfare fund payable	0.03	0.03
<b>Other Payables :</b>		
Other Payables	91.09	36.02
Deferred Government grant	71.12	351.39
Security Deposits	12.16	27.41
	<b>4,855.99</b>	<b>5,634.52</b>



	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>33 Revenue from operations</b>		
<b>Sale of Services-</b>		
Contract Receipts	1,01,688.28	80,675.00
Toll Receipt	51,660.97	50,204.93
Waste Disposal Charges	15,990.40	14,802.70
Logistic Revenue	1,685.34	1,252.46
Healthcare Services Receipt	371.73	-
Rent Income (Operational)	249.94	176.33
Parking Collection	148.24	136.00
Common Area Maintenance Charges Shops	69.56	63.52
Laboratory Income	40.65	43.08
Construction Revenue	35.58	538.64
Revenue from DBO Subscriptions	18.96	73.28
Revenue from Operating Taxi cabs	9.28	15.20
Supply Receipt	4.75	-
Operation & Maintenance Receipts	-	0.45
<b>Other Operating Revenue</b>	<b>767.01</b>	<b>109.91</b>
<b>Sale of Goods-</b>		
Trading of Goods- Pharmacy	3,010.85	-
Sale of Bags	420.75	369.33
Sale of Scraps (Operational)	262.46	162.60
Sale of Electricity	242.71	275.99
	<b>1,76,677.45</b>	<b>1,48,899.43</b>

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2022 by Nature. The Company believe that this disaggregation best depict the nature, amount, timing and uncertainty of revenues and cashflows which are affected by industry,market and other economic factors:

EPC	59,938.35	53,587.33
Toll	51,736.15	50,780.03
Mining	42,482.09	27,161.58
Hazardous	18,399.60	16,630.17
Other	4,121.27	740.32
	<b>1,76,677.45</b>	<b>1,48,899.43</b>



	Year ended 31 March 2022	Year ended 31 March 2021
(₹ in lacs)		
<b>34 Other Income</b>		
Interest income from		
Interest income on loans given	731.46	276.06
Interest income on refundable deposits	833.84	201.02
Interest income others	634.42	536.00
Interest on fixed deposit (FDR)	477.32	542.42
Interest on Income tax refunds	28.31	159.28
Interest income from Investments	16.99	62.50
Interest on Sales tax/VAT refunds	10.40	5.37
Interest Subvention received	-	0.08
Profit on sale of Fixed Assets	655.60	230.10
Compensation towards Civil work	613.98	-
Grant/Subsidy Received/amortised	357.37	750.26
Balances written back	149.78	198.34
Net Profit on Currency Fluctuation	113.20	279.36
Miscellaneous income	65.51	35.28
Income from Redemption of Liquid Investments	33.07	24.54
Insurance claim received	28.93	19.80
Profit on Futures/Options	22.93	-
Commission Received	21.58	22.98
Discount Received - Pharmacy	18.49	-
Scrap Sales	10.72	2.46
Contract Claim	10.00	-
Profit on sale of listed equity shares	6.33	709.44
Reversal of Leave Encashment	3.54	2.17
Fair Value Gain on Equity Instrument*	3.49	199.15
Membership & subscription fees	3.15	3.53
Dividend Income	2.52	-
Rent Received	10.81	13.76
Supply Receipts	1.49	-
Profit on sale of Investments	1.34	2.83
Damages & claims	1.18	50.00
Manpower Services Receipt - Pharmacy	0.47	-
Security charges	0.33	68.33
Advertisement Income	0.15	-
Share of profit in Joint Ventures	-	2.12
	<b>4,868.72</b>	<b>4,397.18</b>

**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.





	Year ended 31 March 2022	(₹ in lacs) Year ended 31 March 2021
<b>35 Cost of Raw/project material consumed</b>		
Inventory at the beginning of the year	10,125.58	10,680.77
Add: Purchases	20,200.90	17,508.88
Less : Inventory at the end of the year	(11,070.61)	(10,125.58)
	<b>19,255.88</b>	<b>18,064.07</b>
<b>36 Direct Expenses</b>		
Works contract expenses	52,428.35	35,066.58
Fees to NHAI	8,405.91	8,000.29
Maintenance Charges	3,055.97	910.52
Power and fuel	1,677.44	1,427.23
Transportation, logistic and freight Charges	1,242.36	1,226.50
Waste Disposal Expenses	1,241.88	1,190.08
Royalty	1,213.44	475.37
Machine Hire Charges	1,066.92	208.38
Toll and Plant Operation Maintenance Expenses	958.11	582.65
Chemical, stores, spares & other consumption	1,098.52	555.24
Repairs and maintenance- Machineries	926.99	1,032.59
Insurance Expenses	392.63	348.16
Additional fee For Non fasting Vehicles	253.44	62.68
Legal, technical and professional consultancy fees	236.63	67.17
Safety & Security Expenses	176.87	212.13
MIDC Charges	168.92	123.80
Site work expenses	144.45	120.94
Landfill charges	126.60	599.57
Repairs and maintenance- Vehicles	124.71	122.80
GST expenses	104.25	127.96
Project facility maintenances	88.81	81.70
Labour & Manpower expenses	102.51	54.73
Water charges	63.52	55.37
Medical Expenses	37.68	89.90
Plant Expenses	32.33	45.92
Change of Scope	27.63	76.90
R.T.O taxes	22.94	16.81
Toll expenses	13.62	12.99
Rates and taxes	10.05	11.49
Testing and certification expenses	7.16	10.60
Contractual Work	5.90	-
Bag commission	5.28	5.31
Custom Duty	3.37	3.09
Miscellaneous expenses	2.05	2.21
Brokerage & commission	0.30	2.50
Site Office Expenses	0.29	0.03
	<b>75,467.85</b>	<b>52,930.17</b>



	Year ended 31 March 2022	Year ended 31 March 2021
(₹ in lacs)		
<b>37 Purchase of Stock in trade</b>	2,615.38	215.79
	<b>2,615.38</b>	<b>215.79</b>
<b>38 Change in Inventories of Stock in trade &amp; Work in Progress</b>		
<b>Work in Progress</b>		
Opening WIP	22,546.18	21,046.28
Closing WIP	(22,677.96)	(22,546.18)
	<b>(131.78)</b>	<b>(1,499.90)</b>
<b>Stock in Trade</b>		
Opening Stock in Trade	70.39	63.02
Closing Stock in trade	(540.70)	(70.39)
	<b>(470.31)</b>	<b>(7.36)</b>
	<b>(602.09)</b>	<b>(1,507.26)</b>



	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>39 Employee Benefit Expense</b>		
<b>Salaries &amp; wages</b>		
Salaries, Wages, Ex-gratia and Bonus	14,156.01	13,964.97
Leave encashment	58.52	222.23
Gratuity expenses	470.29	420.51
Incentive	6.69	30.42
<b>Contribution to Provident and other funds</b>		
Contribution to Provident and other funds	856.57	885.22
Contribution to Employees State Insurance Corporation	49.37	40.35
<b>Staff welfare expenses</b>	254.28	207.95
	<b>15,851.74</b>	<b>15,771.64</b>
<b>40 Finance Costs</b>		
<b>Interest cost</b>		
To Bank & Financial institutions	15,205.27	18,156.13
To Others	749.01	438.62
To Related Parties	19.90	6.71
On MSME Overdue	0.11	0.01
On Gratuity	8.71	8.34
On Mobilisation Advance	78.80	117.37
On Statutory dues	389.40	149.50
On Lease as per Ind AS 116	577.03	3.29
Charges for bank finance/bank guarantee/ letter of credit	1,714.41	2,293.93
	<b>18,742.64</b>	<b>21,173.89</b>
<b>41 Depreciation and amortization expense</b>		
Depreciation of property, plant & equipment	5,345.53	4,841.78
Depreciation of Investment Property	6.60	6.60
Amortization of intangible assets	17,375.76	16,036.97
Amortization of intangible assets under development	3,198.35	2,734.85
	<b>25,926.24</b>	<b>23,620.20</b>
<b>42 Other Expenses</b>		
Loss on fair valuation on equity instrument	1,492.07	-
Legal, consultancy and professional fees	1,503.32	1,844.55
Share of Loss from Joint Venture & Partnership Firm (which are not consolidated)	654.81	147.04
Investment written off	500.00	-
Repairs and maintenance expenses	488.98	393.90
Security charges	447.07	418.48
Corporate Social Responsibility	388.97	795.69
Office expenses	281.45	150.69
Rent expenses	238.14	222.50





	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Travelling and conveyance	210.67	135.29
Rates and taxes	192.01	183.20
Power and fuel	155.35	154.06
Net loss on Foreign currency fluctuations	0.02	1.69
Balances written off	517.20	88.01
Advertising and sales promotion	118.71	89.64
Insurance Expenses	115.12	89.41
Lodging & Boarding Charges	81.76	82.16
Postage, Telephone & Internet Cost	76.58	67.50
Payment to Internal Auditor	74.49	62.34
Brokerage & commission	64.05	48.18
GST expenses	57.99	21.69
Miscellaneous expenses	59.42	170.11
Guest House Expenses	56.77	36.70
Payment to Statutory Auditor	45.28	44.33
Fooding Expenses	39.68	37.69
Printing and stationary	31.74	40.18
Bank Charges	25.22	30.84
Vehicle hire charges	24.22	22.35
Fine and penalty including interest	19.90	27.83
Pantry & Housekeeping Expenses	16.56	24.61
Membership & Subscription fees	9.40	9.82
Donation	6.93	114.09
Tender expenses	6.82	7.21
Payment to stock Auditors	6.44	-
Selling & Distribution expenses	6.10	5.39
ROC Charges	5.45	1.25
Payment to Cost Auditor	5.25	5.25
Service tax expense	4.73	0.11
Preliminary expenses	4.22	1.86
Festival & Decoration Exp.	2.76	3.55
Audit expenses	2.59	-
Licence fee	2.53	2.47
Freight and Carting Charges	2.13	10.09
Compensation	2.10	-
Machine Hire Charges	2.09	71.74
Director sitting fees	1.50	0.40
Preference share allotment Expenses	1.16	-
Reversal of Common Expense	1.06	-
Recruitment Charges	1.08	-
Annual Custody Charges	0.94	0.76
Share Investment Expenses	0.88	2.99
Management Contribution Fund - Pharmacy	0.26	-
Professional Tax	0.03	0.03
Medical Expenses	0.01	0.23



	(₹ in lacs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Loss on Sale of Listed Equity Shares	-	52.56
Loss on Sale of Property, Plant and Equipment including derecognition thereof	-	23.61
VAT expenses	-	0.10
	<b>8,054.04</b>	<b>5,744.17</b>
<b>43 Share of profit / (loss) of associate companies</b>		
SPANV Medisearch Life Science Private Limited	(213.28)	-
	<b>(213.28)</b>	<b>-</b>
<b>43A Exceptional items</b>		
SMS Infrastructure Ltd. & D. Thakkar Constructional Pvt Ltd (JV) (Refer note no 73)	1,761.43	(2,772.47)
	<b>1,761.43</b>	<b>(2,772.47)</b>
<b>44 Tax Expenses</b>		
Adjustment of tax relating to earlier periods	107.84	(409.47)
Deferred Tax	(806.87)	(959.86)
Current Tax	3,835.81	3,716.37
MAT Credit Available	(174.75)	(414.49)
	<b>2,962.03</b>	<b>1,932.55</b>



**45 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.

Particulars	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Non-current Borrowings	79,358.46	86,629.26
Current Borrowing	70,868.95	74,746.91
<b>Total Debt</b>	<b>1,50,227.42</b>	<b>1,61,376.18</b>
Less : Cash & Cash Equivalent	9,694.24	8,376.20
<b>Net debt</b>	<b>1,40,533.18</b>	<b>1,52,999.98</b>
Equity	93,332.92	86,785.43
Unsecured borrowings from the Director*	2,740.00	-
<b>Total capital</b>	<b>96,072.92</b>	<b>86,785.43</b>
<b>Capital and net debt</b>	<b>2,36,606.10</b>	<b>2,39,785.41</b>
<b>Gearing Ratio</b>	<b>59.40%</b>	<b>63.81%</b>

\*The loan from director is in the form of Quasi Equity, it has been infused in the company based on commitment with consortium lenders and remain in the business till the fund based limit is reduced to ₹ 240 crore and accordingly considered as a part of total capital .

**46 Earnings Per Share (EPS)**

Earnings Per Share (EPS)	(₹ in lacs)	
	As at 31 March 2022	As at 31 March 2021
Net profit after tax and exceptional items for calculation of basic EPS	9,352.07	5,593.56
Effect of dilution	-	-
Net profit after tax and exceptional items for calculation of diluted EPS	9,352.07	5,593.56
Net profit after tax but before exceptional items & tax thereon for calculation of basic EPS	7,590.63	8,366.03
Effect of dilution	-	-
Net profit after tax but before exceptional items & tax thereon for calculation of diluted EPS	7,590.63	8,366.03
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	91.14	54.51
Diluted	91.14	54.51
Earnings per equity share before exception item		
Basic	73.97	81.53
Diluted	73.97	81.53





## 47 A Contingent Liabilities and Guarantees

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Contingent Liability</b>		
<b>Claims against the company not acknowledged as debts</b>		
Income Tax Act #	1,481.39	1,704.37
Service Tax including Penalty of ₹ 18801.08 Lacs (₹ 18707.00 Lacs) *	45,776.26	45,709.77
Sales Tax/VAT	4,827.53	3,199.46
Life Time road transport tax	721.79	721.79
Legal Cases against company	130.77	312.03
Custom Duty	90.00	90.00
Claims from clients**	1,948.72	1,476.08
Stamp Duty demand by UP Treasury Department##	-	4,300.00
Employee related dues- Disputed salary / Full & Final	4.52	4.52
Property Tax ##	42.12	42.12
Other	1.04	1.04
<b>Guarantees excluding Financial Guarantees</b>		
Corporate Guarantees to associate companies and joint venture	26,734.17	31,882.91
Performance Bank Guarantees of Subsidiaries & Associates Co's.###	5,577.55	6,177.60
	<b>87,335.87</b>	<b>95,621.69</b>

## SMS Limited

## Note :-

- 1 \* Includes ₹ 17496.87 Lacs (and penalty of ₹ 14505.44 Lacs) against appeal 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 ₹ 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 2015-16, as in aforesaid appeal 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 pending before CESTAT, Mumbai should not exceed ₹ 142.31 Lacs i.e., actual amount of common credit availed by SMS Limited.







**47 A Contingent Liabilities and Guarantees**

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.

**# Stamp Duty Letter by U.P. Treasury**

- 1 The Company had received notice from District Collector, Uttar Pradesh dated 14th January 2020 demanding ₹ 2150 Lacs pertaining to stamp duty on the concession agreement between NHAI and AGSTPL for operation and maintenance of Ayodhya-Gorakhpur Section in Uttar Pradesh along with penalty of Rs 2150 Lacs totaling to ₹ 4300 Lacs.
- 2 In FY 19-20 and 20-21, the Company had deposited principal amount of stamp duty amounting to ₹ 2150 Lacs against notice received from District Collector, Uttar Pradesh to the Treasury Department (Stamp Authorities) of Uttar Pradesh. This amount was recovered from NHAI out of the monthly concession fees payable to the NHAI. The Company has communicated this recovery vide letter dated 19.05.2020 and NHAI has also adjusted the same Concession Fees as per the statement of accounts provided to us.
- 3 The Company has again received notice from District Collector, Uttar Pradesh 20th May'2022 with regard to interest ₹ 2741 Lacs and penalty ₹ 2150 Lacs totaling to ₹ 4891 Lacs on stamp duty levied on the concession agreement between NHAI and AGSTPL.
- 4 The Company has filed various representations for withdrawal of order for collection of stamp duty from concessions entered with NHAI for toll collection, on the ground that stamp duty not applicable on the infrastructure facilities developed by NHAI. Further NHAI and Ministry of Road, Transport and Highways- Government of India has also filed representations to State Government of Uttar Pradesh on the above grounds.
- 5 The Company has also reviewed and compared the concession agreement of NHAI with Company and recent tender's issued by the NHAI. In the recent tender's, NHAI has incorporated additional terms and conditions wherein case the stamp duty levied by State Government then the amount will be borne by concessioner. However, this condition is not applicable in our case since there are no prescribed terms and conditions in our concession agreement evidenced by above adjustments through Statement of Accounts of NHAI. This amended terms clearly highlights that prospectively NHAI will not bear the cost of stamp duty but the amended terms will not be applicable for previous concession agreement with the Company.





**47 A Contingent Liabilities and Guarantees**

6 In view of the above developments the Company is of the view that in case the stamp authorities recovered the interest and penalty from the Company in future, then the said amount will be recovered from NHAI as evidenced by above adjustments through Statement of Accounts of NHAI. Accordingly, if liability arises in future the same will be borne exclusively by NHAI and there will not be any impact on the Company's financial statement.

**Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Private limited)**

## The company has received notice from NDMC demanding property tax ₹ 229.34 Lacs (additional Tax and Penalty during the previous year ₹ 93.61 Lacs) on parking area for the period 01.04.2014 to 2018-19. Company have gone to 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 the company had paid ₹ 187 Lacs being principal amount, balance Interest & Penalty is still contingent in nature.

<b>B Contingent Assets</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Claim raised to the client not acknowledged as receivable*	2,667.04	8,965.66
	<u>2,667.04</u>	<u>8,965.66</u>

\*SMS Limited - The company had gone for arbitration and raised several claims under various heads against its client - Konkan Railway Corporation Limited amounting to ₹ 8965.66 Lacs. Subsequently, award was given by the tribunal in favor of SMS Limited on 22nd Dec 2021 and allowed claim of ₹ 2667.04 Lacs along with interest @ 7% from the date of publishing this award. Against this award konkan railway corporation limited has gone to higher forum. Due to which, the same is considered as Contingent Asset and disclosed in the notes to accounts.

<b>Commitments</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>B</b>		
Capital Commitment	13,831.50	11,493.36
Revenue Commitment	46,676.13	77,483.48
	<u>60,507.63</u>	<u>88,976.84</u>

**48 Payment to Auditors (Excluding Taxes)****As Auditor:**

Audit fee	37.94	36.22
Tax audit fee	4.65	5.40
Reimbursement of Expenses	-	0.01

**In other capacity:**

Other services (Certification Fees & ROC expenses)	2.70	2.70
	<u>45.29</u>	<u>44.33</u>



(₹ in lacs)

- 49 For SMS Limited 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 ₹ 8,78,047 lacs out of which 12% is expected to be recognised as revenue in the next year and the balance thereafter.

50 Disclosure in accordance with Ind AS 115 'Revenue From Contracts with Customers' -

PARTICULARS	2021-22	2020-21
<b>A Contracts with customers</b>		
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>B Contract balances</b>		
<b>i Opening Balances</b>		
Contract Receivable	29,812.08	34,281.17
Contract Assets	19,119.18	23,158.75
Contract Liability	3,070.85	3,713.27
<b>ii Closing Balance</b>		
Contract Receivable	31,248.89	29,812.08
Contract Assets	17,764.01	19,119.18
Contract Liability	4,730.16	3,070.85
<b>C</b>		
i Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,266.90	3,032.37
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 performance obligation are variable and the all the factor related with the estimation of variable payment are considered at the the of recognition.	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
<b>D Significant judgement in the application of standard</b>		
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
<b>E Determining the timing of satisfaction of performance obligations</b>		
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



51 Disclosures for Some of the key disclosure requirements for lessee involves disclosing amounts relating to the reporting period for the following items :

Particulars	2021-22	2020-21
i Depreciation charge for right-of-use assets	176.79	11.13
ii Interest expenses on lease liabilities	577.03	3.29
iii Expenses relating to short term assets accounted on straight line or other systematic basis over lease term	1,220.19	830.93
iv Total cash outflow for Leases other than Sale and Leaseback transactions	-	26.19
v Total cash outflow for Sale and Leaseback transactions leases	811.65	-
vi Interest Income recognised on SD given under lease arrangements	25.99	-
vii Additions of right-of use assets	4,089.88	-
viii Carrying value of right-of use assets at the end of the reporting period	3,947.38	34.28
ix Gain/(loss) arising from sale and lease back transactions	52.06	-
x Maturity analysis of lease liability as at the end of the reporting period		-
Financial Year:		
22-23	166.73	-
23-24	227.22	-
24-25	1,654.41	-
25-26	50.98	-
26-27	74.59	-
27-28	109.16	-
28-29	641.78	-
<b>Total amount of lease liabilities as at end of the reporting period</b>	<b>2,924.87</b>	<b>-</b>

xi Sale and Leaseback Transactions:

During the FY 21-22, the company has acquired the assets under sale and leaseback transaction to the tune of ₹ 4089.88 Lacs. The title / ownership of the assets are transferred to the lessor and acquired those assets from lessor on sale and leaseback transaction during current financial year. The transfer of assets falls under the definition of sale as per Ind AS 115 - Revenue from Customers and the Company has measured the right to use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company being lessee. Accordingly, the Company being "seller-lessee" have recognised the amount of gain that relates to the rights transferred to the "buyer-lessor" to the tune of ₹ 52.06 Lacs.

xii Key terms and conditions of individual sale and leaseback transactions

(a) the lessee's reasons for sale and leaseback transactions and the prevalence of those transactions - To infuse the liquidity in the company by collecting the cash flow at one go and paying the lease on a monthly basis.

\*Note - Refer accounting policy note no. 2

For SMS Limited:-

Sale and lease back transaction with	Duration of Repayment	Beginning of lease	End of lease	Amount of monthly Rental Charges	Periodicity	Related Party	Buy Back Values considered in Right to use asset
Raveena Nirbhay Sancheti	84 Months	01/06/2021	31/05/2028	6.00	Monthly	YES	119.92
Trishala Anand Sancheti	84 Months	01/06/2021	31/05/2028	6.60	Monthly	YES	126.53
Kavita Paramveer Sancheti	84 Months	01/06/2021	31/05/2028	6.00	Monthly	YES	119.92
Bharael Sancheti	84 Months	01/06/2021	31/05/2028	6.60	Monthly	YES	126.30
Karan Anand Sancheti	84 Months	01/06/2021	31/05/2028	6.60	Monthly	YES	126.53
JM Cotspin Private Limited	36 Months	01/11/2021	31/10/2024	47.48 Up till March22 & 28.78 April22 onwards	Monthly	NO	695.96
Invato Sales & Services Private Limited	36 Months	01/11/2021	31/10/2024	32.25 till March22 & 21.44 April-22 onwards	Monthly	NO	506.25
ARS - Info Concept Pvt Ltd	36 Months	01/11/2021	31/10/2024	19.00 till mrrch22 & 10.88 April22 onwards	Monthly	NO	267.09



**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:
- Not later than one year - ₹ 0.12 Lacs (Rupees Eleven Thousand Nine Hundred and Fifty Three)
  - Later than one year and not later than five years - ₹ 0.54 Lacs (Rupees Fifty Four thousand and Nine Eight)
  - Later than five years - ₹ 2.17 Lacs (Rupees Two Lakhs Sixteen Thousand Eleven Hundred and Forty Two only)
- (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, 2022, with separate amounts for minimum lease payments and contingent rents.
- Lease Payment - ₹ 0.11 Lacs
  - Contingent Rent - Nil.
- (d) Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year ended 31st March, 2022 - Nil.
- (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 22nd October, 2007 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 ₹ 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 for 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 30th of 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 years. 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 Component at intact position. Also the Generating Company shall provide for access in leased area to the dam authorities for inspection of Dam components.



## 52: 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 ₹ 2.73 lacs (₹ 1.83 lacs).

**AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED**

The Company makes provident fund, Employees State Insurance and Maharashtra Labour Welfare Fund contributions for eligible employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority.

Particular	Year ended	Year ended
	31st March, 2022	31st March, 2021
Employer's contribution to Provident Fund	52.83	59.73
Employer's contribution to Employee state Insurance Corporation	2.37	2.53
Total	55.20	62.26

## B Define benefit plan

This section provides the Report under IND AS 19 in respect of Gratuity Plan.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following tables set out the status of the gratuity plan.

Assumptions	Gratuity plan		Leave encashment plan	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount Rate	7.36% per annum	6.82% per annum	7.29% per annum	6.81% per annum
Rate of Increase in Compensation levels	8% per annum	10% per annum	7.00% per annum	7.00% per annum
Rate of Return on Plan Assets	6.81% per annum	7.74% per annum	NA	NA
Average future service (In years)	24.43 Years	24.94 Years	24.43 Years	24.59 Years
Mortality Rate	100% of IALM (2012-14)	100% of IALM (2012-14)		
Withdrawal rate	For Services 4 years & Below 10% P.A and for Services 5 years and above 2% P.A.			

Table II: Service Cost

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current Service Cost	264.32	248.25	119.33	126.51
Past Service Cost (including curtailment Gains/Losses)*	17.14	-	-	-
Gains or losses on Non Routine settlements	-	-	-	-
Total	281.46	248.25	119.33	126.51

\*The Past Service Cost is due to the change in the Gratuity ceiling from ₹ 10 Lacs to ₹ 20 Lacs.

Table III: Net Interest Cost

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest Cost on Defined Benefit Obligation	82.63	86.64	18.37	35.11
Interest Income on Plan Assets	12.06	11.40	-	-
Net Interest Cost (Income)	70.57	75.24	18.37	35.11





## 52 Employees Benefit

Table IV: Change in Present Value of Obligations:

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening of defined benefit obligations	1,743.52	1,817.65	269.78	510.35
Liability Transferred IN	117.91	-		
Service cost	373.72	322.79	119.33	126.51
Interest Cost	117.33	117.91	18.37	35.11
Benefit Paid	(85.97)	(191.57)	(3.37)	(433.06)
Actuarial (Gain)/Loss on total liabilities:	(119.21)	(321.47)	(105.31)	30.88
- due to change in financial assumptions	-21.23	16.45	(6.51)	0.77
- due to change in demographic assumptions	(39.89)	-	-	-
- due to experience variance	(58.09)	(336.62)	(98.80)	30.10
Closing of defined benefit obligation	2,147.30	1,745.31	298.81	269.78

Table V: Change in Fair Value of Plan Assets

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening fair value of plan assets	177.10	165.75	-	-
Actual Return on Plan Assets	12.02	11.34	-	-
Employer Contribution	76.70	161.82	3.37	433.06
Benefit Paid	(76.70)	(161.82)	(3.37)	(433.06)
Closing fair value of plan assets	189.12	177.10	-	-

Table VI: Actuarial (Gain)/Loss on Plan Asset

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Expected Interest Income	12.06	11.40	-	-
Actual Income on Plan Asset	12.02	11.34	-	-
Actuarial gain / (loss) on Assets	(0.04)	(0.06)	-	-

Table VII: Other Comprehensive Income

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening amount recognized in OCI outside P&L account	-	-	-	-
Actuarial (gain) / loss on liabilities	121.32	272.21	-	-
Actuarial (gain) / loss on assets	(0.04)	(0.06)	-	-
Closing amount recognized in OCI outside P&L account	121.28	272.15	-	-

Table VIII: The amount to be recognized in Balance Sheet Statement

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Present Value of Obligations	1,987.80	1,528.17	298.81	269.78
Fair value of plan assets	189.12	177.10	-	-
Net Obligations	1,793.68	1,351.02	298.81	269.78
Amount not recognized due to asset limit	-	-	-	-
Net defined benefit liability / (assets) recognized in	1,793.68	1,351.02	298.81	269.78

Table IX: Expense Recognized in Statement of Profit and Loss

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Service cost	373.89	322.79	119.33	126.51
Net Interest Cost	105.39	106.51	18.37	35.11
Net actuarial (gain)/loss	-0.55		(105.31)	30.88
Expenses Recognized in the statement of Profit & Loss	479.29	429.29	32.39	192.50





## 52 Employees Benefit

Table X: Change in Net Defined Obligations

All Figures in INR	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening of Net defined benefit liability	1,165.68	1,299.23	269.78	510.35
Liability Transferred IN	117.90	-	-	-
Service cost	298.03	261.86	119.33	126.51
Net Interest Cost	79.43	83.65	18.37	35.11
Re-measurements	(121.72)	(296.58)	(105.31)	30.88
Employer Contribution	(79.32)	(182.48)	(3.37)	(433.06)
<b>Closing of Net defined benefit liability</b>	<b>1,460.00</b>	<b>1,165.68</b>	<b>298.81</b>	<b>269.78</b>

Table XI: 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%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## (X) Sensitivity Analysis

For Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solutions Private Limited)

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2022	Impact (Absolute)	Impact %
Base liability	26.33	-	-
Increase Discount Rate by 0.50%	24.44	(1.89)	-7.18%
Decrease Discount Rate by 0.50%	28.43	2.10	7.99%
Increase Salary Inflation by 1.00%	30.75	4.42	16.78%
Decrease Salary Inflation by 1.00%	22.70	(3.63)	-13.80%
Increase Withdrawal Rate by 5.00%	26.16	(0.17)	-0.66%
Decrease Withdrawal Rate by 5.00%	26.21	(0.12)	-0.46%

## Note :-

- 1) The base liability is calculated at discount rate of 7.36 % per annum and salary inflation rate of 7.00 % per annum for all future years.
- 2) Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate
- 3) Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

For SMS Vidyut Pvt. Ltd.

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2022	Impact (Absolute)	Impact %
Base liability	10.03	-	-
Increase Discount Rate by 0.50%	9.46	(0.57)	-5.65%
Decrease Discount Rate by 0.50%	10.65	0.62	6.15%
Increase Salary inflation by 1.00%	11.30	1.27	12.63%
Decrease Salary Inflation by 1.00%	8.94	(1.09)	-10.86%
Increase Withdrawal Rate by 5.00%	9.66	(0.37)	-3.68%
Decrease Withdrawal Rate by 5.00%	10.32	0.29	2.89%

## Note :-

- 1) The base liability is calculated at discounted rate of 7.27% per annum and salary inflation rate of 8.00 % per annum for all future years.
- 2) Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate
- 3) Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.



## 52 Employees Benefit

## For SMS Water Grace BMW Pvt. Ltd

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2022	Impact (Absolute)	Impact %
Base liability	24.09		
Increase Discount Rate by 0.50%	23.48	(0.68)	-2.81%
Decrease Discount Rate by 0.50%	24.81	0.72	2.98%
Increase Salary Inflation by 1.00%	25.54	1.45	6.01%
Decrease Salary Inflation by 1.00%	22.78	(1.32)	-5.46%
Increase Withdrawal Rate by 5.00%	23.04	(1.05)	-4.36%
Decrease Withdrawal Rate by 5.00%	25.58	1.49	6.16%

## Note :-

- 1) The base liability is calculated at disco uni rate of 7.77 % per annum and salary inflation rate of 6.00 % per annum for all future years.
- 2) Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate
- 3) Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

## For SMS Envoclean Pvt. Ltd.

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2022	Impact (Absolute)	Impact %
Base Liability	46.11		
Increase Discount Rate by 0.50%	44.91	(1.20)	-2.59%
Decrease Discount Rate by 0.50%	47.37	1.26	2.74%
Increase Salary inflation by 1%	48.65	2.54	5.52%
Decrease Salary inflation by 1%	43.79	(2.32)	-5.04%
Increase Withdrawal Rate by 1%	44.50	(1.61)	-3.48%
Decrease Withdrawal Rate by 1%	48.37	2.26	4.89%

## Note :-

- 1) The base liability is calculated at disco uni rate of 5.82 % per annum and salary inflation rate of 6.00 % per annum for all future years.
- 2) Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate
- 3) Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

## For SMS Tolls and Developers Limited

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2022	Impact (Absolute)	Impact %
Base Liability	150.98		
Increase Discount Rate by 0.50%	144.76	(6.22)	-4.12%
Decrease Discount Rate by 0.50%	157.65	6.67	4.42%
Increase Salary Inflation by 1.00%	164.54	13.55	8.98%
Decrease Salary Inflation by 1.00%	138.96	(12.02)	-7.97%
Increase Withdrawal Rate by 5.00%	146.87	(4.11)	-2.72%
Decrease Withdrawal Rate by 5.00%	157.95	6.97	4.62%

## Note:

1. The base liability is calculated at discount rate of 6.96% per annum and salary inflation rate of 8.00% per annum for all future years.
2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate.
3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.





## 52 Employees Benefit

(XI) The defined benefit obligations shall mature after year ended 31st March, 2022 as follows:

For Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solutions Private Limited)

Projected Benefit Obligation Payable in future Years from the date of reporting	As at 31st March, 2022	As at 31st March, 2021
1st Following Year	0.45	0.34
2nd Following Year	0.54	0.35
3rd Following Year	0.65	0.44
4th Following Year	0.70	0.52
5th Following Year	0.88	0.56
After 5th Year	101.68	77.64
<b>Total</b>	<b>104.91</b>	<b>79.84</b>

For SMS Water Grace BMW Pvt. Ltd

Projected Benefit Obligation Payable in future Years from the date of reporting (Valued on undiscounted basis)	As at 31st March, 2022	As at 31st March, 2021
1st Following Year	2.93	0.39
2nd Following Year	2.70	0.40
3rd Following Year	2.52	0.44
4th Following Year	2.32	0.48
5th Following Year	2.67	0.49
After 5th Year	26.12	49.25

For SMS Vidyut Pvt. Ltd.

Projected Benefit Obligation Payable in future Years from the date of reporting (Valued on undiscounted basis)	As at 31st March, 2022	As at 31st March, 2021
1st Following Year	0.54	0.31
2nd Following Year	0.29	0.42
3rd Following Year	0.63	0.47
4th Following Year	0.31	0.63
5th Following Year	0.72	0.42
After 5th Year	25.70	10.11

For SMS Envoclean Pvt. Ltd.

Projected Benefit Obligation Payable in future Years from the date of reporting (Valued on undiscounted basis)	As at 31st March, 2022	As at 31st March, 2021
1st Following Year	5.64	0.77
2nd Following Year	5.46	1.00
3rd Following Year	5.21	1.17
4th Following Year	5.21	1.33
5th Following Year	5.91	1.95
After 5th Year	44.85	88.12

For SMS Tolls and Developers Limited

Projected Benefit Obligation Payable in future Years from the date of reporting (Valued on undiscounted basis)	As at 31st March, 2022	As at 31st March, 2021
1st Following Year	11.60	NA
2nd Following Year	7.20	NA
3rd Following Year	13.55	NA
4th Following Year	12.31	NA
5th Following Year	9.61	NA
After 5th Year	256.06	NA
<b>Total</b>	<b>310.35</b>	<b>NA</b>

Note:- While preparing consolidated disclosure of Employee benefit we considered only financial of those subsidiaries in which these disclosures are available.





## 53 Segment Reporting

- a The company's primary business segments comprises of EPC, Toll, Mining, Hazardous and Other. The business segments have been identified in line with IND AS 108 on Segment Reporting.
- b Segment Revenue Results & Other Information

(Rt in lacs)

Particulars	2021-22					2020-21						
	EPC	Toll	Mining	Hazardous	Other	Total	EPC	Toll	Mining	Hazardous	Other	Total
<b>Revenue</b>												
Total Segments Revenue	60,252.98	52,733.59	42,482.09	18,451.32	4,135.19	1,78,055.17	54,095.22	51,697.63	27,161.58	16,681.10	758.32	1,50,393.85
Less: Inter-Segment Revenue	314.63	997.44	-	51.72	13.92	1,377.72	507.88	917.61	-	50.93	18.00	1,494.42
<b>Revenue from External Customer</b>	<b>59,938.35</b>	<b>51,736.15</b>	<b>42,482.09</b>	<b>18,399.60</b>	<b>4,121.27</b>	<b>1,76,677.45</b>	<b>53,587.33</b>	<b>50,780.03</b>	<b>27,161.58</b>	<b>16,630.17</b>	<b>740.32</b>	<b>1,48,899.43</b>
<b>Results</b>												
Segment results	7,916.39	37,742.70	20,069.60	13,849.62	1,426.44	81,004.75	9,832.68	40,580.10	17,437.22	12,345.33	338.78	80,534.10
Less: Inter-Segment results	1,049.16	15.16	-	-	-	1,064.32	968.54	368.91	-	-	-	1,337.45
<b>Operating profit</b>	<b>6,867.23</b>	<b>37,727.54</b>	<b>20,069.60</b>	<b>13,849.62</b>	<b>1,426.44</b>	<b>79,940.43</b>	<b>8,864.14</b>	<b>40,211.19</b>	<b>17,437.22</b>	<b>12,345.33</b>	<b>338.78</b>	<b>79,196.66</b>
Other Income	1,549.39	427.12	142.82	671.47	2,549.53	5,289.94	2,121.13	439.43	228.88	1,022.85	820.16	4,632.46
Gain on fair valuation on equity instrument	-	3.49	-	-	-	3.49	-	199.15	-	-	-	199.15
Employee Benefit Expense	2,980.26	3,231.62	7,399.92	1,907.69	290.20	15,009.70	2,461.40	2,853.35	8,776.25	1,532.72	199.87	15,823.59
Other Expenses	2,537.21	2,518.98	735.42	2,311.99	252.74	8,356.34	1,968.93	1,394.48	1,459.11	1,134.39	208.79	6,165.70
Finance costs	5,432.49	1,197.05	2,821.71	3,065.29	6,003.95	19,120.49	6,509.45	2,196.29	3,956.50	3,886.01	4,743.56	21,291.81
Depreciation / Amortisation	1,098.15	19,587.99	2,638.58	1,443.19	1,158.33	25,926.24	1,059.97	17,954.87	2,332.98	1,267.60	1,004.77	23,620.20
Inter segment	(89.64)	370.26	(181.20)	259.98	(46.01)	313.39	(141.48)	56.21	117.92	123.82	0.51	156.97
<b>Profit Before Share of profit/(loss) of an Associate Companies, Exceptional Items and Tax</b>	<b>(3,721.13)</b>	<b>11,892.79</b>	<b>6,435.18</b>	<b>5,402.91</b>	<b>(3,775.26)</b>	<b>16,234.49</b>	<b>(1,155.95)</b>	<b>16,506.98</b>	<b>1,259.18</b>	<b>5,671.27</b>	<b>(4,997.54)</b>	<b>17,283.94</b>
Share of profit / (loss) of associate companies	-	-	-	-	(213.28)	(213.28)	-	-	-	-	-	-
Exceptional Items	1,761.43	-	-	-	-	1,761.43	(2,772.47)	-	-	-	-	(2,772.47)
<b>Profit before tax</b>	<b>(1,959.70)</b>	<b>11,892.79</b>	<b>6,435.18</b>	<b>5,402.91</b>	<b>(3,988.54)</b>	<b>17,782.65</b>	<b>(3,928.43)</b>	<b>16,506.98</b>	<b>1,259.18</b>	<b>5,671.27</b>	<b>(4,997.54)</b>	<b>14,511.47</b>
Current tax	3.94	2,215.40	1,260.49	463.82	-	3,943.65	62.45	2,898.39	(197.35)	543.41	-	3,306.90
Deferred Tax	(0.00)	(95.49)	(53.20)	(11.34)	(821.59)	(981.62)	-	(393.32)	168.72	336.30	(1,485.54)	(1,374.35)
<b>Profit after tax</b>	<b>(1,963.64)</b>	<b>9,772.88</b>	<b>5,227.89</b>	<b>4,950.43</b>	<b>(3,166.95)</b>	<b>14,820.62</b>	<b>(3,990.87)</b>	<b>14,001.92</b>	<b>1,288.31</b>	<b>4,791.56</b>	<b>(3,512.00)</b>	<b>12,578.92</b>
<b>Assets</b>												
Segment assets	57,639.64	52,090.35	1,10,799.48	61,997.64	66,822.84	3,49,349.95	1,55,568.68	67,379.28	4,223.37	59,121.23	57,095.65	3,43,388.21
Intercompany assets	12,615.35	12,652.62	518.41	46.43	3,120.80	28,953.62	10,445.04	5,256.58	515.44	40.55	2,381.01	18,638.62
<b>Total assets</b>	<b>45,024.30</b>	<b>39,437.73</b>	<b>1,10,281.06</b>	<b>61,951.21</b>	<b>63,702.04</b>	<b>3,20,396.33</b>	<b>1,45,123.63</b>	<b>62,122.70</b>	<b>3,707.93</b>	<b>59,080.69</b>	<b>54,714.64</b>	<b>3,24,749.59</b>
<b>Liabilities</b>												
Segment liabilities	92,165.27	18,581.78	24,111.36	41,355.13	79,578.03	2,55,791.57	1,03,573.74	35,468.82	7,195.80	43,238.13	66,900.84	2,56,377.33
Intercompany liabilities	154.13	5,041.20	6,798.88	325.26	16,408.70	28,728.17	310.68	3,361.96	6,469.29	136.26	1,134.97	18,413.17
<b>Total liabilities</b>	<b>92,011.14</b>	<b>13,540.58</b>	<b>17,312.48</b>	<b>41,029.88</b>	<b>63,169.33</b>	<b>2,27,063.41</b>	<b>1,03,263.05</b>	<b>32,106.86</b>	<b>726.50</b>	<b>43,101.88</b>	<b>58,765.87</b>	<b>2,37,964.16</b>



**SMS Limited**

**Notes to Consolidated Financial Statements for the year ended 31st March,2022**

**54 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 SMS Infrastructure Ltd, & D. Thakkar Construction Pvt. Ltd. JV
- 2 SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
- 3 SMS Infrastructure Ltd. Shreenath Enterprises J.V.
- 4 SRRCIPL-SMSL-BEKEM-JV
- 5 Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
- 6 GSJ Envo Ltd. In consortium with SMS infrastructure Ltd.
- 7 SMSIL KTCO (JV)
- 8 Bhartia SMSIL (JV)
- 9 SMSIL-MBPL-BRAPL (JV)
- 10 GDCL-SMSIL ( J.V. )
- 11 SMSL-SRRCIPL ( J V )
- 12 SMSIL-MBPL (JV)
- 13 Meghe SMS Health Sciences Consortium (SPV)
- 14 AGIPL-SMSIL (JV)
- 15 Sanbro Corporation
- 16 Saket - SMSIL (JV)
- 17 SRRCIPL-SMSL ( J V )

**B Associates**

- 1 RCCL Infrastructure Ltd.
- 2 SMS AAMW Tollways Pvt. Ltd.



54 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)

**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 Lodha-Additional Director (Non Executive)
- 9 Vijay Kisanlal Sancheti
- 10 Dattatrya Laxmanrao Kinage
- 11 Saurabh Gautam
- 12 Chetan Bora
- 13 Anup Nilawar
- 14 Pranav Akhleshwar Kumar
- 15 Amit Kedarnath Somani
- 16 Rakesh Mishra
- 17 Prashant Maske
- 18 Avinash Sankholkar
- 19 Satish Wate
- 20 Asif Hussain
- 21 Prabal Pratap Singh
- 22 Dilip Ganguly
- 23 Jayant Padgilwar
- 24 Shallendra Shinghal
- 25 Ajay Agrawal-relative of director
- 26 Ayush Agrawal
- 27 Shakuntala Agrawal-relative of director
- 28 Usha Agrawal -relative of director
- 29 Neha Agrawal-relative of director
- 30 Kishor Malviya
- 31 Aditya Nilawar
- 32 Chandrashekhar M Singh
- 33 Pradyumna Paranjape
- 34 Rajesh Kumar Gupta-CFO
- 35 Arun Patil
- 36 Abhishek Mehta
- 37 Afzal Sorathiya
- 38 Bhavika Shah-CS
- 39 Navneet Kumar Pandey
- 40 Badrish Naklak-CFO
- 41 Ankita hande-CS
- 42 Smita Agarkar-CS





## SMS Limited

### Notes to Consolidated Financial Statements for the year ended 31st March,2022

54 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)

#### D Other Related Parties

- 1 Ponda Envocare Limited
- 2 SMS Envocare Ltd.
- 3 SMS Waluj CETP Pvt. Ltd.
- 4 SMS Multi Objective Organisation
- 5 Atul Multi Objective Organisation
- 6 Valencia Constructions Pvt. Ltd.
- 7 Veet Rag Exploration & Minerals Pvt. Ltd.
- 8 Veet Rag Hospitality Pvt. Ltd.
- 9 San Commercials Pvt. Ltd.
- 10 Nilawar Water Grace Waste Management Private Limited
- 11 Butibori CETP Pvt Ltd
- 12 Grey Mountain Private Limited
- 13 San Finance Corporation
- 14 Sanson Developers
- 15 KPANV Mines and Mineral LLP
- 16 SPANV Medisearch Life Science Private Limited
- 17 Best Power Plus Private Limited
- 18 Kingsway Foundation
- 19 Pinnacle
- 20 BSS Associates
- 21 SMS Water Grace Enviroprotect Pvt Ltd.
- 22 SMS Water Grace MediWaste Management Pvt Ltd
- 23 Vijaya Sancheti
- 24 Raveena Nirbhay Sancheti
- 25 Trishala Anand Sancheti
- 26 Kavita Paramveer Sancheti
- 27 Bharati Sancheti
- 28 Karan Anand Sancheti
- 29 Oracity Life Science LLP
- 30 Sheetal Somani
- 31 Reel Cine Entertainment Pvt Ltd
- 32 Agroh Infrastructure Developers Private Limited
- 33 Surya International Private Limited
- 34 BE Infratech Private Limited
- 35 Nivan Balaji Venture Pvt Ltd
- 36 Ayushajay Construction Private Limited
- 37 Divinutty Products Pvt Ltd
- 38 Vishwanath Infrastructure Ltd.
- 39 Yash Shree Real Estate Private Limited



## 2 Related Party transactions during the year are as follows:

SR. NO.	Particulars	Joint Venture		Associates		Key management personnel and relatives		Other Related Parties	
		2022	2021	2022	2021	2022	2021	2022	2021
1	Advance Given\Repaid	-	-	-	-	0.02	0.21	-	297.41
2	Advance Received\ Recovered	-	-	-	-	0.30	0.23	-	297.63
3	Amt recd agst services / Goods	-	-	-	-	-	-	725.36	1.64
4	Change in Investment	1,565.96	(2,271.96)	-	-	-	-	-	-
5	Commission & Brokerage	-	-	-	-	-	-	63.75	47.70
6	Dividend Paid During the year	-	-	-	-	-	-	2,055.94	1,384.33
7	Donation	-	-	-	-	-	-	1.00	1.08
8	Interest Expenses	16.03	-	-	-	-	-	378.44	237.68
9	Interest Income	-	-	-	-	-	-	117.27	183.83
10	Interest paid	-	-	-	-	-	-	139.98	-
11	Investment	-	-	-	-	-	-	(4,047.69)	5,563.24
12	Lease Rent	-	-	-	-	318.00	-	-	-
13	Loan /Advances Taken (Recovered)	1,074.36	-	-	-	-	-	-	-
14	Loan \ Advances Given\Repaid	-	-	-	-	-	-	461.00	-
15	Loan Given\ Repaid	1,341.01	1,076.98	-	-	1,161.60	37.64	45,240.98	48,096.22
16	Loan Received\ Recovered	1,983.08	1,355.99	-	-	3,900.00	5.00	29,009.76	38,159.50
17	Managerial Remuneration	-	-	-	-	1,305.32	1,416.37	-	-
18	Mobilization Advance Received	14.92	-	-	-	-	-	-	-
19	Other Services Rendered	4.30	-	-	-	-	-	22.35	18.21
20	Other Transactions (Paid)	-	-	-	-	0.28	0.14	2,688.97	2,453.91
21	Other Transactions (recd)	-	-	-	-	-	-	1,569.39	2,435.03
22	Other Transactions Paid	-	-	-	-	-	-	0.08	-
23	Other Transactions Received	-	-	-	-	-	-	3.08	0.20
24	Payment for Services Taken	-	-	-	-	-	4.20	-	-
25	Payment made for Services/ goods	-	-	-	-	-	-	52.22	24.15
26	POS Toll Receivable	-	-	-	-	-	-	0.67	7.04
27	Purchase of services	30.46	-	-	-	-	10.91	964.63	151.37
28	Reimbursement of Expenses	-	-	-	-	-	-	28.89	21.46
29	Rent Expenses	-	-	-	-	-	-	14.40	14.40



## 2 Related Party transactions during the year are as follows:

SR. NO.	Particulars	Joint Venture		Associates		Key management personnel and relatives		Other Related Parties	
30	Rent Income	-	-	-	-	-	-	1.69	1.12
31	Rent Repairs & Maintenance	-	-	-	-	-	-	-	4.25
32	Revenue from Operations	9,624.30	8,664.69	-	-	-	-	1,963.51	699.91
33	Royalty Expenses	2.54	-	-	-	-	-	-	-
34	Sale of Asset	-	-	-	-	1,931.52	-	3.00	-
35	Sale of Material	-	-	-	-	-	-	-	0.21
36	Sale of Service/Assets	-	-	-	-	-	-	9,518.15	350.34
37	Security Deposit	285.93	-	-	-	-	-	-	-
38	Services Taken	46.76	32.27	-	-	-	-	-	-
39	Share Purchase/(sold)	-	-	-	-	-	-	427.19	598.25
40	Sitting Fees	-	-	-	-	-	-	4,788.86	4,415.60
41	Reimbursement of Exp	-	-	-	-	137.50	125.20	-	-
42	Investment in Shares	-	-	-	-	-	-	-	-
43	Outstanding Balances included in Assets/liabilities	-	-	-	-	-	-	2,160.00	1,410.00
	<b>Grand Total</b>	<b>3,692.98</b>	<b>2,744.91</b>	<b>1,038.89</b>	<b>1,038.89</b>	<b>(3,701.21)</b>	<b>(2.31)</b>	<b>44,655.19</b>	<b>44,695.33</b>
	<b>Spark Mail and Parking Private Limited</b>	<b>19,682.64</b>	<b>11,602.88</b>	<b>1,038.89</b>	<b>1,038.89</b>	<b>5,053.32</b>	<b>1,597.59</b>	<b>1,43,008.05</b>	<b>1,51,571.04</b>

**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.





**55 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 their 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 2022 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
<b>Assets:</b>					
Investments	43,498.95	-	3,018.95	46,517.90	46,517.90
Trade receivables	35,809.62			35,809.62	35,809.62
Loans	17,495.37			17,495.37	17,495.37
Others financial assets	31,193.46			31,193.46	31,193.46
Cash and cash equivalents	9,694.24			9,694.24	9,694.24
Other bank balances	4,982.54			4,982.54	4,982.54
<b>Liabilities:</b>					
Borrowings	1,52,967.42			1,52,967.42	1,52,967.42
Trade payables	22,938.04			22,938.04	22,938.04
Other financial liabilities	26,887.19			26,887.19	26,887.19

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
<b>Assets:</b>					
Investments	45,286.88	2,371.80	2136.49	49,795.16	49,795.16
Trade receivables	33,172.61			33,172.61	33,172.61
Loans	21,615.69			21,615.69	21,615.69
Others financial assets	35,254.19			35,254.19	35,254.19
Cash and cash equivalents	8,376.20			8,376.20	8,376.20
Other bank balances	4,183.60			4,183.60	4,183.60
<b>Liabilities:</b>					
Borrowings	1,61,350.08			1,61,350.08	1,61,350.08
Trade payables	19,804.46			19,804.46	19,804.46
Other financial liabilities	18,467.31			18,467.31	18,467.31



**56 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 2022	As at 31 March 2021
Trade receivables	35,809.62	33,172.61
Work in progress	22,586.03	22,498.17
<b>Total</b>	<b>58,395.66</b>	<b>55,670.78</b>

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 2022	As at 31 March 2021
Letter of Credit	-	-
Bank Guarantees	71,506.85	72,192.72
<b>Total</b>	<b>71,506.85</b>	<b>72,192.72</b>

**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 2022	As at 31 March 2021
Cash and cash equivalent	9,694.24	8,376.20
Bank balance other cash and cash equivalent	4,982.54	4,183.60
<b>Total</b>	<b>14,676.77</b>	<b>12,559.80</b>

**Maturity patterns of borrowings**

At 31st March 2022	Up to 1 year	1 to 5 years	Beyond 5 Years	Other	Total
Long term borrowings	2,254.96	35,751.74	28,975.26	12,350.91	79,332.87
Short term borrowings	18,102.55	-	-	52,599.56	70,702.11
Lease Liabilities	0.12	0.73	-	2,931.59	2,932.44
<b>Total</b>	<b>20,357.63</b>	<b>35,752.48</b>	<b>28,975.26</b>	<b>67,882.06</b>	<b>1,52,967.42</b>
At 31st March 2021	Up to 1 year	1 to 5 years	Beyond 5 Years	Other	Total
Long term borrowings	2,443.42	38,191.45	25,088.14	20,880.28	86,603.29
Short term borrowings	14,187.50	-	-	60,559.30	74,746.80
Lease Liabilities	0.11	0.72	-	25.26	26.09
<b>Total</b>	<b>16,631.03</b>	<b>38,192.17</b>	<b>25,088.14</b>	<b>81,464.85</b>	<b>1,61,376.18</b>

**Maturity patterns of other Financial Liabilities**

As at 31st March, 2022	6 months or less	6-12 months	Beyond 12 months	Other	Total
Trade payable	778.86	6.49	10.38	21,622.66	22,418.39
Creditors for Capital goods	519.65	-	-	-	519.65
Other Financial Liability (Current & Non Current)	5,860.61	31.15	4,337.18	16,658.26	26,887.19
<b>Total</b>	<b>7,159.12</b>	<b>37.64</b>	<b>4,347.56</b>	<b>38,280.92</b>	<b>49,825.24</b>

As at 31st March, 2021	6 months or less	6-12 months	Beyond 12 months	Other	Total
Trade payable	621.48	-	-	19,182.97	19,742.17
Creditors for Capital goods	62.29	-	-	-	62.29
Other Financial Liability (Current & Non Current)	767.18	38.34	3,951.86	13,709.93	18,467.31
<b>Total</b>	<b>1,450.95</b>	<b>38.34</b>	<b>3,951.86</b>	<b>32,892.90</b>	<b>38,271.77</b>





**C Market Risk****Foreign exchange 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.

**AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED**

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:-

Particulars	31.03.2022	31.03.2021
Variable Rate borrowings (Rs in Lakhs)	833.55	1,428.83

Any change in interest rates will cause a change in profits/loss of the company.

**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.

**AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED**

Particulars	31.03.2022	31.03.2021
Investments in Listed Equity Shares	879.72	2,371.80

**Sensitivity Analysis**

Price Risk Analysis	Impact on profit/loss	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Increase or decrease in Share Price by 5%	43.99	118.59

Note - In case of decrease in Share Price, profit will reduce and vice versa

**Others Risk Exposure****Salary Escalation Risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk**

Gratuity benefit is paid in accordance with the requirements of the payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g., Increase in the maximum limit on gratuity of ₹ 20 lacs)



**SMS Limited**

**Notes to Consolidated Financial Statements for the year ended 31st March, 2022**

**57 Interest in other entities**

**1 Subsidiaries**

The Group's subsidiaries as at 31 March 2022 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 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	
1	SMS Envoclean Pvt. Ltd.	India	56.02%	56.02%	43.98%	43.98%	Bio Medical Waste Treatment Service
2	SMS Infolink Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Information Technology
3	SMS Hazardous Waste Management Pvt. Ltd (Formerly Known as 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 & Pharmacy
5	SMS Taxi Cabs Pvt. Ltd.#	India	60.00%	60.00%	40.00%	40.00%	Rent A Cab
6	SMS Vidhyut 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 Treatment 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 Treatment 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	Maharashtra Enviro Power Ltd.	India	92.08%	92.08%	7.92%	7.92%	Hazardous Waste Treatment Service
14	PT. SMS Mines Indonesia*	Indonesia	100%	100%	0.00%	0.00%	Trading of Mineral
15	SMS Mining Limited	India	100%	100%	0.00%	0.00%	Mining Contractor

Note:- \* While preparing 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.

# The financial statement/ financial information of SMS Taxi Cabs Pvt. Ltd is unaudited as on 31 march 2022. The financial figures consider in consolidated financial statement is as per the provisional balance sheet as on 31 march 2022.





SMS Limited  
Notes to Consolidated Financial Statements for the year ended 31st March, 2022

57 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 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Non-current assets	396.74	331.88	2,805.83	1,411.23	10,504.82	10,836.34
Current assets	1,892.14	1,561.43	3,040.31	3,061.73	389.98	413.37
Non-current liabilities	41.08	22.58	156.06	160.09	632.32	576.83
Current liabilities	294.04	206.26	537.24	578.82	15,671.61	15,840.03
<b>Net assets</b>	<b>1,953.76</b>	<b>1,664.47</b>	<b>5,152.85</b>	<b>3,734.05</b>	<b>(5,409.13)</b>	<b>(5,167.16)</b>
Net assets attributable to NCI	859.07	731.87	2,266.22	1,642.24	2,655.08	2,751.87
Revenue	1,183.13	1,244.26	4,237.13	4,850.47	190.99	462.38
Profit for the year	290.94	693.99	1,421.12	1,571.61	(241.96)	380.89
Other comprehensive income	(1.65)	0.95	(2.32)	1.25	-	-
<b>Total comprehensive income</b>	<b>289.29</b>	<b>694.94</b>	<b>1,418.80</b>	<b>1,572.86</b>	<b>(241.96)</b>	<b>380.89</b>
Profit/(Loss) allocated to NCI	127.93	305.15	625.01	691.19	(96.78)	152.35
OCI allocated to NCI	(0.73)	0.42	(1.02)	0.55	-	-
Total comprehensive income allocated to NCI	127.20	305.56	623.99	691.74	(96.78)	152.35





## 57 Interest in other entities

(₹ in lacs)

Non-controlling interests (NCI)	Maharashtra Enviro Power Ltd.		PT. SMS Minerals International		SMS-ABS India Tollways Private Limited	
	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Non-current assets	44,022.41	44,760.11	0.12	0.59	21,131.69	16,698.34
Current assets	9,790.74	7,900.85	3,701.04	3,592.01	11,572.58	13,946.24
Non-current liabilities	33,973.90	35,967.36	4,204.79	3,878.42	570.18	717.23
Current liabilities	6,294.81	6,201.33	2,897.58	2,922.61	1,951.94	1,430.36
<b>Net assets</b>	<b>13,544.45</b>	<b>10,492.28</b>	<b>(3,401.21)</b>	<b>(3,208.44)</b>	<b>30,182.15</b>	<b>28,496.98</b>
Net assets attributable to NCI	1,072.72	830.99	(680.24)	(641.69)	15,192.26	14,366.53
Revenue	13,652.53	11,609.22	47.64	35.96	28,987.15	28,171.26
Profit for the year	3,030.11	2,453.08	(192.77)	(380.09)	(51.55)	4,272.87
Other comprehensive income	22.06	63.48	-	-	4,733.71	3,699.10
<b>Total comprehensive income</b>	<b>3,052.16</b>	<b>2,516.56</b>	<b>(192.77)</b>	<b>(380.09)</b>	<b>4,682.16</b>	<b>7,971.96</b>
Profit/(Loss) allocated to NCI	239.98	194.28	(38.55)	(76.02)	(25.26)	2,093.70
OCI allocated to NCI	1.75	5.03	-	-	2,319.52	1,812.56
<b>Total comprehensive income allocated to NCI</b>	<b>241.73</b>	<b>199.31</b>	<b>(38.55)</b>	<b>(76.02)</b>	<b>2,294.26</b>	<b>3,906.26</b>



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

57 Interest in other entities

ii Non-controlling interests (NCI)  
Non-controlling interests (NCI)

	SMS Hazardous Waste Management Pvt. Ltd (Formerly Known as SMS Mine Developers	
	31-Mar 2022	31-Mar 2021
Non-current assets	-	-
Current assets	35.43	36.62
Non-current liabilities	41.33	-
Current liabilities	0.84	37.62
<b>Net assets</b>	<b>(6.74)</b>	<b>(1.00)</b>
<b>Net assets attributable to NCI</b>	<b>(3.30)</b>	<b>(0.49)</b>
Revenue	-	-
<b>Profit for the year</b>	<b>(5.73)</b>	<b>(0.85)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(5.73)</b>	<b>(0.85)</b>
Profit/(Loss) allocated to NCI	(2.81)	(0.42)
OCI allocated to NCI	-	-
Total comprehensive income allocated to NCI	(2.81)	(0.42)

(₹ in lacs)



## 57 Interest in joint ventures

(₹ in lacs)

iii The Group's joint ventures as at 31 March 2022 are set out below.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at		Principal activities
				31-Mar 2022	31-Mar 2021	
1	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	India	70.00%	(354.28)	(2,117.51)	Infrastructure
2	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	India	51.00%	51.91	51.95	Infrastructure
3	SMS Infrastructure Ltd. Shreenath Enterprises J.V.*	India	36.50%	2.00	27.23	Infrastructure
4	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	India	65.00%	284.26	281.39	Infrastructure
5	GSI Envo Ltd. In consortium with SMS Infrastructure Ltd. (AOP)	India	70.00%	142.91	156.65	Infrastructure
6	SMSIL KTCO (JV)	India	50.00%	3.35	3.61	Infrastructure
7	Bhartia SMSIL (JV) *	India	49.00%	11.38	11.38	Infrastructure
8	SMSIL-MBPL-BRAPL (JV)	India	57.00%	28.37	23.20	Infrastructure
9	GDCL-SMSIL ( J.V. )	India	40.00%	-	-	Infrastructure
10	SMSIL-SRRCIPL ( J V )	India	60.00%	(1.65)	(2.12)	Infrastructure
11	SRRCIPL-SMSIL-BEKEM JV	India	20.00%	(2.36)	(2.62)	Infrastructure
12	Sanbro Corporation	India	26.00%	(86.92)	(86.88)	Infrastructure
13	SMSIL-MBPL (JV)	India	63.33%	146.44	227.66	Infrastructure
14	SMSIL-SAKET (JV)	India	40.00%	74.92	19.74	Infrastructure
15	Meghe SMS Health Sciences Consortium (SPV)	India	50.00%	69.10	69.10	Running Medical college & Hospital
16	AGIPL -SMSIL (JV)	India	20.00%	(0.06)	-	Infrastructure
17	SRRCIPL - SMSIL (JV)	India	30.00%	(0.03)	-	Infrastructure
				369.32	(1,337.22)	

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.

\* These financial statements / financial information of M/s Shreenath Enterprises SMS Infrastructure Limited JV are unaudited and have been furnished to us by the Management of the JV. These financial statement have been consolidated solely on the basis of such unaudited financial statements / financial information.





## 57 Interest in other entities

## 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
	2022	2021	2022	2021	2022	2021
Non-current assets	227.46	345.19	351.42	1,792.58	-	-
<b>Current assets</b>						
Cash and cash equivalents	20.83	84.09	2.00	31.82	0.63	0.65
Other assets	1,310.51	1,255.11	1,132.85	5,115.65	816.29	816.29
<b>Current assets</b>	<b>1,331.34</b>	<b>1,339.21</b>	<b>1,134.85</b>	<b>5,147.47</b>	<b>816.93</b>	<b>816.94</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	1,333.33	5,159.56	-	-
Other liabilities	-	-	-	3,960.67	-	-
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>1,333.33</b>	<b>9,120.23</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	128.58	0.66	2.42	0.17	567.65	567.65
Other liabilities	985.79	1,243.71	696.15	884.20	1.45	1.39
<b>Current liabilities</b>	<b>1,114.37</b>	<b>1,244.37</b>	<b>698.57</b>	<b>884.36</b>	<b>569.10</b>	<b>569.04</b>
<b>Net assets</b>	<b>444.43</b>	<b>440.03</b>	<b>(545.64)</b>	<b>(3,064.54)</b>	<b>247.83</b>	<b>247.90</b>
<b>Group share of net assets</b>	<b>284.26</b>	<b>281.39</b>	<b>(354.28)</b>	<b>(2,117.51)</b>	<b>51.91</b>	<b>51.95</b>
Revenue	475.82	258.05	205.67	4,461.53	-	-
Works Direct Expenses	468.68	254.18	154.58	4,340.70	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	6.14	-	-	-
Other Expense	0.73	1.00	(2,473.95)	3,967.61	0.08	0.09
<b>Profit/ (Loss) for the year before tax</b>	<b>6.40</b>	<b>2.87</b>	<b>2,518.90</b>	<b>(3,846.78)</b>	<b>(0.08)</b>	<b>(0.09)</b>
Tax	2.00	0.97	-	40.27	-	-
<b>Profit/ (Loss) after tax</b>	<b>4.40</b>	<b>1.91</b>	<b>2,518.90</b>	<b>(3,887.06)</b>	<b>(0.08)</b>	<b>(0.09)</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	4.40	1.91	2,518.90	(3,887.06)	(0.08)	(0.09)
Group share of profit/ (Loss)	2.86	1.24	1,763.23	(2,720.94)	(0.04)	(0.04)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	2.86	1.24	1,763.23	(2,720.94)	(0.04)	(0.04)



## 57 Interest in other entities

iv Table below provide summarised financial information for Joint venture:

Particulars	SMS-BEKEM		SMSL-MBPL JV		SMS & KTCO	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2022	2021	2022	2021	2022	2021
Non-current assets	298.78	3,632.23	182.13	214.27	4.99	4.99
<b>Current assets</b>						
Cash and cash equivalents	0.19	58.15	26.03	0.00	1.66	2.18
Other assets	1,403.94	3,019.18	47.74	167.15	0.57	0.57
<b>Current assets</b>	<b>1,404.13</b>	<b>3,077.33</b>	<b>73.76</b>	<b>167.15</b>	<b>2.23</b>	<b>2.75</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	298.78	1,268.44	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Non-current liabilities</b>	<b>298.78</b>	<b>1,268.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	14.39	0.22	0.52	0.52
Other liabilities	963.29	5,001.58	-	0.89	-	-
<b>Current liabilities</b>	<b>963.29</b>	<b>5,001.58</b>	<b>14.39</b>	<b>1.12</b>	<b>0.52</b>	<b>0.52</b>
<b>Net assets</b>	<b>440.84</b>	<b>439.54</b>	<b>241.51</b>	<b>380.30</b>	<b>6.70</b>	<b>7.22</b>
<b>Group share of net assets</b>	<b>(2.36)</b>	<b>(2.62)</b>	<b>146.44</b>	<b>227.66</b>	<b>3.35</b>	<b>3.61</b>
Revenue	98.70	3,439.15	57.59	41.25	-	-
Works Direct Expenses	96.80	3,433.34	74.50	0.50	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	32.14	37.81	-	-
Finance cost	-	2.66	-	-	-	-
Other expenses	0.01	4.06	1.89	0.08	0.52	0.52
<b>Profit/ (Loss) for the year before tax</b>	<b>1.89</b>	<b>(0.90)</b>	<b>(50.94)</b>	<b>2.86</b>	<b>(0.52)</b>	<b>(0.52)</b>
<b>Tax</b>	<b>0.59</b>	<b>0.98</b>	<b>-</b>	<b>0.89</b>	<b>-</b>	<b>-</b>
<b>Profit/ (Loss) after tax</b>	<b>1.30</b>	<b>(1.89)</b>	<b>(50.94)</b>	<b>1.97</b>	<b>(0.52)</b>	<b>(0.52)</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>1.30</b>	<b>(1.89)</b>	<b>(50.94)</b>	<b>1.97</b>	<b>(0.52)</b>	<b>(0.52)</b>
<b>Group share of profit/ (Loss)</b>	<b>0.26</b>	<b>(0.38)</b>	<b>(32.26)</b>	<b>1.25</b>	<b>(0.26)</b>	<b>(0.26)</b>
<b>Group share of OCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Group share of total comprehensive Income</b>	<b>0.26</b>	<b>(0.38)</b>	<b>(32.26)</b>	<b>1.25</b>	<b>(0.26)</b>	<b>(0.26)</b>



## 57 Interest in other entities

## iv Table below provide summarised financial information for Joint venture

Particulars	GDCL-SMSIL		SMSIL & GSJ		SMSIL & Bhartiya	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2022	2021	2022	2021	2022	2021
Non-current assets	0.25	0.25	6.89	7.85	-	-
<b>Current assets</b>						
Cash and cash equivalents	245.54	766.95	63.56	0.39	0.17	6.02
Other assets	642.08	1,258.11	730.39	863.76	10.82	10.82
<b>Current assets</b>	<b>887.62</b>	<b>2,025.06</b>	<b>793.95</b>	<b>864.15</b>	<b>10.99</b>	<b>16.84</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	543.80	686.02	-	-
Other liabilities	-	-	-	-	-	-
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>543.80</b>	<b>686.02</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	59.24	43.95	21.99	21.99	-	-
Other liabilities	828.63	1,981.36	91.95	52.10	-	0.10
<b>Current liabilities</b>	<b>887.87</b>	<b>2,025.31</b>	<b>113.95</b>	<b>74.09</b>	<b>-</b>	<b>0.10</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>143.10</b>	<b>111.90</b>	<b>10.99</b>	<b>16.73</b>
<b>Group share of net assets</b>	<b>-</b>	<b>-</b>	<b>142.91</b>	<b>156.65</b>	<b>11.38</b>	<b>11.38</b>
Revenue	7,176.95	9,897.45	1,740.08	307.55	-	0.33
Works Direct Expenses	7,176.95	9,897.45	1,576.29	351.35	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	0.96	1.10	-	-
Finance cost	-	-	5.24	9.14	-	-
Other expenses	-	-	7.78	9.23	-	-
<b>Profit/ (Loss) for the year before tax</b>	<b>-</b>	<b>-</b>	<b>149.82</b>	<b>(63.27)</b>	<b>-</b>	<b>0.33</b>
Tax	-	-	-	-	0.01	0.10
<b>Profit/ (Loss) after tax</b>	<b>-</b>	<b>-</b>	<b>149.82</b>	<b>(63.27)</b>	<b>(0.01)</b>	<b>0.23</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	149.82	(63.27)	(0.01)	0.23
Group share of profit/ (Loss)	-	-	104.87	(44.29)	(0.01)	0.11
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-	-	104.87	(44.29)	(0.01)	0.11





## 57 Interest in other entities

## iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-MBPL-BRAPL		SMSL-SRRCIPL		M/s Sanbro Corporation	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2022	2021	2022	2021	2022	2021
Non-current assets	43.32	50.96	766.33	778.66	0.21	0.22
<b>Current assets</b>						
Cash and cash equivalents	68.07	416.20	40.93	4.12	0.14	0.14
Other assets	3,690.93	1,028.21	1,537.04	778.35	11.91	11.91
<b>Current assets</b>	<b>3,759.00</b>	<b>1,444.42</b>	<b>1,577.97</b>	<b>782.47</b>	<b>12.04</b>	<b>12.05</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	766.34	778.66	221.17	220.87
Other liabilities	-	-	-	-	-	-
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>766.34</b>	<b>778.66</b>	<b>221.17</b>	<b>220.87</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	686.94	1,372.26	-	-	0.15	0.30
Other liabilities	3,066.37	83.18	1,448.26	653.49	-	-
<b>Current liabilities</b>	<b>3,753.31</b>	<b>1,455.43</b>	<b>1,448.26</b>	<b>653.49</b>	<b>0.15</b>	<b>0.30</b>
<b>Net assets</b>	<b>49.01</b>	<b>39.94</b>	<b>129.70</b>	<b>128.98</b>	<b>(209.07)</b>	<b>(208.90)</b>
<b>Group share of net assets</b>	<b>28.37</b>	<b>23.20</b>	<b>(1.65)</b>	<b>(2.12)</b>	<b>(86.92)</b>	<b>(86.88)</b>
Revenue	4,139.55	5,142.78	4,513.74	66.88	-	-
Works Direct Expenses	4,069.79	4,894.35	4,481.37	65.47	-	-
Administrative Expenses	8.15	28.91	-	-	-	-
Depreciation and amortisation	7.64	8.99	-	-	0.01	0.01
Finance cost	-	-	-	1.05	-	-
Other Expenses	40.78	206.38	31.47	0.01	0.16	0.39
<b>Profit/ (Loss) for the year before tax</b>	<b>13.18</b>	<b>4.15</b>	<b>0.90</b>	<b>0.36</b>	<b>(0.17)</b>	<b>(0.40)</b>
<b>Tax</b>	<b>4.11</b>	<b>1.31</b>	<b>0.28</b>	<b>0.12</b>	<b>-</b>	<b>-</b>
<b>Profit/ (Loss) after tax</b>	<b>9.07</b>	<b>2.84</b>	<b>0.62</b>	<b>0.25</b>	<b>(0.17)</b>	<b>(0.40)</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	9.07	2.84	0.62	0.25	(0.17)	(0.40)
Group share of profit/ (Loss)	5.17	1.62	0.37	0.15	(0.04)	(0.10)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	5.17	1.62	0.37	0.15	(0.04)	(0.10)



## 57 Interest in other entities

iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-SAKET		SMSIL-SHREENATH		AGIPL -SMSL	
	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Non-current assets	-	-	537.36	537.36	-	-
<b>Current assets</b>						
Cash and cash equivalents	43.83	12.44	68.36	87.87	1.26	-
Other assets	1,178.46	593.09	405.92	507.61	1,685.49	-
<b>Current assets</b>	<b>1,222.29</b>	<b>605.53</b>	<b>474.27</b>	<b>595.49</b>	<b>1,686.76</b>	-
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	-	-	-	-
Other liabilities	47.27	94.28	537.36	537.36	1,623.59	-
<b>Non-current liabilities</b>	<b>47.27</b>	<b>94.28</b>	<b>537.36</b>	<b>537.36</b>	<b>1,623.59</b>	-
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	907.46	370.02	255.00	307.07	0.30	-
Other liabilities	80.27	94.39	146.14	146.17	63.17	-
<b>Current liabilities</b>	<b>987.73</b>	<b>464.41</b>	<b>401.14</b>	<b>453.24</b>	<b>63.47</b>	-
<b>Net assets</b>	<b>187.29</b>	<b>46.84</b>	<b>73.13</b>	<b>142.25</b>	<b>(0.30)</b>	-
<b>Group share of net assets</b>	<b>74.92</b>	<b>19.74</b>	<b>2.00</b>	<b>27.23</b>	<b>(0.06)</b>	-
Revenue	6,656.01	5,637.46	10.93	50.73	1,202.71	-
Works Direct Expenses	6,389.77	5,404.24	-	-	1,202.71	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	0.19	0.30	-	-	-	-
Other Expenses	0.61	22.01	6.46	35.02	0.30	-
<b>Profit/ (Loss) for the year before tax</b>	<b>265.45</b>	<b>210.90</b>	<b>4.47</b>	<b>15.71</b>	<b>(0.30)</b>	-
Tax	-	80.00	-	-	-	-
<b>Profit/ (Loss) after tax</b>	<b>265.45</b>	<b>130.90</b>	<b>4.47</b>	<b>15.71</b>	<b>(0.30)</b>	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>265.45</b>	<b>130.90</b>	<b>4.47</b>	<b>15.71</b>	<b>(0.30)</b>	-
<b>Group share of profit/ (Loss)</b>	<b>106.18</b>	<b>58.74</b>	<b>1.63</b>	<b>5.74</b>	<b>(0.06)</b>	-
Group share of OCI	-	-	-	-	-	-
<b>Group share of total comprehensive income</b>	<b>106.18</b>	<b>58.74</b>	<b>1.63</b>	<b>5.74</b>	<b>(0.06)</b>	-



## 57 Interest in other entities

## iv Table below provide summarised financial information for Joint venture

Particulars	Meghe SMS Health Sciences Consortium (SPV)		SRRCIPL - SMSL	
	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Non-current assets:	23.14	23.13	-	-
<b>Current assets</b>				
Cash and cash equivalents	-	0.01	0.20	-
Other assets	144.54	144.54	343.47	-
<b>Current assets</b>	<b>144.54</b>	<b>144.55</b>	<b>343.67</b>	<b>-</b>
<b>Non-current liabilities</b>				
Financial liabilities (excluding trade payables)	-	-	-	-
Other liabilities	-	-	-	-
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Financial liabilities (excluding trade payables)	-	-	-	-
Other liabilities	-	-	343.77	-
<b>Current liabilities</b>	<b>-</b>	<b>-</b>	<b>343.77</b>	<b>-</b>
<b>Net assets</b>	<b>167.68</b>	<b>167.68</b>	<b>(0.10)</b>	<b>-</b>
<b>Group share of net assets</b>	<b>69.10</b>	<b>69.10</b>	<b>(0.03)</b>	<b>-</b>
Revenue	-	-	280.12	-
Works Direct Expenses	-	-	280.12	-
Administrative Expenses	-	-	-	-
Depreciation and amortisation	-	-	-	-
Finance cost	-	-	-	-
Other Expenses	-	-	0.10	-
<b>Profit/ (Loss) for the year before tax</b>	<b>-</b>	<b>-</b>	<b>(0.10)</b>	<b>-</b>
Tax	-	-	-	-
<b>Profit/ (Loss) after tax</b>	<b>-</b>	<b>-</b>	<b>(0.10)</b>	<b>-</b>
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(0.10)	-
Group share of profit/ (Loss)	-	-	(0.03)	-
Group share of OCI	-	-	-	-
Group share of total comprehensive income	-	-	(0.03)	-





## 57 Interest in other entities

## iv Table below provide summarised financial information for Associates

(₹ in lacs)

The Group's associates as at 31 March 2022 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		Principal activities
			31-Mar 2022	31-Mar 2021	
RCCL Infrastructure Pvt. Ltd.*	India	34%	-	-	Infrastructure
SMS-AAMW Tollways Pvt. Ltd.*	India	26%	-	-	Toll
SPANV Medisearch Lifesciences Pvt Ltd	India	41.84%	4,720.81	-	Healthcare services
			4,720.81	-	

Note:-The Associates company SMS-AAMW Tollways Pvt. Ltd. had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP) and one Associates company SPANV Medisearch Lifesciences Pvt Ltd. had prepared their financial statement in accordance with Indian Accounting Standards (IND-AS). These financial statements are consolidated based on conversion adjustments.

\*Refer Notes to account No.8 #



## 57. Interest in other entities

(₹ in lacs)

vi. Table below provide summarised financial information for Associates

Particulars	SPANV Medisearch Lifesciences Pvt Ltd		RCCL Infrastructure Limited		SMS-AAMW Tollways Private Limited	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2022	2021	2022	2021	2022	2021
Non-current assets	35,829.00	-	-	-	4.25	4.25
<b>Current assets</b>						
Cash and cash equivalents	164.00	-	-	-	70.55	137.49
Other assets	2,607.00	-	-	-	131.25	131.25
<b>Current assets</b>	<b>2,771.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201.81</b>	<b>268.74</b>
<b>Non-current liabilities</b>	<b>15,904.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,388.25</b>	<b>3,388.25</b>
<b>Current liabilities</b>	<b>11,412.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.97</b>	<b>2.68</b>
Revenue						
<b>Profit/ (Loss) for the year before tax</b>	<b>(3,578.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68.21)</b>	<b>(0.21)</b>
Other comprehensive income	15.00	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(3,563.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68.21)</b>	<b>(0.21)</b>



## 58 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

## SMS Limited

	As at 31st March 2022	As at 31st March 2021
(i) Amount required to be spent by the company during the year	34.61	82.68
(ii) Last year Unspent amount	0.71	99.01
(iii) Amount of expenditure incurred	41.00	180.98
(iv) (Shortfall)/excess at the end of the year	5.68	(0.71)
(v) Total of previous years (Shortfall)/excess as at the end of the	Nil	(0.71)
(vi) Reason for shortfall	Nil	Meager amount pending

## (vii) Nature of CSR activities-

## 1. Construction/ acquisition of any assets

Nil

Nil

## 2. On purpose other than (1) above

A) Contribution for maintaining quality of soil and air	-	5.50
B) Contribution to fight against COVID-19 pandemic	5.76	6.27
C) Contribution to Eradicating hunger, poverty and malnutrition	25.00	35.00
D) Contribution to promoting education	9.53	134.21
E) Contribution to Prime Minister National Relief Fund	0.71	-
	41.00	180.98

## SMS ENVOCLEAN PRIVATE LIMITED

a) Gross amount required to be spent by the company during the year ₹ 22.51 Lacs (₹ 10.76 Lacs)

b) The company has spent ₹ 24.93 Lacs during the current financial year (₹ 10.85 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 :

	Amount Spent	Amount yet to be Spent	Total Amount
<b>Year Ended March 31, 2022</b>			
	Nil	Nil	Nil
i) Construction/ acquisition of any Asset			
ii) For Educational Welfare	24.93	-	24.93
<b>TOTAL</b>	24.93	-	24.93
<b>Year Ended March 31, 2021</b>			
	Nil	Nil	Nil
i) Construction/ acquisition of any Asset			
ii) For Educational Welfare	10.85	-	10.85
<b>TOTAL</b>	10.85	-	10.85





**SMS WATER GRACE BMW PRIVATE LIMITED**

Gross amount required to be spent by the company during the year - ₹ 9.14 Lacs (₹ Nil Lacs)

The company has spent ₹ 9.30 Lacs during the current financial year (₹ Nil 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 :

	Amount Spent	Amount yet to be Spent	Total Amount
<b>Year Ended March 31, 2022</b>			
	Nil	Nil	Nil
i) Construction/ acquisition of any Asset			
ii) For Educational Welfare	9.30	-	9.30
<b>TOTAL</b>	<b>9.30</b>	<b>-</b>	<b>9.30</b>
<b>Year Ended March 31, 2021</b>			
	Nil	Nil	Nil
i) Construction/ acquisition of any Asset			
ii) For Educational Welfare	Nil	-	-
<b>TOTAL</b>	<b>Nil</b>	<b>-</b>	<b>-</b>

**MAHARASHITRA ENVIRO POWER LIMITED**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i) Amount required to be spent by the company during the year	33.46	14.30
ii) Amount of expenditure incurred	38.92	14.32
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-
vi) Nature of CSR activities	Water supply, health care Environment sustainability	Water supply, health care Environment sustainability
vii) Details of related party transactions, e.g. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard(1)	NA	NA
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA



**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 preceding 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.

Proposed to be spent towards	Gross Amount Required to be spent	Amount Spent	Excess of FY 20-21 adjusted
Education promotion or Health care facilities/ programme and espousing social causes. (Spent through GH Raisonj University, Amravati)	48.88	35.00	14.34

- A Gross amount required to be spent by the Company for FY 2021-22 was ₹ 48.88 lacs towards CSR expenditure. Out of this the company had an excess amount spend of ₹ 14.34 lacs relating to FY 2020-21 which is allowed to be set off against Current year expenditure.
- B The Balance CSR amount of ₹ 34.53 lacs was proposed to be spent towards Education promotion or Health care facilities/ programme and espousing social causes.
- C The company spent an amount of ₹ 35 lacs towards educational promotion through institution named GH Raisonj 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. There was no shortfall in amount spent for Current or any of the previous Financial Years.

**SMS-AABS Tollways Private Limited:-** The Company has fully spent the required amount towards Corporate Social Responsibility (CSR), there was no CSR amount unspent for the year which was required to be transferred to a Fund specified in Schedule VII to the Companies Act.(F.Y 2021-22 ₹ 240.53 Lacs F.Y 2020-21 ₹ 468.53 Lacs)

To the following Companies CSR provisions are not Applicable because Companies not fulfilling any of criteria of Section 135 of the Companies Act 2013.

- i SMS Infolink Private Limited
- ii Spark Mall & Parking Private Limited
- iii SMS Mine Developers Private Limited
- iv Pt. SMS Mines Indonesia
- v SMS Tolls & Developers private Limited
- vi Sms Taxicabs Private Limited
- vii SMS Vidhyut Private limited
- viii SMS Waste Management Private Limited
- ix Pt. SMS Minerals International
- x SMS Mining Limited





**59 AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED**

- a The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Financial Statements included under Property, Plant and Equipment are held in the name of the Company.
- b The Company does not have any Benami Property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.
- c The Company does not have Working Capital Limit comprising of Fund based and Non Fund based facilities. The Company is also not required to comply with Quarterly Information Statement or submission of Stock and Debtor Statement on monthly basis to bank.
- d The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- e The Company does not have any transactions with struck-off companies.
- f The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- g The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.
- h The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall :  
 i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or  
 ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :  
 i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or  
 ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- j The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
- k The Company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year.





**SMS-AABS Tollways Private Limited**

- a There are no title deeds of immovable property which are shown in the Balance Sheet but are not held in the name of the company, so no additional disclosure is required in this respect.
- b There was no revaluation of any Property during the year, hence the clause is not applicable.
- c There is no data to report under Relationship with Struck Off Companies.
- d No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, so no additional disclosure is required in this respect.
- e The company is a not declared willful defaulter by any bank or financial institution or other lender so no additional disclosure is required in this respect.
- f The Company does not have any borrowings from banks on the basis of security of current assets.
- g There were no charges or satisfaction of charges, yet to be registered with Registrar of Companies beyond the statutory period, as at year end, so no additional disclosure is required in this respect.
- h The company has not advanced or loan or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- i The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**60 Spark Mall and Parking Private Limited (Formerly known as SMS Parking Solution Business Transfer Agreement (BTA):-**

- a Pursuant to a business transfer agreement dated 01 August 2022 entered into between Spark Mall And Parking Pvt. Ltd and SMD Hospitals Pvt. Ltd., the seller has transferred its business of pharmacy & Central Clinical Laboratory / Medical Laboratory as a going concern on a slump sale basis for a lump sum consideration and without values being assigned to individual assets and liabilities.
- b The details of assets and liabilities which have been transferred and the purchase consideration payable as on the date of transaction are as below:

Particulars	Amt (In Lacs)
<b>Assets :</b>	
Tangible Assets	73.37
Intangible Assets	2.54
Long Term Loans And Advances	42.55
Inventories	463.91
Trade Receivables	191.05
Cash And Cash Equivalents	53.57
Short Term Loans And Advances	25.90
Other Current Assets	12.82
<b>Total Assets</b>	<b>865.72</b>
<b>Liabilities :</b>	
Long Term Provisions	1.23
Trade Payables	241.93
Other Current Liabilities	5.53
Short Term Provisions	2.78
<b>Total Liabilities</b>	<b>251.46</b>
Net Assets taken over	614.27
Less : Purchase Consideration	3640.00
<b>Goodwill</b>	<b>3025.73</b>

- c **Reconciliation of Purchase consideration payable :**
- |   |                |
|---|----------------|
| Purchase Consideration to be paid                         | 3640.00        |
| Less : Amount Paid during the period                      | 1140.28        |
| <b>Purchase consideration payable as on 31st March 22</b> | <b>2499.72</b> |



61 For SMS Limited - 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 is 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 advisor, the company made the provision for the GST impact turnover in books of account.

62 For SMS Limited -SMS Limited has availed credit facilities\finance from SREI Equipment Finance Limited (SERI) vide sanction Letter dated 5th Dec 2019 for equipment's sourced from SREI. The Non-performance of machines resulted in operational financial loss to SMS Limited and led to commercial dispute.

After prolonged deliberations an understanding was arrived at with SREI for resolving the issue and it was mutually agreed that as against the credit facility of ₹ 21900 Lacs, after set off of operational losses the SMS Limited would repay to SREI the sum of ₹ 14000 Lacs towards full and final settlement against the Master Facility Agreement with SREI.

As per the settlement, SMS Limited repaid ₹ 9096 Lacs and balance amount of ₹ 4904 Lacs was repayable on execution of relevant documentation by SREI.

However, SREI backtracked on the understanding and demanded the entire outstanding amount, contrary to the settlement. Subsequently, SREI treating this as a dispute invoked arbitration as per the clause of the Master Facility Agreement.

Thereby, with the consent of both the parties, Former Chief Justice of Kolkata High Court was appointed as the Sole Arbitrator and arbitration proceedings were commenced during September'2021.

In anticipation of reduction of the liability against the compensation towards operational losses and considering the fact that SREI has invoked the arbitration proceedings, the repayment is kept pending and interest is also not recognised.

After hearing both the parties at length, the Arbitrator has passed an Award on 25th August, 2022, wherein the arguments of SMS Limited were upheld and the settlement/agreement with SREI was proved and accordingly SMS Limited is required to pay the balance amount of Rs. 4904 Lacs.

Based on above award, SMS Limited wrote to SREI showing willingness to pay the amount as per Award. However, pending confirmation from SREI, the entire outstanding amount as per books is classified based on the repayment schedule.





- 63 For SMS Limited** -The company had made investments to the tune of ₹ 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 Radio cabs 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 and also by sale of vehicles parked at depot. The company is also in discussion with concern authority for recovery of losses.

SMS Limited had invested an amount of ₹ 3320.66 lacs in Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited). This subsidiary 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 cineplexes. 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 management 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, and in FY 21-22 the malls were not allowed to operate for the partial period as per the government guidelines. But as stated above the pharmacy business has generated the cash flow due to which losses has been reduced. This business will be generating the sufficient revenue to repay the loan in coming years. 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 this company, the management intends to carry these investments at its historical cost without any impairment.

- 64 SMS Ltd** had invested an amount of ₹ 155.18 lacs towards equity, ₹ 4085.31 lacs as unsecured loan and ₹ 2152.59 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 resulted to profit in these years. 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 and even after Covid 19 due to technical issues department require some more time to give its consent, 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.





65 **SMS Limited** had invested an amount of ₹ 992 lacs in SMS Vidyut Private Limited. This subsidiary 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 in favour of the Company and hence, the management continue to carry the value of investment in SMS Vidyut Private Limited at its historical cost.

66 **For SMS Limited** -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 ₹ 1,038.89 Lacs.

Associate company has raised a claim of ₹ 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.

67 **For SMS Limited** Due to COVID-19, there were continuing 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 during FY 2020-21 and 1st quarter of FY 2021-22. All these affected the productivity and also resulted in significant rise in input cost. Consequently, there were significant drop in the turnover and the profit during the FY 2020-21. The company had to suffer the same situation during the 2nd wave during the first quarter of financial year 2021-22.

Taking into view all the above mentioned situations, the management initiated various measures to overcome these issues and took steps to improve the revenue and financial. Due to this company has achieved a revenue of ₹ 90546.21 lacs during FY 2021-22 against a revenue of ₹ 67954.31 lacs during the FY 2020-21. Thus there has been overall improvement in financial of the company post Covid-19 pandemic. The company have work in hands of ₹ 8,78,047 lacs and the company foresee an improved financial in the years to come.



**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 uncertainties involved in estimating the impact 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.

#### 68 Recent Amendments

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective from April 1, 2022:

- a. Ind AS 101 : First time adoption of Ind AS
- b. Ind AS 109 : Annual improvements to Ind AS (2021)
- c. Ind AS 103 : Reference to Conceptual Framework
- d. Ind AS 37 : Onerous Contracts - Costs of Fulfilling a Contract
- e. Ind AS 16 : Proceeds before intended use
- f. Ind AS 41 : Agriculture

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

- 69 **FOR 'MAHARASHTRA ENVIRO POWER LIMITED** - During the year the company has derecognised the Plant & Equipment and Vehicles at Ranjangaon amounting to Net Block ₹ 2.08 Lacs (Gross Carrying Value ₹ 199.66 Lacs & Accumulated depreciation ₹ 197.58 lacs.)





**70 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 ₹ 230 Lacs. Against this claim the Maharashtra State Electricity Distribution Company Ltd has approved and paid a total due of ₹ 110 Lacs 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. The company has incurred expenditure of ₹ 50 Lacs for this LBC transmission line and management is hopeful of its Recovery.

**71 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 company.

**FOR SMS TAXICABS PRIVATE LIMITED** EVENTS OCCURRING 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 payable to Abhyudaya Co-operative Bank Limited & Punjab National Bank (Erstwhile - Oriental Bank of Commerce) and has received "NO DUE CERTIFICATE" from them after the balance sheet date.

**FOR AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED** Subsequent 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.



- 72 **For SMS Limited** -The Scheme of Merger of Patwardhan Infrastructure Private Limited (PIPL) (Wholly owned subsidiary company of SMS Limited) with SMS Limited and their respective shareholders ("the Scheme") was approved by the National Company Law Tribunal, Mumbai Bench vide order dated 24th March,2022.

Pursuant to the Scheme, all the assets and liabilities of Patwardhan Infrastructure Private Limited shall by virtue of NCLT order now stands vested into SMS Limited by operation of law. Due to aforesaid merger the networth of the company is increased by ₹ 995.27 Lacs with a corresponding increase in assets of SMS Limited, including Mat credit of ₹ 802.71 lacs.

- 73 **For SMS Limited** - 'Note for Exceptional item

Note for Loss in FY 2020-21 and profit in F.Y 2021-2022 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 ₹ 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 ₹ 3960.67 lacs which ultimately resulted in losses in the JV in that year. Prior to this, the JV has earned profits over the last 12 years and has been accounted in the respective books of account of JV partners . SMSL is now executing the remaining works on behalf of JV.

Against loss of ₹ 3890.84 lacs in FY 2019-2020 the SMSL has booked his share of 70% of loss of ₹ 2723.59 lacs as an exceptional item. Though there will be no cash outflow for SMSL, it has reduction in the value of its investment in the JV, making it negative.

DTC being an insolvent company has gone into NCLT and Vide order Dt: 14.03.2022, NCLT dismissed claim of the JV for ₹ 3960.67 lacs. Hence, the entity has reversed provision of Bad & Doubtful debt taken in FY 19-20 and instead recognised losses for ₹ 3960.67 lacs on account of non- recovery of amount from DTC. There is no impact on profit and loss statement in FY 21-22 in the books of JV company. Also, JV entity has approached Abhyudaya Co-Op Bank for settlement, thus resulted in reduction in liability of Abhyudaya Co-Op Bank to ₹ 2500.00 Lacs. This has resulted to an overall increase in net profit of JV to ₹ 2518.90 Lacs in FY 21-22 and SMS has booked his share of profit of ₹ 1763.23 lacs. as an exceptional item.

- 74 **For SMS Limited:-** where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;

(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.





The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company except to the extent of work in progress which has been recorded in books as at the end of the year.

**75 A Reconciliation of total comprehensive income and other equity consequent to restatement of prior period error**

(₹ in lacs)

Reconciliation of comprehensive income	As on 31 March 2021	As on 31 March 2020
Total comprehensive income as per the last audited financial statement	9,737.42	6,753.06
Prior Period item	(629.99)	0.00
Total comprehensive income as per the current year financial statement	9,107.43	6,753.06

B Reconciliation of other equity	As on 31 March 2021	As on 31 March 2020
Total amount of other equity as per the last audited financial statement	66,654.67	62,896.67
Prior period item	(371.24)	0.00
Total amount of other equity as per the current year financial statement	66,283.43	62,896.67

- 76 Party balances are subject to confirmation and the balances shown under trade receivable, trade payable, loans and advances, other current assets & liabilities have approximately the same realisable/ payable value as shown in the financials.
- 77 Any other accounting policy not specifically referred to are consistent with Indian GAAP.
- 78 Previous Years figures are regrouped and rearranged wherever necessary.
- 79 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 : 21, September, 2022  
UDIN : 22043414BDPTZA1042

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

Nagpur, 15th September, 2022



## Notice to the 25<sup>TH</sup> Annual General Meeting

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NOTICE is hereby given that the Twenty Fifth Annual General Meeting (25<sup>th</sup> AGM) of the Members of SMS Limited will be held at Shorter Notice on Friday the 30<sup>th</sup> day of September 2022 at 12.00 P.M. at IT Park, 20, S.T.P.L., Gayatri Nagar, Parsodi, Naggur-440022, to transact the following business:-

### A ORDINARY BUSINESS:

#### Item no. 1

To receive, consider and adopt:

The Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2022 along with the reports of the Board of Directors and Auditors thereon.

#### Item no. 2

To receive, consider and adopt:

The Audited Consolidated Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March 2022 together with the Report of the Auditors thereon.

#### Item no. 3

To appoint a Director in place of Mr Akshay Sancheti, Director (DIN: 07564977) who retires by rotation and being eligible, offers himself for re-appointment.

#### Item no. 4

To appoint a Director in place of Mr Hemant Lodha, Director (DIN: 01654145) who retires by rotation and being eligible, offers himself for re-appointment.

**Item no. 5**

**Re-Appointment of Auditors and fix their remuneration-U/S 139:**

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

**"RESOLVED THAT** in accordance with the provision of section 139 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment therefore for the time being in force), M/S. V.K. Surana & Co., Chartered Accountants, Nagpur (ICAI Firms Registration No. 110634W), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company i.e. for a period of 5 (Five) years at such remuneration and on such terms and conditions, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** Mr Anand Sancheti, Managing Director of the Company be and is hereby authorized to intimate the auditor of their re-appointment within fifteen days from the conclusion of this meeting."

**SPECIAL BUSINESS:**

**Item no. 6**

**To ratify the remuneration of the Cost Auditor for the financial year ended 31.03.2023:**

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 5,25,000/- (Rupees Five Lac Twenty Five Thousand only) plus taxes and reimbursement of out-of-pocket expenses if any on actual basis, payable to M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) during the course of their assignment who

has re-appointed as Cost Auditors by the Board of Directors to conduct the audit of the cost records of the Company to the extent applicable under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ended 31<sup>st</sup> March 2022.

RESOLVED FURTHER THAT the Managing Directors of the Company be and are hereby authorized to take all actions and do all such acts, deeds, matters and things as may be necessary or desirable in connection with or incidental to give effect to the above resolution."

#### Item no. 7

Re-Appointment of Mr Paramveer Sancheti (DIN: 05326947), as Whole Time Director of the Company and to approve the remuneration payable to him w.e.f. 01.03.2023.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 2(78), 2(94), 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Articles of Association of the Company, and as recommended by Nomination and remuneration Committee vide its 17<sup>th</sup> meeting and the approval of Audit Committee vide its 61<sup>st</sup> meeting and approval of the Board of Directors of the Company vide its 434 meeting each dated 15.09.2022 the consent of the members of the Company be and is hereby accorded for re-appointment of Mr Paramveer Sancheti (DIN: 05326947) as Whole Time Director of the Company for the further period of five years commencing from 1<sup>st</sup> March 2023 to 29<sup>th</sup> February 2028 on terms and conditions including remuneration to be paid in the event of no profit or inadequacy of profits in any financial year during the period of 3(three) years from the date of his re-appointment, with the liberty to the Board of Directors (herein after referred to as Board which term shall be deemed to include the Nomination and remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said re-appointment and/or the remuneration in such manner as may be agreed to between the Board of Directors and Mr Paramveer Abhay Sancheti.



The salary structure of Mr Paramveer Abhay Sancheti w.e.f. 01.03.2023 as follows:-

Sr.no	Particulars	Composition
i	Annual Gross Salary	₹ 1,50,83,700/-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	₹ 1,56,35,700/-
iii.	Perquisites	
	a) Leave Travel Allowance	NIL
	b) Club Fees	(Excluding initial joining fees) subject to a maximum of two clubs.
	c) Car/Telephone	Two chauffeur-driven Cars with driver and landline telephone facilities at a residence along with two mobile connections in the name of the appointee through a Corporate plan will be provided to the appointee.
	d) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence.
	e) Security Guard	The expenditure incurred on Security Guard at the residence shall be borne by the Company.
II	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Orders of the Company shall apply.

**I- Terms and Conditions:**

1. CONSOLIDATED SALARY INCLUDING ALLOWANCES- ₹ 1,56,35,700/-  
(Rupees One Crore Fifty Six Lac Thirty Five Thousand (Annual CTC).

**2. SPECIFIC TERMS & CONDITIONS:**

1. Subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to him by the Board and shall exercise such powers as are delegated to him by the Board of Directors from time to time.

2. He shall be responsible for the operations of the company which, interalia, involve:

- i. To sign on behalf of the company forms, documents and papers, execute and file all applications, documents, returns, objections and other papers that may be required from or in relation to the business of the Company.
  - ii. Ensuring that the main objectives of the company are effectively implemented keeping in view the profitability and other corporate objectives.
  - iii. He will do all acts always in the best interest of the company.
  - iv. To make optimum utilization of funds of the company.
3. He shall throughout the said term devote his entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the company and use utmost endeavors to promote the interests of the company.
  4. He shall not, during the period of his employment and without the previous consent in writing of the Board, engage or involve himself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Tenure: Five years commencing from 1<sup>st</sup> March 2023 to 29<sup>th</sup> February 2028.

### 3. OTHER TERMS AND CONDITIONS:

For all other terms and conditions of re-appointment not specifically spelt out above, the Rules and Orders of the Company shall apply.

**Maximum Remuneration:** The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but wherein any financial year the Company has adequate profits, such remuneration may be paid to the Whole-time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed between the Board and the Whole-time Director, subject to such approvals as may be required.

**RESOLVED FURTHER THAT** the above terms and conditions of the said re-appointment may be altered/varied including enhancement in remuneration from time to time by the Board of Directors as it may in its discretion deem fit within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter.

**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee of the Company be and is hereby severally authorised to settle any queries/difficulties or doubts that may arise in giving effect to this resolution and to do all such acts deeds and things that may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

#### Item no. 8

**Re-Appointment of Mr Nirbhay Sancheti (DIN: 08338308), as Whole Time Director of the Company and to approve the remuneration payable to him w.e.f. 01.03.2023.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to section 2(78), 2(94), 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Articles of Association of the Company, and as recommended by Nomination and Remuneration Committee vide its 17<sup>th</sup> meeting and the approval of Audit Committee vide its 61<sup>st</sup> meeting and approval of the Board of Directors of the Company vide its 434 meetings each dated 15.09.2022 the consent of the members of the Company be and is hereby accorded for re-appointment of Mr Nirbhay Sancheti (DIN: 08338308) as Whole Time Director of the Company for the further period of five years commencing from 1<sup>st</sup> March 2023 to 29<sup>th</sup> February 2028 on terms and conditions including remuneration to be paid in the event of no profit or inadequacy of profits in any financial year during the period of 3(three) years from the date of his



re-appointment, with the liberty to the Board of Directors (hereinafter referred to as Board which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said re-appointment and/or the remuneration in such manner as may be agreed to between the Board of Directors and Mr Nirbhay Sancheti.

The salary structure of Mr Nirbhay Ajay Sancheti w.e.f. 01.03.2023 as follows:-

Sr.no	Particulars	Composition
i	Annual Gross Salary	₹ 2,17,06,658/-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	₹ 2,34,53,592 /-
iii.	Perquisites	
	a) Leave Travel Allowance	NIL
	b) Club Fees	Fees (excluding initial joining fees) are subject to a maximum of two clubs.
	c) Car/Telephone	Two chauffeurs driven Car with a driver and landline telephone facilities at the residence along with two mobile connections in the name of the appointee through the Corporate plan, will be provided to the appointee.
	d) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence
	e) Security Guard	The expenditure incurred on Security Guard at the residence shall be borne by the Company.
II	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Orders of the Company shall apply.

#### I - Terms and Conditions:

1. CONSOLIDATED SALARY INCLUDING ALLOWANCES -₹ 2,34,53,592/- (Rupees Two Crore Thirty Four Lac Fifty Three Thousand Five Hundred Ninety Two only) (Annual CTC).

## 2. SPECIFIC TERMS & CONDITIONS:

1. Subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to him by the Board and shall exercise such powers as are delegated to him by the Board of Directors from time to time.
2. He shall be responsible for the operations of the company which, interalia, involve:
  - i. To Sign on behalf of the company forms, documents and papers, execute and file all applications, documents, returns, objections and other papers that may be required from or in relation to the business of the Company.
  - ii. Ensuring that the main objectives of the company are effectively implemented keeping in view the profitability and other corporate objectives.
  - iii. He will do all acts always in the best interest of the company.
  - iv. To make optimum utilization of funds of the company.
3. He shall throughout the said term devote his entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the company and use your utmost endeavors to promote the interests of the company.
4. He shall not, during the period of his employment and without the previous consent in writing of the Board, engage or involve himself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Tenure: Five years commencing from 1<sup>st</sup> March 2023 to 29<sup>th</sup> February 2028.

### 3. OTHER TERMS AND CONDITIONS:

For all other terms and conditions of re-appointment not specifically spelt out above, the Rules and Orders of the Company shall apply.

**Maximum Remuneration:** The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but wherein any financial year the Company has adequate profits, such remuneration may be paid to the Whole-time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed between the Board and the Whole-time Director, subject to such approvals as may be required.

**RESOLVED FURTHER THAT** the above terms and conditions of the said re-appointment may be altered/ varied including enhancement in remuneration from time to time by the Board of Directors as it may in its discretion deem fit within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter.

**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee of the Company be and is hereby severally authorised to settle any queries/difficulties or doubts that may arise in giving effect to this resolution and to do all such acts deeds and things that may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

**By Order of the Board  
FOR SMS LIMITED**

**PLACE: NAGPUR  
DATE: 15.09.2022**

**Anand Sancheti,  
Managing Director  
DIN: 00953362  
Add: 10, Hindustan Colony,  
Amaravati Road, Bharat Nagar,  
Nagpur- 440033 [M.S.]**



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 THAN 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 COMMENCEMENT 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 139(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 2021-22 WILL ALSO BE AVAILABLE ON THE COMPANY'S WEBSITE: WWW.SMSL.CO.IN FOR DOWNLOAD.
10. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2021-22 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 ADDRESSES (IF ANY), PHYSICAL COPIES OF THE ANNUAL REPORT FOR 2021-22 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**

**PLACE: NAGPUR  
DATE: 15.09.2022**

**Anand Sancheti,  
Managing Director  
DIN: 00953362  
Add: 10, Hindustan Colony,  
Amaravati Road, Bharat Nagar,  
Nagpur- 440033 [M.S.]**

## Proxy Form

[Pursuant to section 105(b) 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, 30 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 30<sup>th</sup> day of September 2022 At 12.15 p.m. at IT Park, 30 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 2022 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 2022 together with the Report of the Auditors thereon.			
2.	To declare a dividend on Equity Shares for the financial year 2021-22.			
3.	To appoint a Director in place of Mr. Akshay Samsher, Director (DIN: 07364977) who retires by rotation and being eligible offers themselves for re-appointment.			
4.	To appoint a Director in place of Mr. Hemant Loche, Director (DIN: 01654145) who retires by rotation and being eligible offers themselves for re-appointment.			
5.	Re-Appointment of Auditors and fix their remuneration U/S 139:			



6.	To ratify the remuneration of the Cost Auditor for the financial year ended 31.03.2023.			
7.	Re-Appointment of Mr Paragveer Senchen (DIN: 05326947), as Whole Time Director of the Company and to approve the remuneration payable to him w.e.f. 01.03.2023.			
8.	Re-Appointment of Mr Nishay Senzhen (DIN: 06338308), as Whole Time Director of the Company and to approve the remuneration payable to him w.e.f. 01.03.2023.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

After  
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.

Explanatory Statement annexed to the notice pursuant to section 102 of the Companies Act, 2013:

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. 5 to 8 of the accompanying Notice dated September 30, 2022.

For Item No. 5:

M/s V. K. Surana & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 110634W) were appointed by the Members of the Company as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on were appointed by the Members of the Company as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on 29<sup>th</sup> day of September 2017 for a period of 5 years, up to the conclusion of the 25<sup>th</sup> AGM. M/s. V. K. Surana & Co., are eligible for re-appointment for one more term of 5 years. M/s. V. K. Surana & Co., have given their consent for their re-appointment as the Statutory Auditors of the Company and has furnished a certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the Rules made thereunder. M/s. V. K. Surana & Co., have confirmed that they are eligible for the proposed re-appointment under the Act, the Chartered Accountants Act, 1949 and the Rules and Regulations made thereunder. As confirmed to the Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiaries according to the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the ethical requirements relevant to the audit. Based on the recommendations of the Audit Committee and the Board of Directors and subject to your approval, it is hereby proposed to re-appoint M/s. V. K. Surana & Co., Chartered Accountants, Nagpur (Firm Registration No. 110634W), as the Statutory Auditors of the Company for the second term of five consecutive years, shall hold office from the conclusion of this 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM of the Company. The remuneration proposed to be paid to the Statutory Auditors during their second term shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. M/s. V. K. Surana & Co is a member registered with the ICAI. The firm holds the 'Peer Review' certificate as issued by 'ICAI'. The Board recommends the resolution set out at Item No. 5 of the Notice for the approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise, in the resolution.

For Item No. 6:

The Board pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 5,25,000/- (Rupees Five Lac Twenty Five Thousand only) plus taxes and reimbursement of out-of-pocket expenses if any on actual basis, payable to M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) during the course of their assignment who has re-appointed as Cost Auditors by the Board of Directors to conduct the audit of the cost records of the Company to the extent applicable under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ended 31<sup>st</sup> March 2022, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, ratification by the members of the Company is sought for the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, for the financial year ended 31<sup>st</sup> March 2023.

The Board recommends the said resolution, as an Ordinary Resolution for the approval of the members of the Company.

For Item No. 7:

The Board of Directors of the Company at its meeting held on 15<sup>th</sup> September 2022 on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company have accorded its approval for the re-appointment of Mr Paramveer Sancheti (DIN-05326947) as the Whole-Time Director of the Company for a period of 5 (five) years with effect from March 1, 2023, and the payment of remuneration to him.

The broad particulars of terms and conditions of appointment and remuneration to be paid to Mr Paramveer Sancheti (DIN-05326947) during his tenure of office are as under:

**Designation:** Mr Paramveer Sancheti shall hold the office of Whole-Time Director of the Company.



**Term:** Mr Paramveer Sancheti shall hold the office of Whole-Time Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> March 2023. Mr Paramveer Sancheti as Whole-Time Director shall be liable to determination by retirement by rotation in terms of the Act and the Articles of Association of the Company.

**Remuneration / Perquisites / Allowances:** Mr Paramveer Sancheti shall be entitled to Annual CTC (inclusive of Employers Provident Fund + Annual Bonus) of ₹ 1,56,35,700/-.

**Club Fees - Fees** (excluding initial joining fees) are subject to a maximum of two clubs.

**Car/Telephone** - Two chauffeur-driven Cars and a landline telephone facility at the residence along with two mobile connections in the name of the appointee through a Corporate plan will be provided to the appointee.

**Electricity & Water bill** - Payment for electricity bill for one meter and water bill at appointee's residence.

**Security Guard** - The expenditure incurred on Security Guard at the residence shall be borne by the Company.

Members are requested to note that the Company has received consent in writing from Mr Paramveer Sancheti to act as a Whole-time Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditions of appointment as a whole time Director as set out in section 196 read with Schedule V of the Act and that he is not disqualified from being appointed as a Director of the Company in terms section 164 and other provisions of the Act. Therefore, the Board of Directors on the recommendation of the Nomination remuneration committee vide its meeting held on 15<sup>th</sup> September 2022 proposes to place before the meeting, the resolution set out in Item No. 7 for approval by Members, pursuant to the provisions of section 2(78), 2(94), 196, 197 and 198 of the Companies Act, 2013 as "Special resolution"

As the Companies profit are inadequate, the payment of existing remuneration to Whole Time director shall be as required under Schedule V to the Companies Act, 2013. A Special Resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years. The Board of Directors at its meeting held on 15<sup>th</sup> September 2022 approved the re-appointment and the payment of remuneration of ₹ 1,56,35,700/- (Annual CTC) including allowances and other perquisites with the terms and conditions of his re-appointment mentioned in the resolution.

Disclosure, as required under Schedule V to the Companies Act, 2013, is given hereunder.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However, due to inadequacy of profit, the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following:

- (i) Payment of remuneration is approved by a resolution passed by the Board of Directors.
- (ii) The Company has not committed any default in payment of its dues and is not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

The Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

<b>I. General Information</b>	
(1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies in Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contribute to nation-building. SMS is a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, and Urban & Rural Development.
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8 <sup>th</sup> May 1997.
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions.	NA

(4) Financial performance based on given indicators	As per audited financial results for the year			
	(₹ in Lac)			
	Particulars	FY 19-20	FY 20-21	FY 21-22
	Paid up Capital	1026.14	1026.14	1026.14
	Reserves & Surplus	63,333.60	61,333.47	64,949.86
	Statement of Profit and Loss	4830.98	-2184.13	3646.12
	Total Revenue	90,769.45	71,195.88	92,931.04
	Profit/(loss) before tax	3458.41	-2,213.26	3,090.47
	Managerial Remuneration	588.04	857.75	956.69
(5) Export Performance and net foreign exchange collaborations	NA			
(6) Foreign investments or collaborators, if any.	NA			

<b>II. Information about the appointee :</b>	
(1) Background details	MR. Paramveer Abhay Sancheti pursued Diploma in Business and Academic English (International Business Foundation), was appointed as a Management Trainee in the Company w.e.f 1 <sup>st</sup> April 2012 and was re-designated as Project Coordinator w.e.f 20 <sup>th</sup> March 2015. He was also appointed as a Whole Time Director on the Board of the Company from 1 <sup>st</sup> July 2016 till 21 <sup>st</sup> September 2016 and subsequently, provided his services as a Project Co-ordinator. He was actively involved in various projects as delegated to him from time to time and also appointed as Director in other Group Companies.
(2) Past remuneration	₹ 1,56,35,700/- Annual CTC
(3) Recognition or awards	NA
(4) Job profile and his suitability	Name: Paramveer Abhay Sancheti DOB : 17/11/1987 Qualification : Diploma in Business and Academic English (International Business Foundation) From The University of Nottingham
(5) Remuneration proposed	₹ 1,56,35,700/- Annual CTC



(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	As per industry Norms
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr Akshay Sancheti, Whole Time Director [w.e.f 1 <sup>st</sup> March 2020 subject to Approval of Shareholder.]
<b>III. Other information :</b>	
(1) Reasons of loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high-interest rates, etc. The Company has a severe downfall in earnings and has no adequate profits.
(2) Steps taken or proposed to be taken for improvement.	NA
(3) Expected increase in productivity and profits in measurable terms.	NA

Details as required under the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given hereunder.

Age	34 years
Qualification	Diploma in Business and Academic English (International Business Foundation) From the University of Nottingham.
Experience	Management Trainee- 2 Years 11 Months  Project Coordinator- 20 <sup>th</sup> March 2015 till date Whole Time Director -1 <sup>st</sup> July 2016 till 21 <sup>st</sup> September 2016  Whole Time Director in WOS namely Ayodhya Gorakhpur SMS Tolls Private Limited w.e.f 1 <sup>st</sup> July 2019 to 29 <sup>th</sup> February 2020.
Terms and Conditions of Appointment	As per Explanatory Statement
Remuneration (Proposed)	₹ 1,56,35,700/- including allowances per annum
Remuneration (Last Drawn)	₹ 1,56,35,700/- Annual CTC
Date of First Appointment on the Board	1 <sup>st</sup> July 2016
Shareholding in the Company	NIL

Relationship with other Director	Mr. Akshay Sancheti (Brother)
Number of Board Meetings Attended during the Year	NONE
Manager / Other Directorship/ Chairmanship of Committees of the Board	San Commercials Pvt. Ltd. Veetrag Hospitality Pvt. Ltd. SMS Mine Developers Pvt. Ltd. Veet Rag Exploration & Minerals Pvt. Ltd. Valencia Constructions Pvt. Ltd. SMS Tolls And Developers Ltd. SMS Multi Objective Organisation SMS Hazardous Waste Management Private Limited SMS Waste Management Pvt. Ltd.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013. The Resolution at Item No. 7 is recommended for approval of the Members in the best interest of the Company.

#### Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than Mr Paramveer Abhay Sancheti and Mr Akshay Sancheti (Brother), in their personal capacity is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out in Item No. 7 of the Notice for approval by the members.

#### Item No.8

The Board of Directors of the Company at its meeting held on 15<sup>th</sup> September 2022 on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company have accorded its approval for the re-appointment of Mr Nirbhay Sancheti (DIN: 08338308), as the Whole-Time Director of the Company for a period of 5 (five) years with effect from March 1, 2023, and the payment of remuneration to him.

The broad particulars of terms and conditions of appointment and remuneration to be paid to Mr Nirbhay Sancheti (DIN: 08338308), during his tenure of office are as under:

**Designation:** Mr Nirbhay Sancheti shall hold the office of Whole-Time Director of the Company.

**Term:** Mr Nirbhay Sancheti shall hold the office of Whole-Time Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> March 2023. Mr Nirbhay Sancheti as Whole-Time Director shall be liable to determination by retirement by rotation in terms of the Act and the Articles of Association of the Company.

**Remuneration / Perquisites / Allowances:** Mr Nirbhay Sancheti shall be entitled to Annual CTC (inclusive of Employers Provident Fund + Annual Bonus) of ₹ 2,34,53,592 /-.

**Club Fees - Fees** (excluding initial joining fees) are subject to a maximum of two clubs.

**Car/Telephone -** Two chauffeur driven Cars and a landline telephone facility at the residence along with two mobile connections in the name of the appointee through a Corporate plan will be provided to the appointee.

**Electricity & Water bill -** Payment for electricity bill for one meter and water bill at appointee's residence.

**Security Guard -** The expenditure incurred on Security Guard at the residence shall be borne by the Company.

Members are requested to note that the Company has received consent in writing from Mr Nirbhay Ajay Sancheti to act as a Whole-time Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditions of appointment as a whole time Director as set out in section 196 read with Schedule V of the Act and that he is not disqualified from being appointed as a Director of the Company in terms section 164 and other provisions of the Act. Therefore, the Board of Directors on the recommendation of the Nomination remuneration committee vide its meeting held on 15<sup>th</sup> September 2022 propose to place before the meeting, the resolution set out in Item No. 8 for approval by the Members, pursuant to the provisions of section 2(78), 2(94), 196, 197 and 198 of the Companies Act, 2013 as "Special resolution"

As the Companies profit are inadequate, the payment of existing remuneration to Whole Time director shall be as required under Schedule V to the Companies Act, 2013. A Special Resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years. The Board of Directors at its meeting held on 15<sup>th</sup> September 2022 approved the re-appointment and the payment of remuneration of



₹ 2,34,53,592 /- (Annual CTC) including allowances and other perquisites with the terms and conditions of his appointment mentioned in the resolution.

Disclosure, as required under Schedule V to the Companies Act, 2013, is given hereunder.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However, due to inadequacy of profit, the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following:

- (i) Payment of remuneration is approved by a resolution passed by the Board of Directors.
- (ii) The Company has not committed any default in payment of its dues and is not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

The Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information	
1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies in Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contribute to nation-building. SMS is a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, and Urban & Rural Development.
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8 <sup>th</sup> May 1997.
(3) In the case of new companies, expected date of commencement of activities as per project approved by financial institutions	NA

(4) Financial performance based on given indicators	<b>As per audited financial results for the year</b>			
	(₹ in Lac)			
	Particulars	FY 19-20	FY 20-21	FY 21-22
	Paid up Capital	1026.14	1026.14	1026.14
	Reserves & Surplus	63,333.60	61,333.47	64,949.86
	Statement of Profit and Loss	4830.98	-2184.13	3646.12
	Total Revenue	90,769.45	71,195.88	92,931.04
	Profit/(loss) before tax	3458.41	-2,213.26	3,090.47
Managerial Remuneration	588.04	857.75	956.69	
(5) Export performance and net foreign exchange collaborations	NA			
(6) Foreign investments or collaborators, if any.	NA			
<b>II. Information about the appointee:</b>				
(1) Background details	Mr Nirbhay Ajay Sancheti pursued M.Sc. in Programme and Project Management and BBA was appointed as Management Trainee in the Company w.e.f 1 <sup>st</sup> April 2015 and was re-designated as a Project Coordinator on 07 <sup>th</sup> November 2015. He was actively involved in various projects including the Defense vertical and a project of national importance awarded by BEL on behalf of the Air Force at Salua, West Bengal. He was also looking after the business development of the defence vertical in different segments of projects in the field of defence along with his involvement with the Mining Vertical.			
(2) Past remuneration	₹ 2,34,53,592/- Annual CTC			
(3) Recognition or awards	NA			
(4) Job profile and his suitability	Name: Nirbhay Ajay Sancheti DOB: 14.07.1990 Qualification: M.Sc. in Programme and Project Management from The University of Warwick			
(5) Remuneration proposed	₹ 2,34,53,592/- Annual CTC			
(6) Comparative remuneration profile with respect to industry, size of the company, profile of	As per industry Norms			

the position and person	
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	NA
<b>III. Other information:</b>	
(1) Reasons for loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high-interest rates, etc. The Company has a severe downfall in earnings and has no adequate profits.
(2) Steps taken or proposed to be taken for improvement	NA
(3) Expected increase in productivity and profits in measurable terms.	NA

Details as required under the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given hereunder.

Age	32 years
Qualification	M.Sc (Programme and Project Management) BBA (Bachelor of Business Administration)
Experience	Management Trainee- 7 Months 5 Days Project Coordinator- 07 <sup>th</sup> Nov 2015 till date Whole Time Director in WOS namely Ayodhya Gorakhpur SMS Tolls Private Limited w.e.f 1 <sup>st</sup> July 2019 to 29 <sup>th</sup> February 2020.
Terms and Conditions of Appointment	As per Explanatory Statement
Remuneration (Proposed)	₹ 2,34,53,592/- including allowances per annum
Remuneration (Last Drawn)	₹ 2,34,53,592/- Annual CTC
Date of First Appointment on the Board	NA
Shareholding in the Company	NIL
Relationship with other Director	NONE
Number of Board Meeting Attended during the Year	NONE
Manager / Other Directorship/ Chairmanship of Committees of the Board	NA



The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013. The Resolution at Item No. 8 is recommended for approval of the Members in the best interest of the Company.

#### **Memorandum of Interest**

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than Mr Nirbhay Ajay Sancheti, in his personal capacity is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special resolution set out at Item No. 8 of the Notice for approval by the members.

**By Order of the Board  
FOR SMS LIMITED**

*Sd/:*

**PLACE: NAGPUR  
DATE: 15.09.2022**

**Anand Sancheti,  
Managing Director  
DIN: 00953362  
Add: 10, Hindustan Colony,  
Amaravati Road, Bharat Nagar,  
Nagpur- 440033 [M.S.]**

To know the AGM Location scan following QR with Google lens



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