

SMS LIMITED



ANNUAL REPORT FOR THE FINANCIAL YEAR 20**22** – **23**.

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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 31st 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



IRCON International Limited

RITES Limited



Vidarbha Patbandhare Vikas Mahamandal

Hindustan Copper Limited



HINDUSTAN ZINC
Zinc & Copper

Hindustan Zinc Limited

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.

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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	<i>Managing Director</i>
Dilip Surana	<i>Whole Time Director</i>
Ramendra Gupta	<i>Independent Director</i>
Ajay Kumar Lakhotia	<i>Independent Director</i>
Paramveer Sancheti	<i>Whole Time Director</i>
Akshay Sancheti	<i>Whole Time Director</i>
Nirbhay Sancheti	<i>Whole Time Director</i>
Hemant Kumar Lodha	<i>Non-Executive Director</i>
Rajesh Gupta	<i>Chief Financial Officer</i>
Smita Agarkar	<i>Company Secretary</i>
V. K. Surana & Co.	<i>Statutory Auditors</i>
BDO India LLP.	<i>Internal Auditors</i>
Vaibhav Jachak & Co.	<i>Secretarial Auditor</i>
D. Rajarao & Co.	<i>Cost Auditor</i>
Registered Office	<i>I.T. Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur- 440022</i>

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

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-Sixth Report on the business and operations of the Company ('SMS LIMITED'), along with the audited financial statements, for the financial year ended March 31, 2023. 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 2022-23 ended on 31st March 2023 is summarized below:

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	1,196.63	905.46	2,141.37	1,766.73
Other income	42.28	23.85	77.48	45.11
Total Income	12,38.92	929.31	2,218.86	1,811.84
Profit Before Depreciation, Finance Costs, Exceptional items and Tax Expenses	210.44	148.17	626.97	603.10
Less: Depreciation/ Amortisation / Impairment	46.00	37.11	164.63	259.26
Profit Before Finance Costs, Exceptional items and Tax Expenses	164.44	111.06	462.34	343.84

(₹ In Crore)

<i>Less:</i> Finance Costs	85.97	80.16	192.31	183.82
Profit Before Exceptional items and Tax Expenses	78.47	30.91	270.03	160.02
<i>Add/Less:</i> Exceptional items	(6.13)	17.63	(30.36)	17.62
*Profit Before Tax Expenses	72.34	48.54	239.67	177.64
<i>Less:</i> Tax Expenses (Current & Deferred)	4.07	12.08	31.22	29.59
Profit for the year (1)	68.27	36.46	208.45	148.05
Other Comprehensive income/(loss) for the year	(5.18)	(10.73)	(54.67)	(56.40)
Total Comprehensive income (2)	63.09	25.73	153.78	91.65
Retained Earning-opening Balance	538.06	494.62	663.93	585.75
Add: Profit for the year	68.27	36.46	132.38	93.39
<i>Less:</i> Transfer to Reserves	NIL	NIL	NIL	(2.86)
<i>Less:</i> Restatement (Prior period error)	NIL	NIL	NIL	(0.69)
<i>Less:</i> Dividend paid on Equity Shares including DDT	NIL	NIL	(9.99)	(7.49)
<i>Add/Less:</i> Reversal due to transfer of WOS and foreign company not consolidated	NIL	NIL	32.07	NIL
<i>Add/Less:</i> Addition due to the merger of WOS	NIL	6.98	NIL	(4.17)
Retained Earning closing balance	606.32	538.06	818.39	663.93
Balance carried forward	606.32	538.06	818.39	663.93

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 2022-23 amounted to ₹ 1196.63/- crore as against ₹ 905.46/- crore in FY-2021-22 and earned a profit before interest, depreciation, exceptional items and tax (PBIDT including exceptional item) for the FY 2022-23 ₹ 210.44/- crores as against ₹ 148.17/- crores in the previous year. After deducting financial charges of ₹ 85.97/- crores, providing a sum of ₹ 46.00/- crores towards depreciation and amortisation and ₹ 4.07/- crore for income tax and the operations of the Company resulted in a net profit of ₹ 68.27/- crore for the FY 2022-23 as against ₹ 36.46/- crores in FY 2021-22.

B. Consolidated

During the year under review, the revenue from operations of the Company on a consolidated basis amounted to ₹ 2,141.37/- crores as against ₹ 1,766.73/- crore in the previous fiscal. The Company has earned a PBIDT of ₹ 626.97/- crore for the FY 2022-23 as against ₹ 603.10/- crores in the previous financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 132.38/- crore as against ₹ 93.39/- crore in the previous financial year.

The order book of the company as on March 31, 2023, stood at ₹ 8624.07/- 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 not proposed any amount to transfer to the General reserves of the Company for the FY 2022-23.

1.3. Dividend:

The Board in need to conserve 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:

The state of affairs of the Company shall inter alia, include the following information

(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 Tolls, Mining, Railways, Irrigation, Highways Construction, Power, Environment, and Hazardous Urban and Rural Development.

The Order Book position as on March 31, 2023, stood at ₹ 8624.07/- crore.

A separate reportable segment forms part of note no. 53 to the Consolidated Balance Sheet as on 31st March 2023.

(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, the 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 was completed on the 6th of March 2020 and the final bill is under review.

Kolihan Copper Mine Underground Mine:

14,200 meters mine development including decline development along with Production drilling of large dia. (165 Mm, 115 Mm) drilling and long hole (57 Mm) drilling at Kolihan Copper Mine, Rajasthan, India. The project was awarded by Hindustan Copper Limited, Kolkata with a total project cost of ₹ 136.81 crores, the project was started on the 17th of April 2017 and completed 79.94% of the work at the end of the year.

Banwas Block - Khetri Copper Mine Underground Mine:

27,10,000 MT ore production along with mine development, decline development, diamond drilling for exploration including sampling in development and stopes, production drilling of large dia. (165 mm, 115 mm) drilling & long hole (57 mm) drilling, drop raising & equipping at Banwas block of Khetri Copper Mine, Rajasthan. The project was awarded by Hindustan Copper Limited, Kolkata with a total project cost of ₹ 314.98 crore, the project was started on the 17th of May 2017 and completed 48.64% of the work at the end of the year.

Khetri Copper Mine Underground Mine:

14,045 meters mine development along with long hole (57 mm) drilling at Khetri Copper Mine, Rajasthan, India. The project was awarded by Hindustan Copper Limited, Kolkata with a total cost of ₹ 123.00 crore, the project was started on the 29th of May 2017 and the work was completed on the 4th of October 2022 and the final bill is under review.

Malanjkhand Copper Project (MCP) Underground Mine:

Mine development, production drilling and ore production from MCP underground mine, Madhya Pradesh. The project was awarded by Hindustan Copper Limited, Kolkata and the project was started on the 20th of November 2019 with a total project cost of ₹1573.81 crore and completed 24.44% 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 underground, excavation of crusher chamber & other related excavation for production of 3000 TPD of Uranium Ore at Tummalapalle existing underground mine (Part-2). This is an 8 Year Project awarded by Uranium Corporation of India Ltd and the project was started on the 7th of March 2020 with a total project cost of ₹ 3188.38 crore and completed 17.61% 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 (SCCL), with a total project cost of ₹ 1010.78/- crore, and have completed 2.88% of the work at the end of the year. One set of equipment was deployed due to a change in geomining conditions, many faults were intercepted which was not anticipated in the tender. Meanwhile, SCCL is assessing the geological structure and workable reserves in the mine. It seems that the mining conditions in future shall be better and yield better output & productivity.

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. 10th of March 2022, the total MDO project cost for 16 years is ₹ 1621.35 crore. The project was started on the 1st April 2023.

The total work in hand of the mining projects with the project cost of ₹ 6,608.09 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. Mine development, production drilling and ore production from MCP underground mine, Madhya Pradesh.
- iv. 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.
- v. 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.
- vi. Mine Development and Operation (MDO) of Ketki Expansion Underground Coal Mine, Bishrampur area, Chhattisgarh.

ROAD RAIL & IRRIGATION SECTOR:

IRRIGATION SECTOR:

The following works in the irrigation sector as detailed under were in progress during FY 2022-23:

1. 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, Sirohi District in the State of Rajasthan, India.

Cost: ₹ 133.43 Crore. Completed Cost: ₹ 111.46 Crore. Completion in percentage: 83.53%.

New works awarded/started during FY 2022-23:

Nil

RAIL AND ROAD SECTOR:

The following works in the rail and road sector were completed during FY 2022-23:

1. Construction of Flyover at (km 544/650), including ROB in lieu of L.C. No. 72 including Services Roads, Footpath for RCC drains on Urban link to Nagpur-Raipur road NH-6 (Pardi Octroi Naka to Sant Tukaram Square to APMC Market) on EPC Mode.

Cost: ₹ 493.37 Crore Completed Cost: ₹ 399.33 Crore Completion in percentage: 80.93%.

2. Construction of Roadbed, Major and Minor Bridges, Service Buildings including Miscellaneous works and general Electrical Works in connection with Doubling between Tinaighat [KM. 11.575] [INCLUDING] and Castlerock [KM. 24.600] [INCLUDING] in Hubballi Division of South Western Railway in Karnataka State, India.

Cost: ₹ 62.63 Crore Completed Cost: ₹ 59.54 Crore Completion in percentage: 95.06%

3. Construction Of Approaches For Major Bridge Across Purna River Village Yerali On Nandura-Khandvi Road S.H. 196 In Buldana District (Jigaon Irrigation Project Affected Work).

Cost: ₹ 145.71 Crore Completed Cost: ₹ 110.87 Crore Completion in percentage: 76.08%

4. Construction of Tunnel No 02 Ch: 78333 m to 78625 m, Tunnel no 03 Ch: 81622 m to 82096.90 m and Tunnel No 04 Ch: 83184.625 m to 83461.95 m (Approximate length 1044.20 RM) etc. excluding Ch: 79400 m to 79800 m of Sone Bridge in between Churhat - Sidhhi stations of Rewa-Sidhi new BG Rail Line Project.

Cost: ₹ 101.48 Crore Completed Cost: ₹ 96.91 Crore Completion in percentage: 95.49%.

5. Construction of Road Over Bridges, Road Under Bridges and Major & Important waterway Bridges for electrified new BG railway line between Mangliyagaon (Indore) - Budni stations (198 KMs) between Ratlam and Bhopal Divisions of Western Railway and West Central Railway respectively in Madhya Pradesh State, India in 2 (two) packages.

Cost: ₹ 274.47 Crore Completed Cost: ₹ 89.18 Crore Completion in percentage: 32.49%.

6. Demolition and Reconstruction of the existing Gopal Krishna Ghokale Bridge at Andheri (municipal Corporation).

Cost: ₹ 107.51 Crore Completed Cost: ₹ 35.39 Crore Completion in percentage: 32.91%.

7. Construction of Hardibazar Tarda Sarvamangla Imlichhapar Road Length 27.19 km i/c Four lane Street Light Work of Sarvamangla Imlichhapar Road Length 5.55 Km (Cement Concrete Road).

Cost: ₹ 172.1 Crore Completed Cost: ₹ 81.82 Crore Completion in percentage: 47.54%.

8. Package II: Construction of Roadbed, Major bridges, minor bridges, ROBs & RUBs including road approaches, Station Buildings, Staff Quarters, Other Service Buildings, HL Platforms, COPs, FOBs, General Electrification & other Works related to Construction of New BG Line From km 110 to km 157 (Near Digras Station) of Central Railway in Maharashtra State, India.

Cost: ₹ 448.64 Crore Completed Cost: ₹ 185.28 Crore Completion in percentage: 41.29%.

9. Construction of Mitigation Measure structures on the CH/MH Border to Wainganga Bridge Section of NH-6 (New NH-53) in the State of Maharashtra under Bharatmala Pariyojana on EPC Mode.

Cost: ₹ 360.8 Crore Completed Cost: ₹ 185.35 Crore Completion in percentage: 51.37%.

10. 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.

Cost: ₹ 111.25 Crore Completed Cost: ₹ 100.28 Crore Completion in percentage: 90.13%

11. 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 Leasehold boundary of Project for Coal evacuation through Rail at Gevra Opencast of Gevra Area of SECL.

Cost: ₹ 61.30 Crore Completed Cost: ₹ 36.64 Crore Completion in percentage: 59.77%

Following new works were awarded/started during FY 2022-23:

1. Widening & strengthening to 2 Lane / 4lane with paved shoulders from km 0+000 to km 60+255 of Mahabubnagar - Chincholi section of NH-167N in the State of Telangana on Engineering, Procurement and Construction (EPC) Basis.

Cost: ₹ 331.52 Crore (SRRCIPL: SMSL JV, 80:20)

2. Earthwork in formation, Construction of Minor Bridges, side drains, etc for 3rd & 4th line in Wardha- Sindi (31km) section in connection with Wardha Nagpur 3rd & 4th line.

Cost: ₹ 98.78 Crore

3. Construction of 6-Lane Durg - Raipur - Arang Bypass section of NH-53 from design ch. 0+000 (Vill. Tendesara) to design ch. 44+500 (Vill. Parsada) in the State of Chhattisgarh on EPC Mode under Bharatmala (Package A).

Cost: ₹ 789.87 Crore (SMSL: MBPL JV, 60:40)

ENVIRONMENT SECTOR:

Raipur Municipal Corporation-Naya Raipur:

The Company was awarded the work order on 17th July 2018 for the work of EPC, Testing, Commissioning, Trail 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 31.03.2023 approx 93% of works were 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 21st day of October 2019 at the agreed rate of ₹ 576/tonne for waste cleared. Construction (Capex) was completed in March 2020 and commercial operation commenced in June 2020, as of March 2023 100% of Billing was done to the Customer, Balance works of Site Clearance Disposal of Residual Waste have been finished as of 31 Aug 2023. Shifting of Plant and machinery erected at the site is underway (Plants Being Shifted to Pune Landfill at Ranjangaon).

MEPL Ranjangaon landfill:

The Company has Miscellaneous Work for Excavation for which has an 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 4th 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 Civil work of the plant was completed to the tune of 61 % as at the end of the year as of 31.03.2023. Approval for Mechanical Design, drawings and Procurement is in Progress. At the end of the year as of 31.03.2023 approximately 36.98% of Billing has been done to the customer, balance of Mechanical and Instrumentation works are expected to be completed by December 2023.

STP Raipur:

Construction of 3 Nos of STPs of capacity 75, 35 & 90 MLD each with SBR technology and RCC pipeline length about 11.42 km turn-key job basis under mission AMRUT, Raipur. The work order was given to the company on the 17th of July 2018. The Company completed about 93% of the work as of 31.03.2023. 2 Nos. of Plants are Operational and 1 Plant @ Chandandih is under Trial Run Miscellaneous Cleaning, Grubbing and finishing works is under progress Balance work is expected for Completion by 31st December 2023.

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 31st January 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. 100% of Construction works are completed and the site was handed over in November-December 22

Ponda Envocare Limited:

Construction of common hazardous waste transport storage and disposal facility at Pissurelem Industrial area, Tah-Sattari, North Goa and 96% of the work was Billed to the Customer as of 31.03.2023, The Balance of works is expected to be completed by December 2023.

O & M CETP Amravati

O & M Works of CETP Amravati is under Progress and Valid till 31.12.203 Comprising 18% of orders on Hand.

The division has bid for projects such as KMDA - SILIGUDI, KESTOPURE, ONGC Mehsana, Nagpur 20 MLD STP, Lucknow 42 MLD STP, Surat BMW, GMDA 100 MLD STP, ONGC Mehsana GDU+ETP, Jaipur 30 MLD, Varanasi STP, QATAR ENERGY HW, etc. However, none of the projects was confirmed in favour of the company.

iv) **Change in Financial Year :**

No changes have been made in the financial year of the company during the FY 2022-23.

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v) **Capital Expenditure Programme:**

The company incurred a capital expenditure of ₹ 9962.81/- lac detailed hereunder for the purchase of various tangible fixed assets during FY 2022-23.

Expenses for the following are as follows-

Sr. No.	Particulars	₹ in Lac
1.	Building	61.21
2.	Plant & Equipment's	8869.00
3.	Furniture & Fixture	37.29
4.	Vehicles	494.66
5.	Office Equipment	126.18
6.	Computer	58.16
7.	Mining Asset	316.32
	Total (Excludes leasehold assets)	9962.81
8.	*Right to use Assets	12837.22
	Total (includes leasehold assets)	22800.03

*The asset represents an asset availed on lease with a privilege to use land over the duration of an agreed-lease term.

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, the Board of Directors of the Company vide its meeting held on 26th December 2022 approved the scheme of the merger of the Company with its Wholly Owned Subsidiary (WOS) namely Ayodhya Gorakhpur SMS Tolls Pvt. Ltd. Subsequently, M/s. Ayodhya Gorakhpur SMS Tolls Pvt. Ltd. vide its Board Meeting dated 05th January 2023 approved the scheme of amalgamation/merger with SMS Limited(Holding Company), subject to requisite approvals together with that of National Company Law Tribunal (NCLT), with the appointed date as 01st October 2022.

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

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

viii) 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, that have 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 have been no material changes and commitments which affect the financial position of the Company which have 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 Report:

Disclosure for voluntary revision of financial statement pursuant to section 131(1)/(2) 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.I., Gayatri Nagar Parsodi Nagpur, Maharashtra, India.

The Company is mainly engaged in 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 2022-23, there is no change in the Capital structure of the Company. Accordingly, the issued, subscribed and paid-up capital of the Company stands at ₹ 10,261,3820/- divided into 10261382 Equity Shares of 10/- each. The authorised share capital of the Company is ₹ 15,50,00,000/- divided into 15500000 Equity Shares of 10/- each as of 31st March 2023.

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 and transfer Agent.

As of March 31, 2023, 100% of the Company's paid-up capital representing 1,02,61,382 shares is 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	9	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 2022-23, 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 2022-23, 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 2022-23, there were no restructuring carried out in the Company and consequently, the Capital Structure of the Company remained unchanged.

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

The voting rights of the Company remained unchanged during the FY 2022-23.

3.1 Issue of shares or other convertible securities:

During the financial year 2022-23, there was no change in the capital structure of the Company. Accordingly, the issued, subscribed and paid-up capital of the Company stands at ₹10,26,13,820/- divided into 10261382 Equity Shares of ₹ 10/- each as of 31st March 2023.

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 Ms. Infomerics Valuation and Rating Pvt. Ltd. for its Banking facilities. Infomerics Valuation and Rating Pvt. Ltd (Infomerics), a SEBI registered Credit Rating Agency, has also been accredited by RBI and offers rating services for the entire range of money market and Capital Market instruments and borrowing programs like Non-Convertible Debentures, Commercial Papers, Tier I and Tier II Bonds, Perpetual Bonds, Structured Obligations (including Guarantee Backed Debt programme), and Securitisation Transactions.

Infomerics also rates various schemes of Mutual Funds and Alternative Investment Fund

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

The Credit rating was obtained on 31st March 2023 for FY 2022-23, where Infomerics has assigned the rating of IVR A- /Stable/A2+ for the bank loan facilities of Rs.1400 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 ratings assigned to the bank facilities of SMS Limited (SMSL) derive strength from the established track record of operations and experienced management, a diversified and reputed client base that reduces counterparty risk to a large extent, a steady increase in the top line and profit in FY 22 and 9 months FY22 (provisional), comfortable coverage indicators, and Government's thrust on infrastructure.

The company has had an established presence in the infrastructure sector for nearly six decades. It has experience in the successful execution of projects in roads and bridges and specialized projects, including mining, environment, railways, pipelines and bridges among others. Further, it is into designing, engineering and construction of complex and integrated water transmission and distribution projects, water treatment plants, barrages, dams, embankments, elevated and underground reservoirs, construction and upgradation of roads, bridges, flyovers, highways and tunnels among others.

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

5. **INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

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

6. **MANAGEMENT:**

6.1 **Directors And Key Managerial Personnel:**

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

Executive Directors:

Mr Anand Sancheti, Managing Director	-----	DIN: 00953362
Mr Dilip Surana, Whole Time Director	-----	DIN: 00953495
Mr Paramveer Sancheti, Whole Time Director	-----	DIN:05326947
Mr Nirbhay Sancheti, Whole Time Director	-----	DIN: 08338308
Mr Akshay Sancheti, Whole Time Director	-----	DIN: 07564977

Non-Executive Independent Directors:

Mr Ajay Kumar Lakhotia, ----- DIN: 00634602

Mr Ramendra Gupta ----- DIN: 00306663

Non-Executive Directors:

Mr Hemant Lodha ----- DIN:01654145

INDUCTIONS, RETIREMENT, RESIGNATIONS AND CESSATION:

INDUCTIONS:

During the year under review based on the recommendation of the Nomination and Remuneration Committee vide its 17th meeting dated 15th September 2022, the Board of Directors at its 434th meeting dated 15th September 2022 and via approval of the members vide its meeting dated 30th September 2022 have re-appointed **Mr Paramveer Abhay Sancheti (DIN: 05326947)** and **Mr Nirbhay Sancheti (DIN: 08338308)** as Whole-time Director(s) of the Company for a period of Five (5) years w.e.f. 01st March 2023 to 29th February 2028.

Mr Dilip Surana (DIN: 00953495) was re-appointed as a Whole-time Director of the Company for a period of Three (3) years from 24th May 2022 to 23rd May 2025 as approved by the members vide its meeting dated 24th May 2022 based on the recommendation of Nomination and Remuneration Committee vide its 16th meeting dated 28th March 2022 and approved by the Board of Directors at its 432nd meeting dated 28th March 2022.

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 Anand Sancheti, (DIN: 00953362) and Mr Dilip Surana, (DIN: 00953495) 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 and after the end of the year and up to the date of the report.

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.

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

Pursuant to Section 149(1) read with Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint a woman director for an intermittent vacancy caused due to the retirement of Mrs Renu Challu w.e.f. 30.03.2020, however, the company is in the process and search of a suitable and viable candidate for the position of Women Director, yet, was unable to find a suitable candidate for the said position.

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 Lakhota, (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 Board Meeting:

The number and dates of meetings of the Board of Directors held during the year:









































The Board of Directors met Four times during the financial year 2022-23; July 21, 2022, September 15, 2022, December 26, 2022, and March 22, 2023.



The details of the meetings of the Board of Directors are given in Table 1.

The intervening gap between any two consecutive Meetings was well within the maximum interval of one hundred and twenty days as prescribed under the Companies Act, 2013.

The annual General Meeting for FY 2021-22 was held on September 30, 2022.

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

Name of the Directors	*Attendance at last AGM held on September 30, 2022	No. of Board Meetings held and attended				% of attendance including video conferencing
		1	2	3	4	
		21/7 2022	15/09 2022	26/12 2022	22/3 2023	
Anand Sancheti						100%
Dilip Surana						100%
Ramendra Gupta						100%
Ajay Kumar Lakhota						100%
Paramveer Sancheti						100%
Nirbhay Sancheti						100%
Akshay Sancheti						100%
Hemant Lodha						100%

 Attendance in person or Through Video Conferencing  Absent

6.5 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.

The composition of the Board and its Committees are given in Table 2:-

Table 2: Details of the Composition of the Board and its Committees:

Board and Committee Composition as of March 31, 2023							
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 Lakhota							
Paramveer Sancheti							
Nirbhay Sancheti							
Akshay Sancheti							
Hemant Lodha							



Chairman



Member

A. The Composition and Attendance of the 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 2022-23, 56 (Fifty-Six) Meetings of the Executive Committee were held as detailed in Table 3:

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Table 3: Details of the Executive Committee Meetings:

Date	Month	Year	Date	Month	Year
15 th , 19 th , 26 th & 30 th	April	2022	6 th , 17 th , 19 th & 31 st	October	2022
04 th , 14 th , 24 th & 31 st	May	2022	4 th , 8 th , 11 th , 17 th & 30 th	November	2022
3 rd , 13 th , 16 th & 29 th	June	2022	5 th , 14 th , 26 th & 30 th	December	2022
4 th , 7 th , 9 th , 14 th , 27 th & 29 th	July	2022	4 th , 9 th , 16 th , 19 th & 31 st	January	2023
1 st , 3 rd , 6 th , 11 th , 16 th , 19 th , 23 rd & 29 th	August	2022	6 th , 14 th & 21 st	February	2023
05 th , 06 th , 15 th , 19 th , 24 th & 27 th	September	2022	8 th , 14 th & 28 th	March	2023

The composition of the Executive Committee and the attendance of its Members at its Meetings held during FY 2022-23 are, detailed in Table 4:

Table 4: Details of the composition of the Executive Committee & the attendance of its Members

Name of the Member	Nature of Membership	Category	No. of Meetings held	No. of meetings 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. The Composition and Attendance of the Corporate Social Responsibility Committee:

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 2022-23, two Meetings of the Corporate Social Responsibility Committee were held on July 21, 2022 and March 22, 2023.

The composition of the Corporate Social Responsibility Committee and the attendance of the Members at its Meetings held during FY 2022-23 are detailed in Table 5:

Table 5: Details of the composition of the CSR Committee & the attendance of its Members:

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



Attendance in person or Through Video Conferencing



Absent

C. The Composition and Attendance of the 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 Lakhotia. Mr Ajay Kumar Lakhotia is the Chairman of the Committee.













During FY 2022-23, four meetings of the Audit Committee were held i.e. on July 21, 2022, September 15, 2022, December 26, 2022, and March 22, 2023.

The details of the composition of the Audit Committee and the attendance of the Members at its Meetings are given in Table 6:

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.

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Table 6: Details of the composition of the Audit Committee & the attendance of its Members:

Name of the Member	Nature of Membership	Category	No. of Meetings held & attended				% of Attendance
			1	2	3	4	
Ajay Kumar Lakhotia	Chairman	Independent Director					100.00
Ramendra Gupta	Member	Independent Director					100.00
Anand Sancheti	Member	Managing Director					100.00



Attendance in person or Through Video Conferencing



Absent







D. The Composition and Attendance of the Nomination And Remuneration Committee:

The Committee comprises two Independent Directors and a Non Executive Director viz. Mr Ajay Kumar Lakhotia, Mr Ramendra Gupta and Mr Hemant Lodha.

During FY 2022-23, two meetings of the Nomination Remuneration Committee were held i.e. on September 15, 2022 and December 26, 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 7:

Table 7: Details of the composition of the Nomination and Remuneration Committee & the attendance of its

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



Attendance in person or Through Video Conferencing



Absent

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. The Composition and Attendance of the Stakeholders Relationship Committee:

During the Financial Year 2022-23, the Company was not required to constitute a Stakeholders Relationship Committee, as prescribed under section 178(5) of the Companies Act, 2013.

F. The Composition and Attendance of the 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 21, 2022.

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 8 below;

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Table 8: 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

G. The Composition and Attendance of the Share Transfer Committee:


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

There being no requirement, no Share Transfer Committee meeting was held during the financial year 2022-23.

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 9:

Table 9: Details of the Share Transfer Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meetings held & attended	% of Attendance
			For FY 2022-23	
Anand Sancheti	Member	Managing Director	NIL	NA
Ajay Kumar Lakhota	Member	Independent Director	NIL	NA
Paramveer Sancheti	Member	Whole Time Director	NIL	NA
Nirbhay Sancheti	Member	Whole Time Director	NIL	NA
Akshay Sancheti	Member	Whole Time Director	NIL	NA

 Attendance in person or Through Video Conferencing  Absent

H. Separate Independent Directors' Meetings:

The independent Directors of the company shall at least have one meeting in a financial year, without the attendance of non-independent Directors and members of management. They also have separate meeting(s) with the Chairman of the Board, to discuss issues and concerns, if any.

The Independent Directors met once during the Financial Year 2022-23, on 22nd March 2023. The Independent Directors inter alia discuss the issues arising out of the Committee Meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman of the Board and the Independent Directors.

6.6 Recommendations of the 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 2022-23. As such, no specific details are required to be given or provided.

6.7 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.

6.8 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 the 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 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.

6.9 Remuneration of Directors and Employees of Listed Companies:

The Company being an 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.

6.10 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 Companies.

None of the Managing Director or Whole Time Director receives any remuneration or commission from holding or subsidiary Company 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, except Mr Dilip Surana, Whole Time Director of the Company who receives remuneration of ₹ 1,17,00,000/- (Rupees One Crore Seventeen Lac Only) per annum from SMS-AABS India Tollways Private Limited (the Subsidiary Company of SMS Limited), during the financial year 2022-23 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 his appointment.

6.11 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 2022-23, the applicable accounting standards have been followed along with proper explanation and there are no material departures;
- b. As mentioned in Note 2 of the Notes to the Financial Statements, the Directors had selected such accounting policies as mentioned and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of the year i.e March 31, 2023, and of the profit of the Company for the year ended on that date.
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared annual accounts on a going concern basis.
- e. the Directors even being the unlisted Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively; and

6.12 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 Indian Accounting Standards and the Companies Act, 2013.

6.13 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 17 subsidiaries, 4 Associates (including step-down subsidiaries and associates) and 19 Joint Ventures as of March 31, 2023. There was no material change in the nature of the business carried on by the subsidiaries.

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

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available on our website, www.smsl.co.in. These documents and audited accounts of each of its subsidiaries will also be available for inspection during business hours at the Registered Office of the Company and made 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 the Financial Statements for the F.Y 2022-23 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:

SMS-AABS India Tollways Private Limited a Special Purpose Vehicle was incorporated on 17th July 2014 Special Purpose Vehicle (SPV) and has its registered office at Flat No. 306-307, Chandni Apartment 2/2 New Palasia, Indore, Indore, Madhya Pradesh, India, 452001 The subsidiary (SPV) formed exclusively for the execution of the project to Operate, Maintain and transfer the contract of Mazzaffarpur-Darbhanga-Purnea for a period of 9 years from COD i.e 19th July 2015, i.e. the date of commencement of toll collection. Subject to the 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 a continuing obligation to maintain the project road during the concession period. The subsidiary has completed its Eighth year of operation.

Net Revenue from operations during the year stood at ₹ 33525.64 /- lac and the Net Profit at ₹ 12,120.30/- lac as against ₹ 9415.87 lac/- in the preceding year.

ii SMS Water Grace BMW Private Limited:

SMS Water Grace BMW Private Limited was incorporated as a subsidiary Company of SMS Limited on 6th February 2007 and has its registered office at 267 Ganesh Phadnavis Bhavan, Near Triangular Park Dharampeth, Nagpur MH 440010 IN. The Subsidiary is engaged in the business of providing biomedical waste management & disposal services. The subsidiary is providing total solutions for scientific treatment and disposal of various types of bio medical waste by the latest.

The Subsidiary was appointed by Delhi Health Services (DHS) to serve Health Care Facilities under the Jurisdiction of DHS. The company is responsible for the collection, storage, treatment & disposal of bio-medical waste generated in the city of Delhi. This Common Bio-Medical Waste Disposal and Treatment Plant (CBMWDTP) is located at Nilothi New Delhi and has 28.8 TPD treatment and disposal capacity, it has an Incinerator, Autoclave and Shredding methods for the treatment of biomedical waste with the capacity of the incinerator to operate at 500 kg/hr, Autoclaving method operates at 700 kg/Batch, Shredding method operates at 550 Kg/Hour, Effluent Treatment Plant (ETP) Capacity 100 KLD with zero discharge and Rainwater Harvesting

facility. The Company has one of the modern facilities in India and is continuously updating the latest technology and installing new equipment.

The Subsidiary has 34 owned GPS-enabled vehicles for the transportation of biomedical waste with GPS tracking systems fitted in transport vehicles. Enabled with route & area-wise map area for every vehicle to cover all the clients for the Collection of BMW.

The concession period of tender expired in March 2021. Delhi Health Services Floated New Tender in 2021 and SMS Limited won the tender in 2022. Subsequently, the tender was cancelled. However SMS Water Grace BMW Private Limited is continuing to provide services to Health Care Facilities in its designated area under the jurisdiction of DHS.

Net Revenue from operations during the year for the subsidiary stood at ₹ 1217.67/- lac and the Net Profit at ₹ 499.45 /- lac as against ₹ 288.56/- lac in the preceding year.

iii SMS Vidhyut Private Limited:

SMS Vidhyut Private Limited is a Wholly Owned Subsidiary (WOS) of SMS Limited, incorporated on 6th December 2006 and has its registered office at 267, Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur MH 440010 IN 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 the reservoir of Pench River. The RBC hydropower plant 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 has a capacity of 1.4 MW. The evacuation/ transmission of the power plant to the nearby relay station has been done through a 33KVA transmission line. The subsidiary has erected this RBC for Maharashtra State Electricity Distribution Company Ltd (MSEDCL) and handed it over to them.

At RBC, the subsidiary has two machines of 0.7 MW each and both machines are operational. However, due to the low dam head and less water requirement for the Irrigation dept., the subsidiary could generate

only 25% of the plant's capacity. Furthermore, the RBC canal was in less power generation i.e. 7.4% less than the previous year.

2. The 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 has two machines of 2.2 MW each and both machines are operational. Because of the low dam head and back pressure caused by to bypass of excess volume of water flow, the subsidiary has generated only 11.9 % of the plant's capacity.

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 net revenue from operations of ₹ 372.66/- lac and a net loss of ₹ 1035.96/- lac as against ₹ 1008.60/- lac in the preceding financial year.

iv ***SMS Tolls And Developers Limited: (not a subsidiary w.e.f (09.12.2023)**

SMS Tolls And Developers Limited, a Wholly Owned Subsidiary (WOS) of SMS Limited, incorporated on 6th August 2007, under the provision of the Companies Act, 1956, has its registered office at 267, Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur MH 440010 IN and was established with the object of carrying 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 an agent and deal in all types of repair and maintenance services for all types vehicles, machinery, plants, equipment, tools; to carry on the business of leasing and give on lease all kinds of equipment.

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.

*However, the Company ceased to be a wholly owned subsidiary of SMS Limited w.e.f 09/12/2022.

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

The Ayodhya-Gorakhpur SMS Tolls Private Limited is a Wholly Owned Subsidiary (WOS) Company and was incorporated on 06th February 2013 has its registered office at I.T. Park, 20, STPI Gayatri Nagar, Parsodi Nagpur MH 440022 IN. The said subsidiary was formed as a Special Purpose Vehicle (SPV) for taking up work of Operation & Maintenance of the Ayodhya-Gorakhpur Section (KM 137.970 to KM 252.860) stretch of NH-28 (Total length 116.101 km) in the state of Uttar Pradesh under the Concession Agreement dated 5th March 2013 for 9 years on an 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 above-discussed OMT road project of Ayodhya-Gorakhpur Section concluded and therefore the subsidiary Company vide its board meeting dated 05th January 2023 and subject to requisite approvals including that of NCLT, approved the Scheme of amalgamation with SMS Limited (holding Company) with the appointed date as 1st October 2022 (Holding Company).

The Board of Directors of the Company vide its meeting dated 26th December 2022 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 16th May 2023.

Net Revenue from operations during the year for the subsidiary stood at ₹ 11,981.84/- lac and the Net Profit at ₹ 20.18/- lac as against ₹ 1027.10/- lac in the preceding year.

vi SMS Envoclean Private Limited:

SMS Envoclean Private Limited, incorporated on 17th October 2005, became a subsidiary of SMS Limited on 16th November 2009 and has its registered office at 267 Ganesh Phadnavis, Bhavan Triangularpark Dharampeth, Nagpur MH 440010 IN. The subsidiary is operating in the jurisdiction of Mumbai City. The company initially started its operations in the year 2009.

SMS Envoclean Private Limited was appointed by the Municipal Corporation of Greater Mumbai. The tender was finalized & Maharashtra Pollution Control Board authorized the project in the year 2007. The Municipal Corporation of Greater Mumbai has allotted land on a BOOT basis.

Common Biomedical Waste Treatment Facility (CBWTF) serving 12,756 clients. The Company has our full-fledged plant located near Deonar with Incinerator, Autoclave, Chemical Disinfection and Shredding Facilities. The Company has 66 vehicles for BMW collection and each vehicle has its assigned routes and ensures regular biomedical waste collection as per required frequency.

The Company is providing bar-coded bags to our customers as per the categories of Biomedical Waste Rules 2016. SMS Envoclean Private Limited is in the process of Environmental clearance for the establishment of CBWTF facilities at other locations.

During the year, the subsidiary generated ₹ 3,250.78/- lac as net revenue from operations and the net profit at ₹ 1157.72/- lac as against ₹ 1471.72/- lac in the preceding year.

vii Maharashtra Enviro Power Limited (MEPL):

Maharashtra Enviro Power Limited (MEPL) was incorporated on 20th January 2005 with its registered office located at 267 Ganesh Phadnavis Bhavan, Triangular Park, Dharampeth, Nagpur MH 440010 IN. It became a subsidiary of SMS Limited on 23rd February 2007, the subsidiary is in the business of management of Hazardous Industrial solid waste. It has two Common Hazardous Waste Treatment Storage and Disposal Facility (CHWTSDF) located at Ranjangaon MIDC, Shirur, District, Pune and Butibori MIDC District Nagpur.

The subsidiary is an ISO 9001, ISO 14001 & ISO 45001 certified company and has an in-house laboratory for carrying out all the Hazardous waste sample

analysis, and water and wastewater analysis. This project is for scientific disposal of Industrial Hazardous waste in the region.

The area of jurisdiction allotted for CHWTSD facility located at Ranjangaon, as per Area Allocation Order of Maharashtra Pollution Control Board are Ahmednagar, Kolhapur, Pune, Satara, Sangli, Sholapur, Aurangabad, Beed, Dhule, Hingoli, Jalgaon, Jalna, Latur, Nanded, Nandurbar, Nashik, Parbhani, Osmanabad districts.

Similarly, the area of jurisdiction allotted for the CHWTSD facility located at Butibori caters to the districts of Nagpur, Gondia, Bhandara, Chandrapur, Gadchiroli, Amravati, Wardha, Yawatmal, Akola & Buldana.

The subsidiary caters to industries generating Industrial Hazardous Waste to Scientifically Collect, Store, Treat and Dispose of the waste as per the regulatory norms stipulated in the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and further amendments thereof by MoEF & CC and also as per the CPCB guidelines for TSDF facility.

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

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

Additional Land MEPL-Unit-II:

The subsidiary is having operations at the CHWTSD site at P - 56, MIDC, Ranjangaon. The facility has different treatment components i.e. Landfilling, Incineration, MEE, Pre-processing units etc. The facility has been in operation for a long time and existing land is about to be exhausted after Completion of Secured Landfill (SLF) -7. To continue its operations of Landfill the company will be required to develop new SLFs to treat and dispose of this waste scientifically.

To create an additional facility of secured landfill for continuing the disposal of industrial hazardous waste, new land is allotted to MEPL (Unit - 2) at Plot No. H-4 & Plot No. H -4/1, MIDC Ranjangaon. Village-Ranjangaon, Taluka-

Shirur, Pune, Maharashtra, by MIDC. The proposed new facility will consist only secured landfill facility and related units. Disposal of industrial hazardous waste through the incineration route will continue at the existing facility of MEPL.

Ranjangaon, Pune Project:

Secured Landfill No. 7: Construction of Secured Landfill No. 7 has started at CHWTSDF Plant at Ranjangaon MIDC. The construction of a secured landfill will help in the disposal of landfill waste. The capacity of Secured Landfill 7 is 30793 CUM.

Rotary Incinerator: Installation of 2 MT/Hr of Rotary Incinerator for disposal of Incinerable waste at MEPL Ranjangaon site. The proposed expansion of the incineration facility will support the future need of industry for the disposal of hazardous waste generated from the industries in the course of industrial development in the region.

Solar Installation: installed two Roof-top Solar Photo-Voltaic Systems of 700 Kwp & 750 Kwp to generate electrical power at the MEPL Ranjangaon site. Due to several new government incentives, such as the Production Linked Incentive (PLI), accelerated tax depreciation of up to 40% in the first year.

Cost savings would be imperative for businesses. Adopting rooftop solar has reduced electricity costs while ensuring faster payback (typically in 4 years). Carbon emission reduction is also an important driver for Industrial consumers.

Butibori, Nagpur Project”:

Secured Landfill No. 3: Construction of secured landfill no 3 is completed and the landfill is under operation. The design for the same is prepared by MEPL through an accredited consultant in accordance with the criteria delineated by the Central Pollution Control Board, New Delhi for the establishment of secured landfills for hazardous waste. The construction of a secured landfill will help in the disposal of landfill waste.

- 1. Rotary Incinerator:** Installation of 1 MT/Hr of Rotary Incinerator for disposal of Incinerable waste at the MEPL Butibori site is completed and operations have started. The incinerator plant will support the future need of industry for the disposal of hazardous waste generated from the industries in the course of industrial development in the region.

2. **Solar Installation:** The Company has installed a Roof-top Solar Photo-Voltaic System of to generate solar power at the MEPL Butibori site. Due to several new government incentives, such as the Production Linked Incentive (PLI), accelerated tax depreciation of up to 40% in the first year. Additionally, with a heightened impetus on ESG (Environment, Social and Governance) and RE100 commitments governing investment decisions, Solar Energy adoption transitions from a “good to have” to a “must have” for the I rooftop solar.
3. Cost savings would be imperative for businesses. Adopting rooftop solar has reduced electricity costs while ensuring faster payback (typically in 4 years). Carbon emission reduction is also an important driver for Industrial consumers.

During the year, the subsidiary has generated ₹ 15980.17/- lac as net revenue from operations and the net profit at ₹ 5252.43/- lac as against ₹ 3030.11 /- lac in the preceding year.

viii. Spark Mall And Parking Private Limited:

Spark Mall and Parking Private Limited is a subsidiary of the Company incorporated as an SPV (Special Purpose Vehicle) on 12th February 2008 and has its registered office at 267, Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur, Maharashtra, 440010, India to develop a multilevel car parking cum commercial complex in Kamla Nagar at Delhi and has been assigned the composite Public-Private Partnership (PPP) project to develop for the development of a multilevel car parking cum commercial complex at Kamla Nagar, New Delhi by Municipal Corporation of Delhi (MCD). The subsidiary received a “substantial Completion Certificate” from MCD on 2nd September 2013. The subsidiary Company is engaged in the business of constructing and providing multilevel car parking blocks for general use for the public and private parties on a turnkey contractual and on built operate and transfer (BOT) basis and to carry on the business of infrastructure management and conduct research, design and develop technologies for effective pollution control and environment protection and all such other works or undertaking in relation to the works and the general objects of the Company.

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

The said mall has been 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 on 9th May 2014 and ending on 22nd February 2060. Technology partner associate with us proviron BV, Switzerland.
- Located in one of the most densely populated areas of North Delhi, Kamla Nagar market roundabout.
- With an impressive space to provide an enjoyable experience for everyone who walks in the mall, in 50,000 sq ft with fine dining restaurants, 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.

However, since its inception, the subsidiary has been in losses. This was due to a recession in the retail sales of malls across India. However the Company has changed the product mix and shifted its focus from retail trade to service and food outlets and gaming zones are being introduced including cinema, health care, Pharmacy and allied business. The Company is also in the advanced stage of starting two 40-seater cineplex's also from the financial year 2021-22 the subsidiary has started the pharmacy and allied business and entered into service agreements with the hospitals for supplying medical drugs & consumables. The management is hopeful of the revival of the economy and a boost to the property market and consequently will be able to generate revenue.

The Pharmacy business has generated higher revenue as compared to the preceding year.

However the subsidiary w.e.f 31st March 2023 has discontinued the services of operating a pharmacy/chemist shop, operating a medical testing unit i.e. Laboratory as per mutual discussions and consensus between Spark Mall & parking Pvt Ltd and Datta Meghe Institute of Higher Education and Research,

the subsidiary has decided to discontinue the service agreement executed between both the parties on 01st August 2021.

Net Revenue of the subsidiary from operations during the year stood at ₹ 8514.34/- lac and the net loss at ₹ 3539.17/- lac as against ₹ 1683.90/- lac in the preceding year.

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

SMS Hazardous Waste Management Private Limited was incorporated on 16th May 2007 with its registered office located at 267, Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur MH 440010 IN. It became a Subsidiary of SMS Limited on 10th November 2008. The Subsidiary is engaged in the business of purchase, holding, developing, and acquiring mines and to do all such incidental and necessary acts and things that may be essential for the attainment of the foregoing objects.

During the year under review, the company did not undertake any business activity and had no business hence no revenue was generated from the operation, however, the other income stood at ₹ 9.00 lac/- and the net profit at ₹ 7.75/- lac as against the net loss of ₹ 5.73/- lac in the preceding year.

x SMS Taxicabs Private Limited:

SMS Taxicabs Private Limited is domiciled in India and incorporated under the provisions of the Companies Act, of 1956 as a subsidiary of M/s. SMS Limited on 26/07/2011. The registered office of the subsidiary is located at 20A, 3rd Floor, Gold Mohur co-op. Hsg. Society, 174, Shamaldas Gandhi Marg, Lohar Chawl, Kalbadevi, Mumbai, Maharashtra, 400002, India. The subsidiary is operating a phone fleet taxi vide licensee awarded to it by the transport department. As per the terms of the licensee, the Company has to put on the 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 stages of the rollout of vehicles as per the time limit given in the original licensee/tender agreement. The time limit was extended by the transport department till 31st March 2013 to complete all the stages. After this, there has been no further extension granted. However, there is a committee-level report on various issues faced by the operators and drivers and 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 & rollout of 1200

taxicabs is to be completed. The Company is considering the legal course of action for non-compliance on the 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.

In the meantime, the Company closed its phone a fleet taxi operations in March 2018 and launched the DBO subscription scheme. As per the DBO subscription scheme the taxi is offered for sale to prospective drivers on giving a deposit and daily subscription amount. On full payment of the subscription amount, the ownership of the taxi would get transferred in favour of the respective driver for his use. The entire subscription amount for the taxi is accounted as a receivable and collection against the same is reduced as and when received. The subscription proportionate to the year is offered as subscription income in the financials and indirect taxes on the same accrued till the time ownership is transferred after which it would be due for payment.

Going Concern

The net worth of the company has eroded and is 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 depends on the new business ventures and/or strategic business plans. The company has started a DBO subscription scheme in place of the existing phone a fleet taxi operation, considering the said DBO scheme the financials for the year have been prepared under going concern assumption as at the end of the year.

Net Revenue of the subsidiary from operations during the year stood at ₹ 26.11/- lac and the net profit at ₹ 1229.89/- lac as against the net loss of ₹ 197.55/- lac in the preceding year.

xi 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 coal mining in the province of Sumatra. For the last few years, the foreign subsidiary has had huge reserves of coal and in the past, a substantial portion was mined resulting in profit in past years. However, over the past few years, there has been no business in the foreign subsidiary as the coal reserves have been stuck beneath a river due to the diversion of the river. Moreover, the mining of balance reserves could not be undertaken by the subsidiary company resulting in no business in the said foreign subsidiary. The

application for river diversion has already been put up with the concerned authorities in Indonesia, but no approval has been received to date.

Considering the past performance of the business, regulatory challenges, distance chances of revival of business operations, huge losses etc., with no clear deadlines lines for recovery the parent Company is exploring selling and transferring the business interest of the said foreign subsidiary.

During the year the subsidiary had no business hence no revenue was generated from sales, however, the other income stood at ₹ 96/- and the net loss at ₹ 368.57/- lac as against ₹ 205.38/- lac in the preceding year.

xii 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 wholesale trading (export and import) and trade of solid fuels, among others, including the trade of coal, coal-intensive (bricket) and allied business activities in the province of Sumatra. For the last few years, the foreign subsidiary has had huge reserves of coal and in the past, a substantial portion was mined resulting in profit in past years. However, over the past few years, there has been no business in the foreign subsidiary as the coal reserves have been stuck beneath a river due to the diversion of the river. Moreover, the mining of balance reserves could not be undertaken by the subsidiary company resulting in no business in the said foreign subsidiary. The application for river diversion has already been put up with the concerned authorities in Indonesia, but no approval has been received till date.

Considering the past performance of the business, regulatory challenges, distance chances of revival of business operations, huge losses etc., with no clear deadlines of recovery, the parent Company is exploring to sell and transfer the business interest of the said foreign subsidiary.

During the year the subsidiary had no business hence no revenue was generated from sales. However, the net loss stood at ₹ 0.99/- lac as against the net loss of ₹ 38.23/- lac in the preceding year.

xiii SMS Infolink Private Limited:

SMS Infolink Private Limited was incorporated on 9th September 2011 under the provisions of the Companies Act, 1956 as a wholly owned subsidiary of SMS Limited with a registered office located at 20, IT Park, Parsodi Nagpur, MH 440022 IN.

The Company has amended its object clause in the preceding financial year so as to include the business of fleet management to take up the business in the transportation sector in the near future. However, has not commenced any commercial activities to date.

During the year under review, there was no activity resulting in nil revenue and the net loss stood at ₹ 1.17/- lac as against ₹ 1.18/- lac in the preceding year.

xiv 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 with the registered office situated at IT Park, 20 STPI Gayatri Nagar, Parsodi, Nagpur, Maharashtra 440022. The WOS was formed with the object of Providing common effluent collection, effluent treatment, recycling, disposal arrangement and common effluent treatment plant including Operation & Maintenance of Common Effluent Treatment Plant and to collect, transport, treat process, and disposal of any type of waste material like plastic, biomass, coal, charcoal, industrial waste etc., in solid, liquid and gaseous form.

However, as on 31st March 2023, the subsidiary has not yet started its business activity.

During the year under review, there was no activity resulting in nil revenue and the net loss stood at ₹ 0.84/- lac as against ₹ 0.85/- lac in the preceding year.

xv SMS Mining Limited:

SMS Mining Limited was incorporated as a Wholly Owned Subsidiary (WOS) of SMS Limited on 28/09/2021 and has its registered office at I. T. Park, 20, S.T.P.I, Gayatri Nagar, Parsodi, Nagpur, Nagpur, Maharashtra, India, 440022. The WOS was 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.

During the year under review, there was no activity resulting in nil revenue and the net loss stood at ₹ 2.38/- lac as against ₹ 0.86/- lac in the preceding year.

xvi SMSL Ketki MDO Project Limited:

The SMSL Ketki MDO Project Limited a Wholly Owned Subsidiary (WOS) of the SMS Limited incorporated on 17th November 2022 with the registered office at IT Park, 20, S.T.P.I. Gayatri Nagar, Parsodi Nagpur MH 440022 IN. The WOS was formed as a Special Purpose Vehicle (SPV) for the execution of the MDO project by taking up the work to develop and operate Ketki Expansion Underground mine of South Eastern Coalfields Limited (SECL) in Bistrampur Area of Chhattisgarh including detailed designing, mine construction, operation and maintenance (O&M) and allied works of the mine and performance of such other obligations of the Mine Operator in accordance with the LOA No. SECL/BSP/CMC/e-Tender-472/LOA Ketki MDO/BSRM/2021-22/112 dated 10.03.2022 and the general objects of the said subsidiary.

As this is the initial year of the Company, there was no revenue generation. However, the net loss during the year stood at ₹ 93.21/- lac.

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.

S M S

Step Down Subsidiaries:

Subsidiaries of Spark Mall and Parking Private Limited:

xvii **Medisearch Life Sciences Private Limited:**

Medisearch Life Sciences Private Limited was incorporated on 1st January 2010 under the Companies Act 1956 with its registered office at Plot No 44 Parwana Bhawan Opp Srimohini Complex, Beside Bank of India, Nagpur, Maharashtra, 440001 IN with the object of providing tertiary and quaternary care hospitals and research institutes. Medisearch Life Sciences Pvt. Ltd. became a subsidiary of Spark Mall and Parking Private Limited on 9th May 2022. Spark Mall and Parking Pvt. Ltd. which is a subsidiary Company of SMS Limited.

Revenue from operations for the said step-down subsidiary company during the year stood at nil, however, the other income stood at ₹ 0.42/- lac and the net loss during the financial year was ₹ 4.69/- lac.

xviii **Kingsway Institute Of Health Sciences Private Limited:**

Kingsway Institute Of Health Sciences Private Limited (KIHS) was incorporated on 4th March 2020 with a registered office at Plot No 44 Mohan Nagar, Kingsway Near Kasturchand Park, Nagpur 440001, Maharashtra IN with the main business to provide tertiary and quaternary care hospitals and research institutes. KIHS became a subsidiary of Spark Mall and Parking Private Limited on 29th April 2022, Spark Mall and Parking Pvt. Ltd. which is a subsidiary Company of SMS Limited.

Revenue from operations for the said step-down subsidiary company during the year stood at ₹ 182.13 lac, and the profit during the financial year was ₹ 71.67/- lac as against the net loss of ₹ 106.92 lac in the previous financial year.

ASSOCIATES:

i **RCCL Infrastructure Limited:**

RCCL Infrastructure Limited is an associated Company, incorporated with the object of undertaking 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 is under the thought of diminution in value of investment from said associate. As the operation of these entities stalled 8-9 years back the Company is not estimating any future returns from said associate.

The Company was incorporated on 26th 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 the object for collection of toll tax from all specified commercial vehicles entering the municipal limits of Delhi at toll tax plazas/posts barriers and operating and maintaining all existing and new infrastructure, upgrade/modify/add etc.

Revenue from operations during the year stood at nil and the net loss at ₹ 86.12/- lac as against the net loss of ₹ 68.21/- lac in the preceding year.

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

Step Down Associates:

Associates of SMS Vidhyut Private Limited:

iii Arcor Infraventures Private Limited

Arcor Infraventures Private Limited is an associated Company of SMS Vidhyut Private Limited the subsidiary company of SMS Limited, Arcor Infraventures Private Limited was incorporated under the provision of the Companies Act, 2013 or the previous act with the main object to provide consultancy services and has its registered office at Saroj, plot No. 53, Ramdaspath, Nagpur Mh 440010 IN.

Revenue from operations for the associate company during the year stood at nil, however, the other income stood at ₹ 2.68/- lac and the net loss during the financial year is ₹ 47.93/- lac occurred due to an increase in finance cost.

Associate of Spark Mall and Parking Private Limited:

iv Spanv Medisearch Lifesciences Private Limited:

Spanv Medisearch Lifesciences Private Limited is an associated Company of SMS Spark Mall and Parking Private Limited the subsidiary company of SMS Limited, Spanv Medisearch Lifesciences Private Limited was incorporated under the provision of the Companies Act, 2013 with the object of rendering medical and healthcare services. The registered office of said associate Company is located at 44, Parwana Bhawan, Kingsway, Nagpur, Maharashtra-440001.

Revenue from operations of the associate company during the year stood at ₹ 14450.1 lac and the net loss during the financial year was ₹ 4116.5 /- lac as against the net loss of ₹ 3577.8/- lac in the previous financial year.

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 contract receipt for the work done by JV during the year stood at ₹ 368.75/- lac and the Net Profit at ₹ 3.17/- lac as against ₹ 4.40/- lac in the preceding year out of the total profit of ₹ 2.06/- 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 with 70% share of SMSL and 30% share of D. Thakkar Construction Pvt. Ltd.

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.

However, the value of work done by JV during the year stood at ₹ 4715.16/- lac and the net loss stood at ₹ 78.22/- lac as against the net profit of ₹ 2518.90/- lac in the preceding year out of the total loss of ₹ 54.75/- lac apportioned to SMS Limited (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's existing main canal Km 1.00 to 41.37 including earthwork structures & lining.

The financial statement of the said joint venture entity was not available on record. Due to this, the share in profit/(Loss) is not accounted for in FY 2022-23.

The operations of these entities stalled 6-7 years back and the company is expecting receipts of o/s income tax refund, VAT refund and security deposits in this entity and hence carried forward balances in books.

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 SMSIPL-AIPPL (JV) entered into JV for the work of construction, erection and commissioning of infrastructure plan phase II A project work in Allapali and Gadchiroli invited by Maharashtra State Electricity Distribution Company Limited.

During the financial year 2022-23 as well as in 2021-22, 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 Purna Barrage No. 2 (Ner Dhamna) construction of barrage on L/S and R/S chamber and allied earthwork and other work invited by Akola Irrigation Division and Wardha Barrage (Hadgaon) construction of Barrage, jack well and pump house raising main invited by ex-engineer, Yavatmal.

During the year under review, there were no activities in JV, however, the net loss is ₹ 0.62/- lac as against a net loss of ₹ 0.52/- lac in the preceding year and out of the total loss of ₹ 0.31/- 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 entities entered into a joint venture for the work of 130MLD sewage water reuse project as an EPC contract including complete design, engineering, 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 ₹ 170.75/- lac and the total net profit of ₹ 24.94 /- lac as against a net profit of ₹ 149.82/- lac in the preceding year. whereas out of the total profit ₹ 17.46/- lac was 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 the new railway line project Jiriba-Tupul (Imphal) of N.F. railway construction.

During the year under review, there was no business in the JV resulting in Nil revenue and no profit or loss.

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

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

Value of work bill receipt during the year stood at ₹ 6544.51/- lac, the JV has attained a point where its income exactly equals its expenditure, maintaining a zero-profit, zero-loss scenario."

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 the 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 ₹ 442.82/- lac and the total net loss of ₹ 62.59/- lac as against the net profit of ₹ 9.07/- lac in the preceding year. Whereas out of the total loss ₹ 35.67 /- lac was 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 the operation of JV (Thotapalli work) during the year is at ₹ 103.37/- lac and the total net loss stood at ₹ 0.49/- lac and out of the total loss ₹ 0.29/- lac apportioned to SMSL (JV partner) and the revenue from operation of JV (Railway work) during the year is at ₹ 11806.59/- lac with zero-profit, zero-loss scenario.

xi SRRCIPL-SMSL-BEKEM:

SRRCIPL-SMSL-BEKEM (JV), is a joint venture entity, formed on 10-11-2016, for the purpose of execution of the 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 is NIL and the net profit for the JV stood at ₹ 1.78/- lac as against the net profit of ₹ 1.30/- lac in the preceding year out of the total profit of ₹ 0.36/- lac apportioned to SMSL (JV partner).

xii SMSLMBPL (JV):

SMS Limited and Mehrotra Buildcon Pvt. Limited are joint venture members namely SMSL-MBPL(JV) entered into JV for balance work for construction of roadbeds, 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 types of machinery shall be utilized for the work associated with the 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 a total contract receipt of ₹ 68.64/- lac and a net profit is ₹ 35.93 /- lac as against the net loss of ₹ 50.94/- lac in the preceding year out of the total profit of ₹ 22.76/- lac apportioned to SMSL (JV partner).

xiii Meghe SMS Health Science Consortium (AOP):

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

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

M/s. Nagar Yuwak Shikshan Sanstha (NYSS), is a trust registered under the Bombay Trust Act, of 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 a medical college and hospital in terms of provisions of the establishment of Medical College Regulations (Amendment) 2019 notified on 13th May 2019 in the Gazette of India.

During the year under review, there is no revenue from the business, While during the year JV adjusted the pre-operative expenses from the capital balance to the extent of ₹ 50.30 Lac.

xiv AGIPL-SMSL (JV):

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

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

During the year under review, the JV had a total work receipt of ₹ 13517.05/- lac and the net loss for the financial year is ₹ 0.32/- lac out of the total loss of ₹ 0.06/- lac apportioned to SMSL (JV partner).

xv SAKET-SMSL (JV):

SAKET-SMSL(JV) is a joint venture entity formed on 8th August 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 Maharashtra State Road Development Corporation Ltd. (MSRDC).

During the year under review, the JV had a total contract receipt of ₹ 7016.76/- lac and a net profit is ₹ 37.99/- lac as against ₹ 265.45/- lac in the preceding year and out of the total profit of ₹ 15.19/- lac apportioned to SMSL (JV partner).

xvi SRRCIPL-SMSL (JV):

SRRCIPL-SMSL (JV) is a joint venture entity formed on 15th April 2021 vide its joint venture agreement 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 by the Ministry of Road Transport and Highways/National Highways Authority of India.

The Joint Venture was awarded the execution of the work on, vide its letter no. CE(NH)/D-1/LOA/3105/2021 dated 18-10-2021. The total value work awarded was for ₹ 111,25,56,474/- and the share of JV partners are SRRCIPL- 70% and SMSL 30%

During the year under review, the revenue from operation for the JV is ₹ 6803.01/- lac and the net loss is 0.31/- lac as against the net loss of ₹ 0.10/- lac in the preceding year and out of the total loss ₹ 0.09/- lac apportioned to SMSL (JV partner).

xvii SRRCIPL-SM SL(JV) Mahabubnagar:

Sri Raja Rajeshwari Construction India Pvt. Ltd. and SMS Limited are joint venture partners namely SRRCIPL-SMSL(JV) Mahabubnagar formed vide Joint Venture agreement dated 4th August 2022 for the work of Widening and Strengthening to 2lane/ 4lane with paved shoulders from KM 0+000 to KM

60+255 of Mahabubnagar-Chicholi section of NH-167N in the state of Telangana on EPC mode” through an Engineering, Procurement, Construction (EPC) contract basis.

The Joint Venture was awarded with the execution of the work on 19.01.2023, vide its letter no. Lr. No. 867/R&B/SENH/DSE/T2/NH167N/MC/2022-23/1069 dated 19-01-2023. The total value of work awarded was ₹ 331,52,17,777/- and the share of JV partners are SRRCIPL-80% and SMSL 20%.

As this has been the initial year of the Joint venture there is no revenue from the business, however, the net loss during the financial year is ₹ 0.11/- lac occurred due to business expenses, out of the total loss ₹ 0.02/- lac apportioned to SMSL (JV partner).

xviii SMSL-MBPL (JV) DURG PACKAGE A:

SMS Limited and Mehrotra Buildcon Pvt. Ltd., are joint venture partners namely SMSL-MBPLJV DURG-PACKAGE A formed vide Joint Venture agreement dated 5th August 2022 for execution of the Construction of 6-Lane Durg - Raipur - Arang Bypass section of NH-53 from design ch. 0+000 (Vill. Tendesara) from design ch. 0+000 (Vill. Tendesara) to design ch. 44+500 (Vill. Parsada) in the State of Chhattisgarh on EPC Mode under Bharatmala (Package A)(the “Project”) the project was proposed or being developed by the ‘National Highways Authority Of India (the “NHAI”)

The Joint Venture was awarded with the execution of the work, vide its letter no. NHAI/BM/Durg-Raipur-Bypass/Package-A/22A2 dated 27.12.2022 and the share of JV partners are SMSL 60% and MBPL 40%.

The year under review is the initial year of the Joint venture there is no revenue from the business, however, the other income stood at ₹ 204.50/- lac and the net loss during the financial year is ₹ 0.20/- lac occurred due to business expenses.

ix Sanbro Corporation:

Sanbro Corporation is a partnership firm formed on 15th November 2007 with four partners bearing a profit/loss sharing ratio of 29.60%, 22.20%, 22.20% and 26.00% respectively, the firm commenced its business on 15th 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.

During the financial year, the firm did not generate any revenue however, the net loss stood at ₹ 2.97/- lac out of the total loss ₹ 0.77/- lac apportioned to SMSL (JV partner).

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 the main object of carrying Mining and its related activities.

Name of the Subsidiary	Date of Incorporation
SMSL Ketki MDO Project Limited	17 th November 2022

ii) Companies, which have ceased to be subsidiaries:

During the financial year, SMS Tolls and Developers Limited ceased to be a wholly owned subsidiary of the Company w.e.f. 09/12/2023 by sale of Company's Shares.

iii) Companies, which have become joint ventures:

(i) **SRRCIPL-SM SL(JV) Mahabubnagar** - is a joint venture entity formed vide Joint Venture agreement dated 4th August 2022 for the work of Widening and Strengthening to 2lane/ 4lane with paved shoulders from KM 0+000 to KM 60+255 of Mahabubnagar-Chicholi section of NH-167N in the state of Telangana on EPC mode" through an Engineering, Procurement, Construction (EPC) contract basis.

Sri Raja Rajeshwari Construction India Pvt. Ltd. and SMS Limited are Joint Venture Partners with a profit/loss ratio of SRRCIPL-80% and SMSL 20%.

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

(ii) **SMSL-MBPL (JV) DURG PACKAGE A:-** is a joint venture entity formed vide Joint Venture agreement dated 5th August 2022 for execution of the Construction of the 6-Lane Durg - Raipur - Arang Bypass section of NH-53 from design ch. 0+000 (Vill. Tendesara) from design ch. 0+000 (Vill. Tendesara)

to design ch. 44+500 (Vill. Parsada) in the State of Chhattisgarh on EPC Mode under Bharatmala (Package A)(the “Project”) the project was proposed or being developed by the ‘National Highways Authority Of India (the “NHAI”)’.

SMS Limited and Mehrotra Buildcon Pvt. Ltd., are joint venture partners with a profit/loss sharing ratio of SMSL 60% and MBPL 40%.

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

8. **DETAILS OF DEPOSIT:**

During the financial year 2022-23 under review, the Company has neither invited nor accepted any public deposits within the meaning of Sections 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 6, 12, 17,21 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. 54 to the balance sheet as on 31st March 2023.

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.

11. CORPORATE SOCIAL RESPONSIBILITY:

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

As per the provisions of the Companies Act, 2013 and the Rules framed thereunder during the F.Y 2022-23, the Company was required to spend an amount of ₹ 24,79,299.76/- (Rupees Twenty Four Lac Seventy Nine Thousand Two Hundred Ninety Nine Seventy and Six Paise only).

The CSR contribution made towards the promotion of education including Agriculture development and betterment of farmers along with contribution to various activities related to the promotion of healthcare; including preventive healthcare and sanitation for the current financial year, based on the recommendation of the CSR Committee.

The members also considered the requirement of section 135 (3) of the Companies Act, 2013 which prescribes that every company falling in the ambit of sections 135(1) and 135(5) of the Act shall ensure spent towards CSR contribution of at least two per cent of the average net profits of the company made during the three immediately preceding financial years.

During the financial year 2022-23 pursuant to section 135 (5) and subject to Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013 the Company shall ensure to spend towards CSR contribution of at least two per cent of the average net profits of the company made during the three immediately preceding financial years and accordingly was required to spend an amount of ₹ 24,79,299.76/- (Rupees Twenty Four Lac Seventy Nine Thousand Two Hundred Ninety Nine Seventy and Six Paise only), however after setting off the excess CSR contribution of ₹ 1,68,089/- made in F.Y. 2021-22 the actual total expenditure spent under sub-section (5) of section 135 on CSR activity for the financial year 2022-23 was ₹ 23,11,211.59/- (Rupees Twenty Three Lac Eleven Thousand Two Hundred Fifty-Nine Paise only) on the recommendation of the CSR committee and as approved by the Board.

Details of CSR contribution are hereunder.

1. ₹ 20,000/- (Rupees Twenty Thousand only) working in the field of Health, Education, and Livelihood undertaken by Niramaya Bahuddeshiya Seva Santha along with,
2. ₹ 8,82,000/- (Rupees Eight Lac Eighty Two Thousand only) to Natural Farming project in Wani-Maregaon Dist-Yavatmal undertaken by Deendayal Bahuddeshiya Prasarak Mandal along with
3. ₹ 23,000/- (Rupees Twenty-Three Thousand only) to promote the “Har Ghar Tiranga “ Campaign under the aegis of Azadi Ka Amrit Mahotsav entitled as CSR activity vide General Circular No. 08/2022 by MCA.
4. ₹ 14,50,000/- (Rupees Fourteen Lac Fifty Thousand only) to GH Rasoni University, as a donation for student fees concession.

As detailed aforesaid after setting off the excess CSR contribution made in the previous financial year the Company was required to contribute ₹ 23,11,211.59/- for the financial year 2022-23, while an aggregated amount which was contributed by the Company during the financial year under review was ₹ 23,75,000/- (Rupees Twenty Three Lac Seventy Five Thousand only), thereby contributing ₹ 63,788/- (Rupees Sixty Three Thousand Seven Hundred Eighty-Eight only) over and above the requirement specified under the act, pursuant to section 135 (5) and subject to Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013 such excess amount will be set off against the requirement to be spent under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions as specified in the act.

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:**

Considering the looming climate crisis businesses worldwide are taking a proactive stance towards adopting sustainable practices and reducing their environmental impact. The Company is also at the forefront of this transformation, spearheading a comprehensive approach towards achieving net zero.

Embracing Renewable Energy:

The Company's commitment to net zero is exemplified by its installation of a 198 KW solar plant at its headquarters in December 2022. This investment of Rs. 0.84 crore reflects the company's unwavering belief in the power of renewable energy. The solar plant is expected to generate 2,90,000 KWH of clean electricity annually, offsetting approximately 230 tonnes of CO2 emissions, equivalent to planting approximately 8,846 trees.

Company-Wide Commitment to Sustainability:

The Company's dedication to net zero extends beyond its headquarters. The company's top management is committed to investing in clean energy initiatives across all its business units. This commitment ensures that sustainability is not just a corporate initiative but an integral part of the company's ethos.

Early Success and Way Forward:

The solar plant at the Company's headquarters has already yielded remarkable results by generating 2,30,000 KWH of electricity till mid of the current financial year and achieved an impressive return on investment of 40%. These early successes underscore the company's dedication to sustainable practices and its ability to reap tangible benefits from its investments in clean energy.

The Company's journey towards Net Zero is a testament to its unwavering commitment to environmental stewardship. By embracing renewable energy, investing in sustainable practices, and fostering a culture of eco-consciousness, the company is setting a precedent for others to follow. Its leadership and innovation will undoubtedly inspire other businesses to adopt sustainable practices and contribute to a greener future for all.

iii. Capital investment on energy conservation equipment:

The Company has invested an amount of ₹ 0.84 crore reflects the company's unwavering belief in the power of renewable energy. The solar plant is expected to generate 2,90,000 KWH of clean electricity annually, offsetting approximately 230 tonnes of CO2 emissions, equivalent to planting approximately 8,846 trees.

(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 2022-23 total Foreign Exchange earned and used:

Foreign Exchange Inflow: Interest income ₹ 3,68,02,639.00/-

Foreign Exchange outflow: ₹ 30,83,82,237 /-

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 undertake an assessment of risks adopt 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 provides 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.smsl.co.in.

15. **MATERIAL ORDERS OF JUDICIAL BODIES/REGULATORS:**

During the year under review, there are no significant and material orders passed by the Regulators, Courts, Tribunals, Statutory and quasi-judicial bodies, impacting the going concern status of the Company and its future operations.

16. **AUDITORS:**

STATUTORY AUDITOR:

The Members of the Company at the 25th Annual General Meeting (“AGM”) held on 30th September 2022, 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 the 25th AGM until the conclusion of the 30th AGM held thereafter.

As per the existing appointment of M/s. V. K. Surana & Co., Chartered Accountants, Nagpur, their remaining audit period covers 4 years of their appointment up to the conclusion of the 30th Annual General Meeting to be held in the financial year 2026-27.

The company pursuant to section 139 of the Companies Act, 2013 had obtained the 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.

COST AUDITOR:

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 28, 2022, had appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as Cost Auditors of the Company for the financial year 2022-23.

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 2022-23.

The Secretarial Audit Report for the financial year ended 31st March 2023 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, 2023, does not contain any qualification(s), reservation or adverse remarks or disclaimer except on Section 149(1) of the Companies Act 2013 read with Rule 3 of the Companies Appointment and Qualification of Director) Rules 2014 for the company's failure to appoint a woman director on its Board.

Explanation by the Board on Section 149(1) of the Companies Act 2013:-

the Company is required to appoint a woman director for an intermittent vacancy caused due to the retirement of Mrs Renu Challu w.e.f. 30.03.2020, however, the company is in the process and search of a suitable and viable candidate for the position of Women Director, yet, was unable to find a suitable candidate for the said position.

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

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

Emphasis of Matter

1. We draw attention to Note No. 55 of the standalone financial statements regarding the accounting of the Arbitration Award in relation to credit facilities availed from SREI wherein despite reaching an understanding of reduction in loan liability by SREI, the same was disputed and referred to the Arbitrator. The arbitration Award was passed by the learned Sole Arbitrator on 25th August 2022, wherein the view of SMS Limited was upheld by the Arbitrator. The said Award was challenged by SREI before the Hon'ble Calcutta High Court u/s 34 of the Arbitration and Conciliation Act. However, till date neither there is any stay granted on the Award nor the same has been set aside. The management is confident that the petition filed by SREI will not be allowed by the Hon'ble

High Court since it has been proved in the arbitration proceedings that an understanding had taken place between SMS Limited and SREI with final dues as Rs. 14000 Lacs, out of which Rs. 9096 Lacs was and appropriated by SREI and balance to be paid.

In view of the expert legal opinion and the facts above, the management has done the necessary accounting for the principal amount of Lacs and interest in the finance cost. This amount is in the nature of capital receipt and considered as an exceptional item in accordance with Ind AS 109 read with schedule III - Division II of Companies Act 2013.

2. We draw attention to Note No. 54 of the standalone financial statements regarding wherein the Company had invested in Pt. SMS Mines Indonesia and in Pt. SMS Minerals International towards equity. Apart from this the Company has given interest-bearing loans and have trade receivable in later JV. These companies are in the business of coal mining in the province of Sumatra. These foreign JV's have huge reserves of coal and in the past a substantial portion of the same was mined which resulted in profit in past years. However, subsequently due to diversion of river and certain other issues, the mining of balance reserves could not be undertaken as coal reserves was stuck beneath the river and over the past few years there has been no/negligible business in foreign JV. The application for river diversion had already been put up with the concerned authorities in Indonesia, but no approval has been received so far. In the meanwhile, SMS Ltd. was also exploring to sell and transfer the business interest. In the current year an understanding has arrived to the said effect whereby the company has entered into a term sheet dated 15th March, 2023 with a prospective buyer to sell off the investment in above foreign JV's.

However, looking at the past performance of the business and regulatory challenges, the possibility to recover the amount from said foreign JV is uncertain. As such on a prudent basis, it has been proposed to make a provision for doubtful loans and debt in the books totaling to Rs.7006.52 Lacs. However, this action will not impact the right of SMS Ltd to recover the said amount in future from foreign entities.

3. We draw attention to Note No. 56 of the standalone financial statements wherein the Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an 'Associate company'). Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation ((hereinafter referred as SDMC) which was disputed by later. Against this, the Associate company had approached the Hon. High Court of Delhi, which vide its order dated 17th June 2016, appointed Sole Arbitrator.

However, the same was challenged by SDMC in the Hon. The Supreme Court, which vide its order dated 22nd November 2018 held that in this matter no arbitrator can be appointed. Thereafter the Associate company filed a Petition for clarification of the above Order. On 3rd January'2022 the Hon. The Supreme Court dismissed the clarification application and granted liberty to associate co. to pursue other remedies available under the law.

Consequently, on the 6th June'2022, the associate company sent the notice to the SDMC for the payment of balance consideration, but did not receive any response. Thereafter, the Associate company has filed the civil suit in the High Court of Delhi for recovery of the amount which is still pending.

In view of the prolonged pendency with relief yet to come, on a prudent basis the company has made provision for doubtful recovery of the loan given to the associate company. However, this action will not impact the right of SMS Limited to receive the same amount in future from the associate company.

4. We draw attention to Note No. 6A(4) of the standalone financial statements wherein the company has made the provision for diminution in value of investments in Associate Company; RCCL Infrastructure Ltd. during F Y 2022-23 amounting to Rs. 467.86 Lacs, as the operation of this entity has stalled 8-9 years back and the company is not estimating any future return from it.
5. We draw attention to Note No. - 6 (C & D) of the standalone financial statements regarding - Investment in Partnership Firm and Association of Person, wherein due to non-availability of financial statement as on the date of signing of financial statement, the share in profit / (loss) of the all the Partnership firm and Association of Person 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.

6. 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.

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

For Serial No. 1 to 5:- 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 Financial Statements.

For Serial No. 6:- As suggested by the auditor, we had sent the request letter for the balance confirmation to the parties selected by the auditor. However, until the date of the balance sheet, we did not receive the balance confirmation for a few cases.

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of SMS Limited (hereinafter referred to as the ‘Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated Statement of cash flows 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 possible 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, 2023, their consolidated profit, (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

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. Bhartia SMSIL JV based on the provisional financial statement of FY 2022-23. As per the information and explanation 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") together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

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

Due to the unavailability of the signing auditor in the country, we were not able to get the signed financial statement of SMS Taxi Cabs Private Limited till the date of signing of the consolidated financial statement. Also, for the purpose of filling out the Income Tax Return, we considered the same figures as provided in the provisional financial statement. Therefore, we considered the provisional financial statement in the consolidated financial statement as on 31 March 2023.

For the jointly controlled entity – M/s. Bhartia SMSIL JV, the financial statement is not material to the group as a business under this entity is almost closed. Also, as per the applicable law, rules and regulations, the audit of this jointly controlled entity is not mandatory. Therefore, this financial statement will not have any material impact on the consolidated financial position of the Company.

EMPHASIS OF MATTER:

1. We draw attention to Note No. 61 of the consolidated financial statements regarding Accounting of Arbitration Award in relation to credit facilities availed from SREI: Despite reaching an understanding of reduction in loan liability, the same was disputed and referred to Arbitration by SREI. Arbitration Award was passed by the learned Sole Arbitrator on 25th August, 2022, wherein the view of the Company was upheld by the Arbitrator and the Company was directed to pay Rs. 4904 Lacs along with interest @ 8% p.a., out of which Rs.2,250 Lacs has been paid by company in March 2023 to SREI (via DBS Bank as SREI assigned one loan contract to DBS Bank) and balance to be paid is only Rs. 3074 Lacs (including interest).

The said Award was challenged by SREI before the Hon'ble High Court at Calcutta. On 27th July, 2023, the Hon'ble High Court dismissed the application filed by SREI while holding that SREI has not been able to establish any grounds for interfering with or setting aside the Award. In this regard, SREI is also exploring other legal options.

In view of the expert legal opinion and facts above, the management has written back the excess liability comprising of principal amount of Rs. 7900.04 Lacs and interest liability of Rs.1315.43 Lacs thereon in the finance cost. The amount of written back of principal amount is in the nature of capital receipt and considered as an exceptional item in accordance with Ind AS 109 read with schedule III - Division II of Companies Act 2013.

2. We draw attention to Note No. 62 of the consolidated financial statements regarding wherein the Company had invested an amount of Rs. 637.19 Lacs in Pt. SMS Mines Indonesia and Rs.161.56 Lacs in Pt. SMS Minerals International towards equity, apart from this the Company has given interest bearing loan of Rs.4660.85 Lacs and have trade receivable of Rs.2345.67 Lacs in later JV. These companies are in the business of coal mining in the province of Sumatra. These foreign JV's have huge reserves of coal and in the past a substantial portion of the same was mined which resulted in profit in past

years. However, subsequently due to diversion of river and certain other issues, the mining of balance reserves could not be undertaken as coal reserves was stuck beneath the river and over the past few years there has been no/negligible business in foreign JV. The application for river diversion had already been put up with the concerned authorities in Indonesia, but no approval has been received so far.

In the meanwhile, SMS Ltd. was also exploring to sell and transfer the business interest. In the current year an understanding has arrived at to the said effect whereby the company has entered into a term sheet dated 15th March, 2023 with a prospective buyer to sell off the investment in above foreign JV's.

However, looking at the past performance of the business, regulatory challenges, distant chances of revival of business operations, huge losses etc. no clear deadline of recovery of loan & book debt in the term sheet the possibility to recover the amount from said foreign JV is uncertain. As such on a prudent basis, the holding company has made a provision for doubtful loans and debt in the books totalling to Rs.7,006.52 Lacs. However, this action does not impact the right of SMS Ltd to recover the said amount in future from foreign entities.

3. We draw attention to Note No. 63 of the consolidated financial statements wherein the Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an Associate company'). Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation ((hereinafter referred as SDMC) which was disputed by later. Against this, the Associate Company had approached the Hon. High Court of Delhi, which vide its order dated 17th June 2016, appointed Sole Arbitrator. However, the same was challenged by SDMC in the Hon. The Supreme Court, which vide its order dated 22nd November 2018 held that in this matter no arbitrator can be appointed. Thereafter the Associate Company filed a Petition for clarification of the above Order. On 3rd January'2022 the Hon. The Supreme Court dismissed the clarification application and granted liberty to associate co. to pursue other remedies available under the law. Consequently, on the 6th June'2022, the associate company sent the notice to the SDMC for the payment of balance consideration, but did not receive any response. Thereafter, the Associate Company has filed the civil suit in the High Court of Delhi for recovery of the amount which is still pending. In view of the prolonged pendency with relief yet to come, on a prudent basis the company has made provision for doubtful recovery of the loan given to the associate company. However, this action will not

impact the right of SMS Limited to receive the same amount in future from the associate company.

4. We draw attention to Note No. 70 of consolidated financial statements wherein balance confirmations of some of the parties are not received as on the date of signing of financial statement and are subject to confirmations. Our Opinion is not modified in respect of these matters.
5. **Subsidiaries, Jointly Controlled entities and Associate Company not consolidated.**

We draw attention to Note No. 57(i), Note No. 57(iii) and Note No. 57(v) of the Consolidated Financial Statements, which is reproduced as under:

The financial statement of the SMS Infrastructure Ltd. Shreenath Enterprises jointly controlled entity (partnership firm) was not available on record. The operations of this entity stalled 6-7 years back and the company is expecting receipts of outstanding income tax refund, vat refund and security deposits in this entity and hence same balances is considered for the consolidated financial statement.

We draw attention to Note No. 8 (1) of the consolidated financial statements wherein the company has made the provision for diminution in value of investments in Associate Company, RCCL infrastructure Ltd. during F Y 2022-23 amounting to Rs. 467.86 Lacs, as the operation of this entity has stalled 8-9 years back and the company is not estimating any future return from it. 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 company's share of net worth and profit / (loss) for the financial year 2022-23 (as per equity method).

In the absence of the financial statements of Subsidiary Foreign Companies i.e. P.T.SMS Mines Indonesia and P.T. SMS Minerals International are not consolidated in SMS LTD ("the Holding Company") due to they were not available on record.

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.

6. **Ayodhya Gorakhpur SMS Tolls Private Limited – Subsidiary of the Holding Company**

We draw attention to Note No. 66 of the consolidated financial statements, wherein the company is in the process of merger with its parent company SMS Limited after due approval of the same. That company will cease to exist and all the assets and liabilities will be subsumed in the merged entity. Our opinion is not modified in this matter.

7. **Spark Mall and Parking Private Limited - Subsidiary of the Holding Company**

We draw attention to Note No. 67 and Note No.68 of the consolidated financial statement wherein during FY 2022-23, the company has discontinued the services of operating pharmacy/chemist shop, operating medical Testing unit i.e., Laboratory which was purchased on 1st August,2021 against the consideration of Rs. 3640 lacs from SMD Hospitals Private Limited. The company has sold all the related to pharmacy/chemist shop business to different buyers as follows:

(Rs. In Lacs)

Sr No.	Nature of Asset sold	Buyer's Name		
		Cotex Laxmi	AVBR	Scrap Sale
		Amount	Amount	Amount
1	Building Shed	0.97	-	-
2	Computer Equipment and Audio Visual	23.52	-	-
3	Equipment's	96.46	15.30	-
4	Furniture And Fixtures	55.52	-	-
5	Software	11.70	-	-
6	Vehicle	5.08	-	0.13
7	Inventory	489.53	-	-
TOTAL		682.78	15.30	0.13

We further draw attention to the Note no. 43A of consolidated financial statements wherein during FY 2022-23, the company has impaired entire goodwill related to acquisition of pharmacy/chemist shop business amounting to Rs. 2,890.90 lacs.

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

For Serial no. 1 to 3:- The explanations for the qualifications/observations/matter of emphasis given by the Statutory Auditors in their Audit Reports, have been provided in the respective Notes to the Consolidated Financial Statements.

For Serial No. 4:- As suggested by the auditor, A request letter has been sent for the balance confirmation to all the parties selected by the auditor. However, until the date of the balance sheet, we did not receive the balance confirmation for a few cases.

For Serial No. 5:- These financial statements are not material to the group as a business under these entities are closed. Therefore, the non-consolidation of this financial statement will not have any material impact on the financial position of the group.

For Serial No.6:- 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.

For Serial no. 7:- The company purchased the services of operating a pharmacy/chemist shop, operating medical Testing unit i.e., Laboratory (Business unit) on 1st August 2021 against the consideration of Rs. 3640 lacs from SMD Hospitals Private Limited which resulted in Goodwill of Rs 3025.73 lacs.

As per the understanding from the management, this business unit will be continued for the next fifteen years from the date of purchase. In such case, as per accepted accounting principles, the Goodwill will be written off in the next fifteen years equally.

During the F Y 2022-23, the company decided to discontinue the business unit. In such case as per the accepted accounting principle, we need to write off the balance Goodwill amount in the year of sale in the profit & loss account which was Rs. 2890.90 Lacs.

But during the period of purchase and sale of the business unit, company earned the sufficient profit from the business which justified the amount of goodwill written off.

So, the discontinuation of the business unit resulted in to written-off Goodwill amount will not have any impact on the net worth of the company.

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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 2022-23 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 2022-23, there was no occasion wherein the Company failed to implement any Corporate Action. As such, no specific details are required to be given or provided.

22. **ANNUAL RETURN:**

Pursuant to the notification dated 28th August 2020, amended the Companies (Management and Administration) Rules, 2014 inter-alia amending rule 12 the company shall disclose 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.

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.

OTHER DISCLOSURES:

23. CONSOLIDATED FINANCIAL STATEMENTS:

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

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

24. COST AUDIT:

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on March 28, 2022, had appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as Cost Auditors of the Company for the financial year 2022-23. 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 Annual General Meeting held on 30th September 2022 for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

The books of account are 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.

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

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

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

b) 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) (q) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in Annexure - IV and forms part of this Report.

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

26. **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 with respect to all allegations of sexual harassment made by an outsider against an employee.

During the year 2022-23, 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 |

- 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):**

The Company's website (www.smsl.co.in) contains a separate section i.e. Investor Relations where shareholder's information is available.

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.
- Annual Return

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 cooperation 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

Dated: 28th September 2023
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

ANNEXURES TO THE REPORT

ANNEXURE INDEX

Annexure number	Details of Annexure
I	Secretarial Audit Report for the relevant year in Form MR-3
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	Prescribed Particulars of remuneration of Director and 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)

S M S

ANNEXURE I

Annexure I

To,
The Members,
SMS LIMITED
CIN: - U80100MH1997PLC107906

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: 04/09/2023

VAIBHAV JACHAK & CO.
Company Secretaries
Sd/-
Vaibhav Yashwant Jachak
Proprietor
Membership No: 8821
C.P.No:18495
(Peer Reviewed Firm)
UDIN: F008821E000938717

Annexure II

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)

The logo consists of the letters 'S', 'M', and 'S' in a large, light blue, sans-serif font. The letters are spaced out horizontally. Behind the text, there is a large, faint watermark of a stylized 'S' shape composed of concentric, overlapping curved lines in shades of light blue and grey.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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: - U80100MH1997PLC107906

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by SMS LIMITED having CIN: - U80100MH1997PLC107906 (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, 2023 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 31/03/2023 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.

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 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: 04/09/2023

VAIBHAV JACHAK & CO.
Company Secretaries

Encl. ANNEXURE I
ANNEXURE II

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

UDIN: F008821E000938717

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::

(i) 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.

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2. Composition of CSR Committee:

Sr. No.	Name of Director Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Anand Sancheti Managing Director	2	2
2.	Ajay Kumar Lakhotia Director	2	2
3.	Ramendra Gupta Director	2	2
4.	Paramveer Sancheti Whole-time Director	2	2
5.	Nirbhay Sancheti Whole-time Director	2	2
6.	Akshay Sancheti Whole-time Director	2	2

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

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The Company is having average CSR obligation less than ₹ 10,00,00,000/- pursuant to sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, hence not applicable for the financial year 2022-23.

5.

(a)	Average net profit of the company as per section 135(5)	₹12,39,64,988.03
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 24,79,299.76/-
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any	₹ 1,68,089/-
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	₹ 23,11,211.59/-

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 23,75,000 (23,52,000) as per the financial statement
(b)	Amount spent in Administrative overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	NA
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	₹ 23,75,000

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
₹ 23,75,000/-	Nil	NA	NA	Nil	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	*Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 24,79,299.76/-
(ii)	Total amount spent for the Financial Year	₹ 23,75,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 63,788/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 63,788/-

*deducting set off for the financial year in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8	
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any	
					Amount (in ₹)	Date of Transfer		
1	2019-20	NA	NA	*1,50,50,000	NA	NA	99,01,000	NA

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Date of Transfer	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)			
2	2020-21	NA	NA	#1,82,26,046	NA	NA	71,000	NA
3	2021-22	NA	NA	@36,99,747	NA	NA	Nil	NA

*Considering the then provision applicable during the F.Y. 19-20 an amount of ₹1,50,00,000/- was spent towards F.Y. 2017-18 and 2018-19 and ₹50,000/- towards F.Y. 2019-20.

#Out of the total amount of ₹ 1,82,26,046 an amount of ₹99,01,000/- was contributed towards FY 2019-20 and balance ₹ 83,25,046 was contributed towards FY 2020-21.

@ Out of the total amount of ₹ 36,99,747 an amount of ₹71,000/- was contributed towards FY 2020-21.

8. Whether any capital assets have been created or acquired through Corporate Social

Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: NA

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Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
	[including complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

(Chief Executive Officer)	(Chairman CSR Committee)	[Person specified under clause (d) of sub-section (1) of section 380] Managing Director
---------------------------	--------------------------	--

ANNEXURE - III

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 Envoclean Private Limited	SMS Infolink 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	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023
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	₹ 1,19,29,6760*
Reserves & surplus	₹ 58,88,59,439	₹ (7,37,037.57)	₹ (75,98,68,154.99)
Total assets	₹ 70,14,09,346	₹ 4,050.43	₹ 3,58,86,08,750.14
Total Liabilities	₹ 7,03,39,907	₹ 6,41,088.00	₹ 4,22,91,80,144.83*
Investments	NIL	NIL	₹ 89,94,17,874
Turnover	₹ 32,50,77,807	NIL	₹ 85,14,33,636.63
Profit before taxation	₹ 15,70,82,621	₹ (1,16,968.18)	₹ (35,98,51,376.96)
Provision for taxation	₹ 4,13,10,833	NIL	₹ (59,34,205.43)
Profit after taxation	₹ 11,57,71,789	₹ (1,16,968.18)	₹ (35,39,17,171.54)
Proposed Dividend	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	56.02%	100%	100%**

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

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

SL. NO.	4	5	6	7
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	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023
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	₹(56,36,73,326)	₹ (58,32,85,186)	₹ 14,05,41,108	₹ 1,852.43
Total assets	₹104,48,66,061	₹1,03,28,60,036	₹ 27,49,51,442	₹ 1,37,852.43
Total Liabilities	₹ 1,46,27,89,387	₹1,57,66,45,222	₹ 2,97,18,654	₹ 36,000.00
Investments	₹ 5,00,000	₹ 3,56,54,000	NIL	NIL
Turnover	₹ 26,11,431	₹ 3,72,65,893	₹12,17,66,827	₹ 9,00,000.00
Profit before taxation	₹ 12,29,89,358	₹(13,90,73,973)	₹ 5,30,50,061	₹ 7,75,392.00
Provision for taxation	NIL	₹(3,54,78,440)	₹ 31,04,872	NIL
Profit after taxation	₹ 12,29,89,358	₹ (10,35,95,533)	₹ 4,99,45,189	₹ 7,75,392.00
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.	8	9	10	11
Name of the Subsidiary	^π 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	06/02/2013	23/02/2007	15/12/2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023
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	₹ (1,06,98,472.07)	₹ 75,38,67,504.49	₹ 1,43,04,85,072	₹ (10,40,363.95)
Total assets	₹25,02,30,160.60	₹ 1,52,62,60,770.40	₹ 5,76,51,79,700	₹ 24,656.05
Total Liabilities	₹ 26,04,28,632.04	₹ 61,23,93,265.05	₹ 3,88,27,09,358	₹ 9,65,020
Investments	₹ 4,99,000.00	₹ 1,12,63,52,779.20	₹ 3,64,78,79,951	NIL
Turnover	₹ 10,48,63,942	₹ 1,19,81,84,443	₹ 1,59,80,16,606	NIL
Profit before taxation	₹ (26,04,572)	₹ 69,04,044	₹ 52,21,02,280	₹ (84,479)
Provision for taxation	₹ 1,72,91,534	₹ 48,85,985	₹ (31,41,135)	NIL
Profit after taxation	₹ (1,98,96,106)	₹ 20,18,059	₹ 52,52,43,416	₹ (84,479)
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	0%	100%	92.08%	100%

^π The Company ceased to be a wholly owned subsidiary of SMS Limited w.e.f 09/12/2022.

SL. NO.	12	13	14
Name of the Subsidiary	SMS Mining Limited	SMS-AABS India Tollways Pvt. Ltd.	PT. SMS Minerals International
The date since when Subsidiary was acquired	28/09/2021	17/07/2014	04/10/2006
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023
Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	(IDR) 182.12
Share capital (Paid Up)	₹ 1,00,000	₹ 1,00,000	₹ 1,68,62,278
Reserves & surplus	₹ (3,24,619.27)	₹ 3,33,16,99,105.09	₹ (42,60,11,893)
Total assets	₹ 2,09,687.74	₹ 3,58,13,73,488.31	₹ 38,47,05,218
Total Liabilities	₹ 4,34,307.00	₹ 24,95,74,383.22	₹ (79,38,54,833)
Investments	NIL	₹ 1,79,59,14,561.00	NIL
Turnover	NIL	₹ 3,35,25,63,825.50	NIL
Profit before taxation	₹ (3,15,575.00)	₹ 1,46,85,26,355.02	₹ (3,68,56,557)
Provision for taxation	₹ (77,152.50)	₹ 25,64,97,224.86	NIL
Profit after taxation	₹ (2,38,422.50)	₹ 1,21,20,29,130.16	₹ (3,68,56,557)
Proposed Dividend	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	51%	80%

*Bracket indicates Negative Figures.

SL. NO.	15	16	17	18
Name of the Subsidiary	PT. SMS Mines Indonesia	SMSL Kerki MDO Project Limited	▲ Medisearch Life Sciences Private Limited	▲ Kingsway Institute Of Health Sciences Private Limited
The date since when Subsidiary was acquired	08/10/2014	17/11/2022	09/05/2022	29/04/2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023	01/04/2022 To 31/03/2023
Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	(IDR) 182.12	INR	INR	INR
Share capital (Paid Up)	₹ 5,37,41,060	₹ 29,00,00,000/-	₹ 1,00,000	₹ 3,80,050
Reserves & surplus	₹ (3,20,55,563)	₹ (93,21,026.36)	₹ (13,86,218)	₹ (51,55,717)
Total assets	₹ 6,20,48,143	₹ 30,47,85,239.71	₹ 13,70,288	₹ 93,83,643
Total Liabilities	₹ 4,03,62,645	₹ 2,41,06,266.07	₹ 26,56,506	₹ 1,41,59,309
Investments	NIL	NIL	NIL	NIL
Turnover	NIL	NIL	NIL	₹ 1,82,13,422
Profit before taxation	₹ (99,198)	₹ (93,52,529.46)	₹ (4,38,979)	₹ 71,63,319
Provision for taxation	NIL	₹ (31,503.10)	₹ 30,517	₹ (3,869)
Profit after taxation	₹ (99,198)	₹ (93,21,026.36)	₹ (4,69,495)	₹ 71,67,188
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	100%	100%	62%

*Bracket indicates Negative Figures. / ▲ Subsidiaries of Spark Mall and Parking Private Limited

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

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

SMS Hazardous Waste Management Private Limited, SMS Waste Management Private Limited, SMS Infolink Private Limited, SMS Mining Limited and SMSL Kerki MDO Project Limited.

2. Names of subsidiaries which have been liquidated or sold during the year:- NIL

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	3	4
Name of Associates/ Joint Ventures		RCCL Infrastructure Ltd.	SMS AAMW Tollways Pvt. Ltd.	⁸ Arcor Infraventures Private Limited	@ Spanv Medisearch Lifesciences Private Limited
Latest audited Balance Sheet Date		2022-23	2022-23	2022-23	2022-23
Date on which the Associate or Joint Venture was associated or acquired		31/03/2004	09/05/2011	16/02/2023	05/05/2021
Shares of Associate/Joint Ventures held by the company on the year-end	No.	15,65,200	2,600	4,900	35,00,133
	Amount of Investment in Associates/Joint Venture	₹ 1,56,52,000	₹ 26,000	₹ 49,000	35,00,133
	Extend of Holding (in Percentage)%	34%	26%	49%	20.02%
Description of how there is significant influence		Significant influence due to 34% of Share Capital	Significant influence due to 26% of Share Capital	Significant influence due to 49% of Share Capital	Significant influence due to 20.02% of Share Capital
Reason why the associate/joint venture is not consolidated		Unavailability of Financial Statement	consolidated	Consolidated (consolidated in ultimate holding Company i.e. SMS Ltd.)	Consolidated (consolidated in ultimate holding Company i.e. SMS Ltd.)
Networth attributable to Shareholding as per latest audited Balance Sheet			₹ (8,51,31,317.44)/-	₹ 5,75,63,532/-	₹ 163,86,10,000/-
Profit / Loss for the year	i) Considered in Consolidation		₹ (22,39,141.58)/-	₹ (31,46,473.75)/-	₹ (82240158)/-
	ii) Not Considered in Consolidation		-	-	-

⁸ Associates of SMS Vidhyut Private Limited @ Associates of Spark Mall and Parking Private Limited

- Names of associates or joint ventures which are yet to commence operations-None
- 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 Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd .(JV)	SMS Infrastructure Ltd.-Aarti infra-Projects Pvt. Ltd(JV)	SMS Infrastructure Ltd. Shreenath Enterprises (JV)
Latest audited Balance Sheet Date		2022-2023	2022-2023	2022-2023	2022-2023
Date on which the Associate or Joint Venture was associated or acquired		14/11/2005	04/12/2008	24/07/2010	08/06/2009
Shares of Associate/Joint Ventures held by the company on the year-end	No.	-	-	-	-
	Amount of Investment in Associates / Joint Venture	₹ 2,84,25,722.05	₹ (80,98,081.17)	₹ 51,90,682	₹ 2,00,314.22
	Extend of Holding (in Percentage)%	65%	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	Financial were not available at the time consolidation
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 4,47,60,726.78	₹ (1,59,19,853)	₹ 2,47,74,753	NIL
Profit / Loss for the year	i) Considered in Consolidation	₹ 2,06,233.17	₹ ₹ (54,75,241)	₹ (3,954.03)	NIL
	ii) Not Considered in Consolidation	₹ 1,11,048.63	₹ (23,46,532)	₹ (3,798.97)	NIL

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		2022-2023	2022-2023	2022-2023	2022-2023
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	₹ 3,34,811.05	₹1,42,90,552.99	₹ 11,37,516.21	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 (Unaudited Financial)	Consolidated
Networth attributa- ble to Shareholding as per latest audited Balance Sheet		₹ 6,07,259.09	₹ 1,68,03,397	₹ 11,03,749.90	₹ 0
Profit / Loss for the year	i) Considered in Consolidation	₹ (31,181.50)	₹17,45,665	₹ 0	₹ 0
	ii) Not Considered in Consolidation	₹ (31,181.50)	₹ 7,48,142	₹ 0	₹ 0

SL. NO.		9	10	11	12
Name of Associates/ Joint Ventures		SMSILMBPL-BRAPL (JV)	SMSL-SRRCIPL(JV)	SRRCIPL-SMSL-BEKEM(JV)	SMSIL-MBPL
Latest audited Balance Sheet Date		2022-2023	2022-2023	2022-2023	2022-2023
Date on which the Associate or Joint Venture was associated or acquired		10/05/2016	23/01/2016	11/11/2016	08/05/2018
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in Associates/Joint Venture	₹ 28,36,626.52	₹ 56,01,682.32	₹ (235608.47)	₹ 42,73,099
	Extend of Holding (in Percentage)%	57%	60%	20%	63.33%
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		₹ (13,57,528.54)	₹ 1,86,87,706	₹ 4,42,62,667	₹ 1,37,06,294.43
Profit / Loss for the year	i) Considered in Consolidation	₹ (35,67,417.78)	₹ (29,240.39)	₹ 35,677	₹ 22,75,510
	ii) Not Considered in Consolidation	₹ (20,65,347.14)	₹ (19,493.60)	₹ 1,42,706	₹ 13,17,590

SL. NO.		13	14	15	16
Name of Associates/ Joint Ventures		SANBRO CORPORATION*	MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV) *	AGIPL-SMSIL (JV)	M/S SAKET SMS (JV)
Latest audited Balance Sheet Date		2022-2023	2022-2023	2022-2023	2022-2023
Date on which the Associate or Joint Venture was associated or acquired		Not Available	20-03-2020	18-01-2021	12-12-2019
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in Associates/Joint Venture	₹ (86,92,087.96)	₹ 69,10,300	NIL	₹ 11,31,562
	Extend of Holding (in Percentage)%	26%	50%	20%	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		₹ (2,12,03,444)	₹ 60,34,284.40	₹ (62,672.34)	₹ 35,28,422
Profit / Loss for the year	i)Considered in Consolidation	₹ (77,143.56)	₹ (50,30,323.20)	₹ (6,457.86)	₹ 15,19,807
	ii)Not Considered in Consolidation	₹ (2,19,562.44)	₹ (16,76,774.40)	₹ (25,831.42)	₹ 22,79,711

SL. NO.		17	18	19
Name of Associates/ Joint Ventures		M/S SRRCIPL - SMSL (JV)	SMSIL-MBPL JV DURG-PACKAGE A	SRRCIPL-SMSL JV MAHABUBNAGAR
Latest audited Balance Sheet Date		2022-2023	2022-2023	2022-2023
Date on which the Associate or Joint Venture was associated or acquired		15-04-2021	05-08-2022	04-08-2022
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	
	Amount of Investment in Associates/Joint Venture	₹ (3,035.4)	NIL	NIL
	Extend of Holding (in Percentage)%	30%	60%	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		₹ (11,672)	₹ (20,000)	₹ (1,180)
Profit / Loss for the year	i) Considered in Consolidation	₹ (9,354)	₹ (12,000)	₹ (2,236)
	ii) Not Considered in Consolidation	₹ (21,826)	₹ (8,000)	₹ (8,944)

1. ~~Names of associates or joint ventures which are yet to commence operations-~~ NIL
2. ~~Names of associates or joint ventures which have been liquidated or sold during the year -~~ NIL
3. ^ Names of entities with whom Company entered into joint ventures agreement- 1) SMSL-MBPL (JV) DURG PACKAGE A and 2) SRRCIPL-SMSL (JV) MAHABUBNAGAR

4. Names of associates or joint ventures written off: The Company has written off investment in two of its JV namely SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV) SMS Infrastructure Ltd.& Brahamaputra 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

Dated: 28th September, 2023
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

ANNEXURE – IV
Prescribed Particulars of remuneration of Director and Employees.

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 31.03.2023)

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	Nirbhay Sancheti	Whole Time Director	₹ 2,24,40,792/-	Permanent	BBA, M.Sc	8.3	01-Apr-2015	33	Self employed	17.72%	NO
2	Anand Sancheti	Managing Director	₹ 221,04,780/-	Permanent	B Com & Diploma in Finance	33	08-May-1997	51	Since incorporation	23.50%	NO
3	Paramveer Sancheti	Whole Time Director	₹ 1,46,22,900/-	Permanent	Diploma in Business and Academic English	11.3	01-Apr-2012	35	Self employed	15.66%	Akshay Sancheti
3	Akshay Sancheti	Whole Time Director	₹ 1,46,22,900/-	Permanent	BE -EE	10.8	01-Nov-2012	32	Self employed	15.66%	Paramveer Sancheti
4	Dilip Surana	Whole Time Director	₹ 1,34,96,424/-	Permanent	Diploma in Civil	36	24-May-2007	58	Self employed	0	NO
5	Praveen Kumar Jain	COO - Metal Mines	₹ 1,06,28,148/-	Permanent	BE MINING	35	19-Dec-2022	61	Samta Mines	0	NO
6	Kasaraneni Ramchandra Rao	VP and Head Mining	₹ 97,98,000/-	Permanent	M Tech - Rock Mechanics	42	1-Mar-2018	65	VNIT - NAGPUR	0	NO

7	Gudivada Srinivasa Rao	Sr. DGM - Mining	₹ 70,22,172/-	Permanent	M Tech Mining	24	17-Jan-2011	47	SCCL	0	NO
8	Sunil Daithankar	AVP- Mining	₹ 67,52,208/-	Permanent	B Tech Mining	37	1-Jan-2016	55	Monnet Ispat & Energy Ltd	0	NO
9	E. Gunashekhar	Sr. G.M- Plant & Machinery	₹ 43,52,448/-	Permanent	B.E Mech	37	15-Jun-2018	61	Anand Group of Companies	0	NO
10	Chetan Kumar Jain	Sr. GM - Mining	₹ 41,87,016/-	Permanent	BE MINING	29	15-Jan-2021	56	IVRCL	0	NO

Sr.-Senior, AGM -Assistant General Manager, DGM - Deputy General Manager, GM - General Manager, VP- Vice President, AVP- Associate, Vice President COO-Chief Operating Officer

FOR AND ON BEHALF OF THE BOARD

Anand Sancheti

Dilip Surana

Dated: 28th September, 2023
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

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INDEPENDENT AUDITOR'S REPORT

To the Members of SMS Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of SMS Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, 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, 2023, 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.



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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.

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>Evaluation of impairment of Non-Current Investments and Current Loans.</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">• The significance of the amount of these investments in the standalone Balance Sheet.• Performance and net worth of these entities and• The degree of management judgement involved in determining the recoverable amount of these investments including: <p>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.</p> <p>Refer Note No. 6, 6A and 12 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</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">• Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models;• Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models,• Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;• Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products;• Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management,• Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows;• Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and• Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.
2.	<p>Evaluation of Contingent Liabilities</p> <p>Claims against the company not acknowledged as debts is disclosed in the Note No.- 40(A) to the Standalone Financial Statement.</p>	<p>Principal Audit Procedures</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>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"> • Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the company; • We along with our internal tax experts – <ul style="list-style-type: none"> a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards; c) Assessed management's estimate of the possible outcome of the disputed cases.
3.	<p>Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:</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 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>	<p>Principal Audit Procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department. • Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not. • Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law • Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; • Assessed management's estimate of the possible recovery of the claim raised to the Department.



Emphasis of Matter

1. We draw attention to Note No. 55 of the standalone financial statements regarding accounting of Arbitration Award in relation to credit facilities availed from SREI wherein despite reaching an understanding of reduction in loan liability by SREI, the same was disputed and referred to Arbitrator. Arbitration Award was passed by the learned Sole Arbitrator on 25th August, 2022, wherein the view of SMS Limited was upheld by the Arbitrator. The said Award was challenged by SREI before the Hon'ble Calcutta High Court u/s 34 of the Arbitration and Conciliation Act. However, till date neither there is any stay granted on the Award nor the same has been set aside. The management is confident that the petition filed by SREI will not be allowed by the Hon'ble High Court since it has been proved in the arbitration proceedings that an understanding had taken place between SMS Limited and SREI with final dues as Rs. 14000 Lacs, out of which Rs. 9096 Lacs was and appropriated by SREI and balance to be paid. In view of the expert legal opinion and the facts above, the management has done necessary accounting for the principal amount of Lacs and interest in the finance cost. This amount is in the nature of capital receipt and considered as an exceptional item in accordance with Ind AS 109 read with schedule III - Division II of Companies Act 2013.

2. We draw attention to Note No. 54 of the standalone financial statements regarding wherein the Company had invested in Pt. SMS Mines Indonesia and in Pt. SMS Minerals International towards equity. Apart from this the Company has given interest bearing loan and have trade receivable in later JV. These companies are in the business of coal mining in the province of Sumatra. These foreign JV's have huge reserves of coal and in the past a substantial portion of the same was mined which resulted in profit in past years. However, subsequently due to diversion of river and certain other issues, the mining of balance reserves could not be undertaken as coal reserves was stuck beneath the river and over the past few years there has been no/negligible business in foreign JV. The application for river diversion had already been put up with the concerned authorities in Indonesia, but no approval has been received so far. In the meanwhile, SMS Ltd. was also exploring to sell and transfer the business interest. In the current year an understanding has arrived to the said effect whereby the company has entered into a term sheet dated 15th March, 2023 with a prospective buyer to sell off the investment in above foreign JV's.
However, looking at the past performance of the business and regulatory challenges, the possibility to recover the amount from said foreign JV is uncertain. As such on a prudent basis, it has been proposed to make a provision for doubtful loans and debt in the books totaling to Rs.7006.52 Lacs. However, this action will not impact the right of SMS Ltd to recover the said amount in future from foreign entities.



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3. We draw attention to Note No. 56 of the standalone financial statements wherein the Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an 'Associate company'). Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation ((hereinafter referred as SDMC) which was disputed by later. Against this, the Associate company had approached the Hon. High Court of Delhi, which vide its order dated 17th June 2016, appointed Sole Arbitrator. However, the same was challenged by SDMC in the Hon. The Supreme Court, which vide its order dated 22nd November 2018 held that in this matter no arbitrator can be appointed. Thereafter the Associate company filed a Petition for clarification of the above Order. On 3rd January'2022 the Hon. The Supreme Court dismissed the clarification application and granted liberty to associate co. to pursue other remedies available under the law.

Consequently, on the 6th June'2022, the associate company sent the notice to the SDMC for the payment of balance consideration, but did not receive any response. Thereafter, the Associate company has filed the civil suit in the High Court of Delhi for recovery of the amount which is still pending.

In view of the prolonged pendency with relief yet to come, on a prudent basis the company has made provision for doubtful recovery of the loan given to the associate company. However, this action will not impact the right of SMS Limited to receive the same amount in future from the associate company.

4. We draw attention to Note No. 6A(4) of the standalone financial statements wherein the company has made the provision for diminution in value of investments in Associate Company; RCCL Infrastructure Ltd. during F Y 2022-23 amounting to Rs. 467.86 Lacs, as the operation of this entity has stalled 8-9 years back and the company is not estimating any future return from it.
5. We draw attention to Note No. – 6 (C & D) of the standalone financial statements regarding – Investment in Partnership Firm and Association of Person, wherein due to non-availability of financial statement as on the date of signing of financial statement, the share in profit / (loss) of the all the Partnership firm and Association of Person 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.

6. 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.



V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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- 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.



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- (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 2023 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;



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(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 2022-23, previous financial year 2021-22 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 2022-23.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

(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.



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, June 06, 2023

UDIN - 23043414B6XCRES6359



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 31st March'2023)

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, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in-2016) and rules made thereunder.



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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. 500 lakhs 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	Performance Bank Guarantees	Corporate Guarantees	Loans Advances
Aggregate amount granted/provided during the year				Aggregate amount Repaid / Reduced during the year		
- Subsidiaries	10.42		26614.70	8.58	7863.17	19129.75
- Joint Ventures			92.34			92.34
- Associates						
- Other related parties			37.91	10.00		37.91
- Others			2,350.82			878.58
Balance outstanding as at balance sheet date						
- Subsidiaries	3408.62	18871	14165.93			
- Joint Ventures	1850.00		0			
- Associates			1,038.89			
- Other related parties	310.77		0.00			
- Others			2,136.62			



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- (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. 29,095.77 Lacs and balance outstanding as at balance sheet date Rs. 17,341.43 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
As at 31st March 2023		
Promoter	-	-
Directors	-	-
KMPs	-	-
Subsidiaries / Associates / Joint Ventures	8132.41	79.19%

- 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, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.



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, 2023 for a period of more than six months from the date they become payable based on the materiality approach, except service tax liability to the tune of Rs. 46.24 Lacs.

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.

(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.



- (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.



- 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.



- 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, June 06, 2023

UDIN - 23043414 B4XCRE6359



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 31st March'2023)

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, 2023 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.



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.



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, 2023, 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, June 06, 2023

UDIN - 23063414B4XCRE6359

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 31st March'2023)

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, 2023 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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CHARTERED ACCOUNTANTS

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

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

e-mail: info@vkscs.com

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, 2023, 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, June 06, 2023

UDIN - 23043414BHXCRE6359



V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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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 2022-23.

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	7786.03	291.97	7,494.06
			FY 2009-10	54.26	27.11	27.15
			FY 2011-12 to FY 2014-15	28390.87	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	2025.20	140.62	1,884.58
			FY 2015-16	3611.43	248.36	3,363.07
			April -16 to June -17	1724.60	121.83	1,602.77
		Principal Commissioner CGST & CENTRAL TAX Nagpur-I	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
Andhra Pradesh Value Added Tax Act	Value Added Tax	High Court of Judicature at Hyderabad (Stay granted)	FY 2011-12	38.58	8.68	29.9
			FY 2012-13 to FY 2014-15	1348.87	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



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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
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	1033.47	206.69	826.78
			FY 2009-10	1.23	1.23	-
		Commissioner Appeals	FY 2015-16	102.49	17.99	84.50
		ITAT	FY 2007-08	19.84	-	19.84
Madhya Pradesh Value Added Tax Act	Value Added Tax	Bhopal Tribunalate Court	FY 2012-13	71.93	20.14	51.79
			FY 2011-12	59.42	14.86	44.56
		Appellate authority, Jabalpur	FY 2013-14	78.43	19.8	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
			FY 2011-12	33.87	8.47	25.4
		Appellate authority, Jabalpur	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	8.01	-	8.01



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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
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 GST	GST	Deputy Commissioner (ST)(FAC), Tirunelveli	Nov-17 to March-20	71.76	26.88	44.88
Customs Act	Customs Duty	High Court of Judicature at Bombay (Nagpur Bench)	FY 2007-08	10.00	-	10
Total				50384.70	3928.24	46456.44



SMS Limited
Standalone Balance Sheet as at 31st March 2023

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3A	42,204.71	27,063.88
(b) Capital Work in Progress	3B	2,499.80	2,395.96
(c) Investment Property	4	1,832.71	1,850.55
(d) Intangible Assets	5A	18.69	59.80
(e) Intangible assets under development	5B	45.00	-
(f) Financial Assets			
(i) Investments	6	14,058.66	12,369.90
(ii) Other Financial Assets	7	12,087.94	8,430.72
(g) Deferred tax assets (net)	35	1,532.15	432.07
(h) Other Non-Current Assets	8	2,197.12	1,773.36
Total Non-Current Assets		76,476.78	54,376.24
(2) Current Assets			
(a) Inventories	9	38,189.89	32,567.00
(b) Financial Assets			
(i) Trade Receivables	10	14,694.96	31,348.89
(ii) Cash and Cash Equivalents	11A	1,187.34	316.35
(iii) Bank Balance other than (ii) above	11B	4,137.46	5,220.41
(iv) Loans	12	10,269.03	10,340.55
(v) Investments	6A	1,606.06	1,130.73
(vi) Other Financial Assets	13	10,371.67	12,247.57
(c) Current tax assets (net)	36	5,147.83	3,868.80
(d) Other Current Assets	14	15,185.19	19,332.67
Total Current Assets		1,00,789.45	1,16,272.98
(3) Assets classified as held-for-sale	14A	350.45	-
TOTAL ASSETS		1,77,616.67	1,70,649.22
EQUITY AND LIABILITIES			
(4) EQUITY			
(a) Equity Share Capital	15	1,026.14	1,026.14
(b) Other Equity	16	71,259.03	64,949.86
TOTAL EQUITY		72,285.17	65,976.00
(5) LIABILITIES			
(A) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	12,802.14	25,714.10
(ia) Lease Liabilities	17A	9,614.57	2,758.14
(ii) Other Financial Liabilities	18	8,448.01	4,979.48
(b) Provisions	19	1,178.32	1,193.47
(c) Deferred Tax Liabilities (Net)	35	-	-
(d) Other Non-Current Liabilities	20	2,151.22	3,266.51
Total Non-Current Liabilities		34,194.25	37,911.70
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	32,876.40	38,169.10
(ia) Lease Liabilities	21A	2,524.47	166.73
(ii) Trade Payables dues to : Micro and Small Enterprises	22	786.57	1,310.33
Other than Micro and Small Enterprises	22	19,273.79	13,214.43
(iii) Other Financial Liabilities	23	12,670.46	10,436.72
(b) Other Current Liabilities	24	1,551.61	3,331.60
(c) Provisions	25	122.82	120.67
(d) Current Tax liabilities (net)	36	194.69	12.35
Total Current Liabilities		70,000.82	66,761.52
(6) Liabilities classified as held-for-sale	14B	1,136.43	-
TOTAL LIABILITIES		1,05,331.50	1,04,673.22
TOTAL EQUITY AND LIABILITIES		1,77,616.67	1,70,649.22

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. D43414
Place : Nagpur
Date : 06/06/2023
UDIN : 2304314464XCRE6359



For and on behalf of the Board of Directors

Anand Sancheti
ANAND S. SANCHETI
Managing Director
DIN: 00953362

Dilip B. Surana
DILIP B. SURANA
Director
DIN: 00951495

Smriti P. Agarwal
SMRITI P. AGARWAL
Company Secretary

Rajesh K. Gupta
RAJESH K. GUPTA
Chief Financial Officer

SMS Limited

Standalone Statement of Profit and Loss for the Year ended on 31st March 2023

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from Operations	26	1,19,663.20	90,546.21
Other Income	27	4,228.49	2,384.83
Total Income		1,23,891.69	92,931.04
Expenses :			
Purchase of stock-in-trade		1,771.54	251.26
Cost of Project Material Consumed	28	25,892.84	18,505.18
Change in Inventories of Work in Progress and stock-in-trade	29	(6,250.68)	(197.27)
Direct Expenses	30	66,125.75	46,044.27
Employee Benefits Expenses	31	11,549.86	10,334.13
Finance Costs	32	8,597.48	8,015.83
Depreciation and Amortization Expenses	33	4,599.70	3,710.86
Other Expenses	34	3,757.30	3,176.30
Total Expenses		1,16,043.79	89,840.57
Profit/(Loss) before exceptional items and tax		7,847.90	3,090.47
Exceptional Items (Net of taxes)	37	(613.49)	1,763.23
Profit/(Loss) before tax *		7,234.41	4,853.70
Tax Expenses			
(1) Current tax	36	1,716.75	1,155.97
(2) Adjustment of tax relating to earlier periods	36	186.95	104.52
(3) Deferred tax	35	(1,495.91)	(52.91)
Total Tax Expenses		407.79	1,207.58
Profit/(Loss) for the year		6,826.62	3,646.12
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plans	16	77.81	122.05
Fair value changes on Equity Instruments through other comprehensive income		(625.53)	(1,305.09)
Loss: Tax effect		(63.14)	(109.37)
Net other comprehensive income of items that will not be reclassified to profit or loss		(534.57)	(1,073.67)
Items that will be reclassified to Profit or Loss :			
Fair value changes in Debt Instruments through other comprehensive income	16	26.31	0.45
Less: Tax effect		9.19	0.16
Net other comprehensive income of items that will be reclassified to profit or loss		17.11	0.30
Other comprehensive income for the year, net of tax		(517.46)	(1,073.38)
Total Comprehensive Income for the year		6,309.16	2,572.75
Earning Per Equity share (Par value of ₹ 10 each)			
Basic (In ₹) after exceptional items	38	66.53	35.53
Basic (In ₹) before exceptional items		72.51	18.35
Diluted (In ₹) after exceptional items		66.53	35.53
Diluted (In ₹) before exceptional items		72.51	18.35

* Profit before tax is after exceptional item and tax thereon.

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 : 06/06/2023
UDIN : 23043414B64XCRE6359



For and on behalf of the Board of Directors

Anand Sancheti
ANAND S. SANCHETI
Managing Director
DIN: 00953363

Dilip B. Surana
DILIP B. SURANA
Director
DIN: 00151495

Shruti P. Agarkar
SHRUTI P. AGARKAR
Company Secretary

Rajesh K. Gupta
RAJESH K. GUPTA
Chief Financial Officer

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Number of Shares	Amount
Balance as at 1st April 2022		1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31st March 2023	15	1,02,61,382	1,026.14
Balance as at 1st April 2021		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 No. 16)

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	Fair value changes on Equity Instruments through other comprehensive income	Fair value changes in Debt Instruments through other comprehensive income	
Balance as at 1st April 2022	10,647.69	1,402.99	53,805.69	235.19	(1,142.00)	0.30	64,949.86
Profit for the year	-	-	6,826.62	-	-	-	6,826.62
Other comprehensive income	-	-	-	18.10	(552.67)	17.11	(517.46)
Balance as at 31st March 2023	10,647.69	1,402.99	60,632.31	253.29	(1,694.66)	17.41	71,259.03
Balance as at 1st 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 PIPt (Refer Note 16)	-	286.14	698.05	-	11.08	-	995.27
Balance as at 31st 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 utilised in accordance with the provisions of the Companies Act, 2013

Significant accounting policies

Refer Note 2

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

As per our audit report of even date.

For V. K. Surana & Co.

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 06/06/2023

UDIN : 230414861XCRE6359



For and on behalf of the Board of Directors


 ANAND S. SANCHETI
 Managing Director
 DIN: 00953362


 DILIP B. SURANA
 Director
 DIN: 00953495


 RISHI P. AGARKAR
 Company Secretary


 RAJESH GUPTA
 Chief Financial Officer

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Cash Flow From Operating Activities		
Net profit before tax as per the statement of profit and loss (after exceptional item and tax thereon)	7,234.41	4,853.70
Non-Cash Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and Intangible assets	4,599.70	3,710.86
Lease Interest	2,589.59	577.03
Lease Interest Income	(56.02)	(25.99)
Bad debt written off	341.16	355.69
Exceptional Item	613.49	-
Net (Gain) / Loss on foreign exchange fluctuation	(354.92)	(124.32)
Adjustment for cash flows of other activities:		
Finance cost	6,007.89	7,438.80
Interest Income on Loans	(978.98)	(496.99)
Interest Income on Fixed Deposits	(331.90)	(285.81)
Dividend Income	(1,038.96)	(779.22)
Share of (profit)/loss in joint ventures	426.05	(1,755.77)
(Profit)/loss on sale of fixed assets	(1,008.41)	(604.28)
Rental Income on investment property	(12.06)	(8.64)
Operating Profit Before Working Capital Changes	18,031.05	12,855.09
Adjustment for :		
Increase/(decrease) in trade payables	5,661.74	(1,511.34)
Increase / (decrease) in non current provisions net off OCI	12.66	85.66
Increase / (decrease) in current provisions	2.15	67.73
Increase/(decrease) in other current liabilities	(1,779.98)	(685.69)
Increase/ (decrease) in other non current liabilities	(1,108.48)	1,668.87
Increase/ (decrease) in other current financial liabilities	1,305.01	3,385.20
Increase/ (decrease) in other non current financial liabilities	3,593.27	1,017.78
Decrease/(Increase) in income tax assets	(1,279.03)	8,982.05
Increase/ (decrease) in income tax liability	182.54	(9,944.98)
Decrease/(Increase) in current trade receivables	14,069.19	(1,792.50)
Decrease/(Increase) in other current assets	4,147.48	2,912.71
Decrease/(Increase) in other non current financial assets	(3,562.36)	1,578.66
Decrease/(Increase) in other current financial assets	1,312.72	(331.88)
Decrease/(Increase) in inventories	(5,622.89)	694.27
	34,965.06	18,981.62
Direct taxes paid including Income tax paid / TDS deducted/amount paid under appeal(net of refunds)	(1,453.92)	(1,952.55)
Net Cash Flow from/(used in) Operating Activities (A)	33,511.15	17,029.07
Cash Flow from Investing Activities		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	(11,739.18)	(8,936.28)
Proceeds from sale of fixed assets	4,974.97	1,041.74
Proceeds from current investments	(475.32)	(1,130.73)
Proceeds from non-current investments	(2,401.18)	(1,341.40)
Fixed deposits with remaining maturity of more than 12 months	(729.87)	2,685.56
Fixed deposits with remaining maturity of less than 12 months	1,082.95	(1,455.00)
Proceeds from current loans	(5,628.22)	(1,805.35)
Interest income on Fixed Deposits	331.90	285.81
Interest income on Loans	967.55	497.48
Dividends received	1,038.96	779.22
Share of profit/(loss) in joint ventures	(701.56)	1,755.77
Rental income on investment property	12.06	8.64
Net Cash Flow from/(used in) Investing Activities (B)	(13,266.96)	(7,614.54)



Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Cash Flow from Financing Activities		
Proceeds from long-term borrowings	(5,011.92)	(689.77)
Proceeds from short-term borrowings	(5,292.69)	(1,719.41)
Finance cost	(5,949.28)	(7,438.80)
Lease rent payment	(3,119.31)	(811.65)
Net Cash Flow from/(used in) in Financing Activities (C)	(19,373.20)	(10,659.63)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	871.00	(1,245.10)
Balance transferred on merger of PIPL	-	995.27
Cash and cash equivalents at the beginning of the year	316.35	566.17
Cash and Cash Equivalents at the end of the year	1,187.34	316.35
Components of Cash and Cash Equivalents		
Cash on hand	165.84	254.94
With banks-in current account	1,021.50	61.40
Total Cash and Cash Equivalents	1,187.34	316.35

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

Significant accounting policies

Refer Note No. 2

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

As per our audit report of even date.

For V. K. Surana & Co.

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 06/06/2023

UDIN : 23043414BHXCRE6359



For and on behalf of the Board of Director

Anand Sancheti

ANAND S. SANCHETI DILIP B. SURANA

Managing Director Director

DIN: 00953362 DIN: 00953495

Smita P. Agarkar

SMITA P. AGARKAR

Company Secretary

RAJESH GUPTA

Chief Financial Officer

SMS Limited

1. Corporate information

SMS Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having a registered office in Nagpur, Maharashtra, India. The company is engaged in the business of construction & commissioning and Lump Sum Turn Key facilities in various infrastructure projects like Road Bridges, Water Supply, Power Transmission, Underground Mining Work etc., for Central/State Governments, other local bodies and Private Sector in the Country and Waste Management 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 Lacs (INR 00,000), except when otherwise indicated.

2.2 Accounting Estimates

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

a. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may



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. Liquidated damages for default

Liquidated damages (LD) are levied by the party/ client if the company (SMS limited) is not able to achieve targeted production, development or do not commence / complete the work within the stipulated period as per terms of contract.

However, such LD deducted from RA bill is most of the times is debatable and challengeable wherein the above default are not attributable to the company and are many a time due to default from the side of party or due to circumstance beyond the control of the company. Such LD is challenged by the Company and most of the time the same is waived off at the end of the project.

As such, such deduction from RA bill are accounted as amount deducted / levied by the party and debited to the withheld amount under non-current financial asset. At the same time the corresponding liability is disclosed as contingent liability under the



nomenclature "claims from client". However, the LD due to clear default / non compliances of terms of contract on the part of company, which is not challenged is duly accounted for in the year of levy/ deduction.

Such disputed LD, to the extent accepted by the Company is accounted for upon final settlement of the claim.

e. 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.

2.2 Summary of Significant accounting policies

A. Property, plant and equipment and Intangible assets:

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

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

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

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

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

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/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to the statement of Profit & Loss.

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

H. Foreign Currency Transactions:

a. Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for



practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms 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 threat the point in time when control is transferred to the customer.

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



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

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

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

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

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

Use of significant judgements in revenue recognition

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

e. Change in accounting treatment of recognition of GST claim for migration from erstwhile indirect taxes to GST.

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 became taxable and also in cases of inclusive contract there is increase in tax rate from the original contract. This resulted in decrease in turnover on the company against which company filed the claimed with the concern Department.

Till the FY 2021-22, the company has opted to account for the impact due to change in law as turnover in the books of account with corresponding recognition of claim receivable.

However, over the years the company identified that there is substantial difference in the amount of claim raised vis a vis claim actually allowed and also there is substantial delay in certification of the GST Impact by the Client. Due to this time lag in acceptance of claim and difference in the amount of claim it has been decided to



treat such GST Impact as WIP until the same is approved by the client and book the GST impact as Turnover upon certification by the Department.

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 Property, plant and equipment

(₹ in lakh)

Particulars	Land		Buildings	Plant and Equipments		Furniture and Fixtures	Vehicles	Office Equipments	Computers		Mining Asset	Road	Total
	Leasehold	Freehold		Freehold	Leasehold				Freehold	Leasehold			
Gross carrying amounts													
Balance as at 1st April 2022	0.95	41.24	3,620.20	40,723.27	4,089.88	453.99	5,311.74	685.31	598.70	60.15	1,600.67	14.76	57,200.85
Additions	-	-	61.21	8,869.00	12,837.22	37.29	494.66	126.18	58.16	-	316.32	-	22,800.03
Disposals	-	-	165.90	4,806.38	-	38.62	392.12	77.69	25.70	-	-	14.76	5,521.17
Assets classified as held-for-sale	-	-	-	(2,890.51)	-	-	-	-	-	-	-	-	(2,890.51)
Interhead adjustment	-	-	-	(32.89)	-	-	32.89	-	-	-	-	-	0.00
Balance as at 31st March 2023	0.95	41.24	3,515.51	41,862.48	16,927.10	452.66	5,447.17	793.80	631.16	60.15	1,916.99	-	71,589.20
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	60.15	1,502.45	14.76	49,928.18
Additions	-	-	431.83	3,250.05	4,089.88	58.80	554.36	63.10	86.42	-	98.22	-	8,632.66
Disposals	-	-	5.40	737.51	-	75.76	460.37	11.41	69.53	-	-	-	1,359.99
Interhead adjustment	-	-	0.11	(11.21)	-	(1.89)	-	12.31	0.68	-	-	-	-
Balance as at 31st March 2022	0.95	41.24	3,620.20	40,723.27	4,089.88	453.99	5,311.74	685.31	598.70	60.15	1,600.67	14.76	57,200.85
Accumulated Depreciation / Impairment													
Balance as at 1st April 2022	0.12	-	1,337.27	23,015.81	165.65	382.64	4,019.19	564.67	499.52	37.00	100.34	14.76	30,136.97
Depreciation for the year	0.01	-	273.23	3,088.83	655.48	31.54	256.56	86.62	53.45	11.13	94.19	-	4,551.03
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	165.90	2,058.45	-	38.32	383.76	76.56	25.70	-	-	14.76	2,763.44
Assets classified as held-for-sale	-	-	-	(2,540.07)	-	-	-	-	-	-	-	-	(2,540.07)
Interhead adjustment	-	-	-	(2.05)	-	-	2.05	-	-	-	-	-	0.00
Balance as at 31st March 2023	0.13	-	1,444.60	21,504.08	821.14	375.86	3,894.03	574.73	527.27	48.13	194.53	(0.00)	29,384.49
Balance as at 1st April 2021	0.11	-	1,126.37	20,553.09	-	417.57	4,266.47	516.90	528.75	25.86	40.45	13.67	27,489.25
Depreciation for the year	0.01	-	216.19	2,875.10	165.65	40.92	203.54	50.48	39.63	11.13	59.89	1.08	3,613.64
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	5.40	354.78	-	74.15	450.82	11.23	69.53	-	-	-	965.91
Interhead adjustment	-	-	0.11	(7.60)	-	(1.70)	-	8.51	0.68	-	-	-	(0.00)
Balance as at 31st March 2022	0.12	-	1,337.27	23,015.81	165.65	382.64	4,019.19	564.67	499.52	37.00	100.34	14.76	30,136.97
Net carrying amounts													
Balance as at 31st March 2023	0.62	41.24	2,070.91	20,358.40	16,105.96	76.80	1,553.14	199.07	103.89	12.02	1,722.46	0.00	42,204.71
Balance as at 31st March 2022	0.83	41.24	2,282.93	17,707.45	3,924.23	71.35	1,292.54	120.64	99.18	23.15	1,500.33	0.00	27,063.88

3B Capital Work- in- progress

Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Mining Asset	Road	Total
Balance as at 1st April 2022	-	-	-	2,079.64	0.00	-	-	-	316.32	-	2,395.96
Sale	-	-	-	(2,079.64)	-	-	-	-	-	-	(2,079.64)
Additions	-	-	-	2,499.67	-	-	0.13	-	-	-	2,499.80
Capitalised during the year	-	-	-	-	-	-	-	-	316.32	-	316.32
Balance as at 31st March 2023	-	-	-	2,499.67	0.00	-	0.13	-	-	-	2,499.80
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	-	195.48
Balance as at 31st March 2022	-	-	-	2,079.64	0.00	-	-	-	316.32	-	2,395.96



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(a) For Capital-work-in progress (CWIP)

CWIP ageing schedule as on 31-03-2023:

(₹ in Lacs)

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	-	-	-	-	-
Projects in progress- CWIP-Plant and Equipments*	2,499.80	-	-	-	2,499.80
Total	2,499.80	-	-	-	2,499.80
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	2,079.64	-	-	-	2,079.64
Total	2,079.64	316.32	-	-	2,395.96

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

*Plant and equipments are in transit



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

	(₹ In Lacs)		
4 Investment Property	Land	Building	Total
A Gross carrying amount			
Balance as at 1st April 2022	1,547.11	379.27	1,926.38
Addition	60.51		60.51
Less Disposal	-	86.62	86.62
Balance as at 31st March 2023	1,607.62	292.65	1,900.27
Balance as at 1st April 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 Accumulated Depreciation			
Balance as at 1st April 2022	-	75.83	75.83
Depreciation charged	-	5.95	5.95
Depreciation disposal	-	14.22	14.22
Balance as at 31st March 2023	-	67.56	67.56
Balance as at 1st April 2021	-	69.23	69.23
Depreciation charged	-	6.60	6.60
Balance as at 31st March 2022	-	75.83	75.83
C Net carrying amounts			
Balance as at 31st March 2023	1,607.62	225.09	1,832.71
Balance as at 31st March 2022	1,547.11	303.45	1,850.55

Information regarding income and expenditure of Investment property	As at 31st March 2023	As at 31st March 2022
Rental income derived from investment properties	12.06	8.64
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	0.37	2.54
Depreciation charged on the investment property that generated rental income during the year.	3.45	3.45
Profit arising from investment properties that generated rental income after depreciation and direct expenses	8.24	2.65
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.	2.51	3.15
Profit/(Loss) arising from investment properties that did not generate rental income after depreciation and direct expenses	(2.51)	(3.15)
Net Profit/(Loss) from investment activity.	5.73	(0.50)

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.



5A Intangible Asset

	(₹ in laacs)	
	Computer Software	Total
Gross carrying amount		
Balance as at 1st April 2022	701.81	701.81
Additions	1.61	1.61
Balance as at 31st March 2023	703.42	703.42
Balance as at 1st April 2021		
Balance as at 1st April 2021	695.81	695.81
Additions	6.00	6.00
Balance as at 31st March 2022	701.81	701.81
Accumulated Amortisation		
Balance as at 1st April 2022	642.01	642.01
Charge for the year	42.71	42.71
Disposal	-	-
Balance as at 31st March 2023	684.73	684.73
Balance as at 1st April 2021		
Balance as at 1st April 2021	551.38	551.38
Charge for the year	90.63	90.63
Disposal	-	-
Balance as at 31st March 2022	642.01	642.01
Net carrying amounts		
Balance as at 31st March 2023	18.69	18.69
Balance as at 31st March 2022	59.80	59.80

5B Intangible assets under development

	Computer Software	Total
Gross carrying amount		
Balance as at 1st April 2022	-	-
Additions	45.00	45.00
Balance as at 31st March 2023	45.00	45.00

Intangible assets comprises of SAP system.

Intangible assets under development ageing schedule as on 31-03-2023

Intangible assets under development	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	45.00	-	-	-	45.00
Projects temporarily suspended	-	-	-	-	-



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ In Lacs)

	As at 31st March 2023	As at 31st March 2022
6 Non-Current Investments		
(Unquoted, valued at cost)		
A Investments in Equity Instruments		
i Investment in Subsidiaries	10,916.10	8,789.31
ii Investment in Subsidiaries - No nominee directors of SMS Group	1,747.00	1,747.00
iii Investment in Associates	-	468.12
iv Investment in Others	1.05	1.05
B Investments in Preference Shares of Subsidiary	259.74	259.74
C Investments in Partnership Firm		
i Joint Venture	491.32	583.05
D Investments in Association of Person (AOP)		
i Joint Venture	212.01	107.14
E Investments in Government Securities	1.54	1.54
	<u>13,628.76</u>	<u>11,956.95</u>
(Quoted, valued at fair value through other comprehensive income)		
F Investments in Mutual Fund Quoted	429.90	412.95
	<u>429.90</u>	<u>412.95</u>
	<u>14,058.66</u>	<u>12,369.90</u>



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

	(₹ in Lacs)	
Details of Non Current Investments	As at 31st March 2023	As at 31st March 2022
A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No. 6(A)		
1 Subsidiary Companies in India		
i SMS Envoclean Pvt. Ltd. 23,64,558 (23,64,558)Equity shares of ₹ 10 each fully paid	112.60	112.60
ii SMS Infolink Pvt. Ltd. 10,000 (10,000)Equity shares of ₹ 10 each fully paid	1.00	1.00
iii SMS Hazardous Waste Management P. Ltd.# (Formerly SMS Mine Developers Pvt. Ltd.) 5,100(5,100) Equity shares of ₹ 10 each fully paid	0.51	0.51
iv Spark Mall & Parking Pvt. Ltd.* 60,84,136 (60,84,136)Equity shares of ₹ 10 each fully paid	3,320.66	3,320.66
v SMS Vidyut Pvt. Ltd. 39,50,000 (39,50,000)Equity shares of ₹ 10 each fully paid	992.00	992.00
vi SMS Watergrace BMW Pvt. Ltd 58,66,181 (58,66,181)Equity shares of ₹ 10 each fully paid	586.62	586.62
vii SMS Tolls And Developers Ltd. ** NIL (50,000)Equity shares of ₹ 10 each fully paid	-	5.00
viii Maharashtra Enviro Power Ltd. 4,16,17,411 (4,16,17,411)Equity shares of ₹ 10 each fully paid	3,000.20	3,000.20
ix Ayodhya Gorakhpur SMS Tolls Private Limited 1,60,00,000 (1,60,00,000)Equity shares of ₹ 10 each fully paid	-	1.00
x SMS Waste Management Private Limited 10,000 (10,000)Equity shares of ₹ 10 each fully paid	1.00	1.00
xi SMS-AABS India Tollways Private Limited 5,100 (5,100)Equity shares of ₹ 10 each fully paid	0.51	0.51
xii SMS Mining Limited 10,000 (10,000) Equity shares of ₹ 10 each fully paid	1.00	1.00
xiii SMSL Ketki MDO Project Limited **** 2,90,00,000 (NIL) Equity shares of ₹ 10 each fully paid	2,900.00	-
2 Subsidiary Companies outside India #		
xiv Pt. SMS Minerals International NIL (3,20,000)Equity shares of IDR @ 9195 each fully paid	-	155.18
xv Pt. SMS Mines Indonesia NIL (990,000)Equity shares of IDR @11722 each fully paid	-	612.03
	10,916.10	8,789.31
3 Investment in Subsidiaries - No directors of SMS Group		
xvi SMS Taxicabs Pvt. Ltd. ## 87,45,000 (87,45,000)Equity shares of ₹ 10 each fully paid	1,747.00	1,747.00
	1,747.00	1,747.00
	12,663.10	10,536.31
4 Associate Companies in India		
i RCCL Infrastructure Pvt. Ltd ### 15,65,200 (15,65,200)Equity shares of ₹ 10 each fully paid Less :Provision for impairment in value of investments	467.86 (467.86)	467.86 -
ii SMS-AAMW Tollways Pvt. Ltd. 2,600 (2,600)Equity shares of ₹ 10 each fully paid Less :Provision for impairment in value of investments	0.26 -0.26	0.26 0.26
	-	468.12
(B) Investment in Preference Shares of subsidiary company (Valued at cost, fully paid up)-Note No. 6(B)		
i SMS-AABS India Tollways Private Limited 25,97,400 (25,97,400) cumulative, non-convertible, Redeemable Preference shares of ₹ 10 each fully paid	259.74	259.74



Details of Non Current Investments	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
(D) Investment in Quoted mutual fund (fair value through other comprehensive income)-Note No. 6(G)		
1 Debt oriented mutual fund \$		
i Axis Short Term Fund - Regular Growth	104.45	100.12
4,01,625.06 (4,01,625.06) Equity shares of ₹ 10 each fully paid		
Cost of Investment - Rs. 100.00 (Rs. 100.00)		
Fair Market Value of Investment - Rs. 104.45 (Rs. 100.12)		
ii ICICI Prudential Short Term Fund - Growth Option	106.20	100.13
3,00,335.83 (2,09,529.46) of ₹ 10 each fully paid		
Cost of Investment - Rs. 100.00 (Rs. 100.00)		
Fair Market Value of Investment - Rs. 106.20 (Rs.100.13)		
iii Bandhan Bond Short Term Reg-G (Erstwhile IDFC Bond Fund -Short Term Plan- Growth-(Regular Plan))	62.56	62.56
5,14,347.61 (1,34,615.53) of ₹ 10 each fully paid		
Cost of Investment - Rs. 62.50 (Rs. 62.50)		
Fair Market Value of Investment - Rs. 62.56 (Rs. 62.56)		
iv Bandhan Banking & PSU Debt Reg-G (Erstwhile IDFC Banking and PSU Debt Fund- Regular Plan-Growth Fund)	156.69	150.14
7,50,105.02 (7,50,105.02) of ₹ 10 each fully paid		
Cost of Investment - Rs. 150.00 (Rs. 150.00)		
Fair Market Value of Investment - Rs. 156.69 (Rs. 150.14)		
	429.90	412.96



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

Details of Non Current Investments	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Aggregate value of quoted investments at cost	412.50	412.50
Aggregate value of quoted investments at market value	429.90	412.96
Aggregate value of quoted investments at carrying value	429.90	412.96
Aggregate value of unquoted Investments at cost	12,922.84	10,796.05
Aggregate value of impairment in value of investment.	468.12	-

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

**During the years the total number of shares in SMS Tolls & developers Ltd. Dispose off at face value. After transfer of shares the SMS Tolls and developers Ltd. ceased to be subsidiary of the Company.

**** SMSL Ketki MDO Project Limited (SKMPL) is a wholly owned subsidiary of SMS Limited incorporated on 17th November 2022 for the purpose of execution of underground coal mining contract awarded by South Eastern Coalfields Limited in MDO Mode at Bishrampur area in the state of Chhattisgarh, India. Scope of work includes Mine development and extraction of coal through continuous miner technology. Contract is to be executed in 16 years.

Based on the term sheet executed with the prospective buyer for purchase of share within one year the investment is classified as current investment.

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) As of today none of the Board members of SMS Taxicabs Private Limited is appointed by SMS Limited.

The company has made the provision for diminution in value of investments in RCCL Infrastructure Ltd. Associate Company during F Y 2022-23. As the operations of these entities stalled 8-9 years back and the company is not estimating any future return from this entity.

§ For F Y 2022-23, Investments made debt mutual funds are lien marked to Tata Capital Financial services Limited against the term loan credit facilities availed by the Company from them.



Name of the Venture	Name of Venture Partner/s	Constitution of Entity	Share of Interest	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2022
				Total Capital of Firm	Investment	Total Capital of Firm	Investment
Debit Balance in Joint Ventures (Partnership firm) considered as Non-Current Investments							
i. 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%	444.43	284.26	440.03	281.39
ii. SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (JV) *	D.Thakkar Construction Pvt. Ltd.	Partnership Firm	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	-	-	-	-
iii. SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd. *	Aarti Infra-Projects Pvt. Ltd.	Partnership Firm	SMS Ltd.51%AIPPL. 49%	247.83	51.91	247.90	51.95
iv. SMS Infrastructure Ltd. & Shree Nath Enterprises(J.V) *	Shreenath Enterprises	Partnership Firm	SMS Ltd. 36.50% Shreenath Enterprises 63.50%	73.13	2.00	188.93	13.64
v. SMSIL-KTCO (JV) *	Khare Tarkunde Infrastructure Pvt. Ltd	Partnership Firm	SMS Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	6.70	3.35	7.74	3.61
vi. GSI ENVO Ltd. in Consortium with SMSIL *	Param Sancheti	Association of Person	SMS Ltd. 70 % & Param Sancheti 30 %	143.10	142.91	111.89	38.03
vii. BHARTIA SMSIL (JV) *	Bhartia Infra Projects Limited	Partnership Firm	SMS Ltd. 49 % & BIP Limited 51 %	10.99	11.38	16.73	11.38
viii. 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.	49.01	28.37	39.94	23.20
ix. GOCL - SMS Ltd. JV *	Gannon Dunkerley & Co. Ltd.	Partnership Firm	SMS Ltd. 40% & Gannon Dunkerley & Co. Ltd. 60%	-	-	-	-
x. 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 (SSTPL)	Association of Person	SMS Limited 50% DMIMS 10% NYSS 30% SSTPL 10%	167.68	69.10	203.90	69.10
xi. SMSIL-MBPL JV *	Mehrotra Buildcon Pvt. Ltd.	Partnership Firm	SMS Ltd. 59.84% & Mehrotra Buildcon Pvt. Ltd. 40.16%	241.51	42.73	380.30	178.14
xii. AGIPL-SMSIL (JV) *	Agrawal Global Infotech Pvt. Ltd.	Partnership Firm	SMS Ltd. 20% & Agrawal Global Infotech Pvt. Ltd. 80%	-	-	-	-
xiii. M/S SAKET - SMSIL JV *	Saket Infraprojects Pvt Ltd	Partnership Firm	SMS Ltd. 40% & Saket Infraprojects Pvt Ltd. 60%	187.29	11.32	46.84	19.74
xiv. SRRCIPL-SMSIL- JV *	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd.	Partnership Firm	SMS Ltd.30 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd 70%	-	-	-	-
xv. SMSIL-SRRCIPL JV *	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd.	Partnership Firm	SMS Ltd.60 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd 40%	129.70	56.02	-	-
xvi. SRRCIPL-SMSIL-BEKEM JV *	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited	Partnership Firm	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. 60% & BEKEM Infra Projects Pvt. Limited 20%	-	-	-	-
xvii. SRRCIPL-SMSIL (JV)-Mahabubnagar *	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd.	Partnership Firm	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. 80%	-	-	-	-
xviii. SMSIL-MBPL JV DURG PACKAGE-A *	Mehrotra Buildcon Pvt. Ltd	Partnership Firm	SMS Ltd. 60% & Mehrotra Buildcon Pvt. Ltd. 40%	-	-	-	-
				1,701.35	703.33	1,683.60	690.18



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

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

(₹ in Lacs)

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

Joint Venture	Name of Partner	Partnership Firm	Shareholding	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023
SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V)	D.Thakkar Construction Pvt. Ltd.	Partnership Firm	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	(545.64)	(80.98)	(3,064.54)	(354.28)
SRROPL-SMSL-BEKEM JV	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited	Partnership Firm	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. 60% & BEKEM Infra Projects Pvt. Limited 20%	440.84	(2.96)	641.43	(2.62)
SMSL-SRROPL JV	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd.	Partnership Firm	SMS Ltd.60 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd.40%	-	-	128.60	(2.02)
SRROPL-SMSL- JV	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd.	Partnership Firm	SMS Ltd.30 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. 70%	(0.10)	(0.03)	-	-
				(104.90)	(83.37)	(2,494.51)	(358.92)

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

Name of the Firm	Name of Partner	Shareholding	Capital Amount	As at 31 March 2022	As at 31 March 2023
kx. SANBRO CORPORATION*	SMS Ltd.	26.00%	(209.07)	(86.52)	(86.88)
	Shri. Ajay Sancheti	22.20%		(17.63)	(17.59)
	Shri. Anand Sancheti	22.20%		(44.75)	(44.76)
	Shri. Param Sancheti	14.80%		(25.86)	(25.84)
	Shri. Akshay Sancheti	29.60%		(29.86)	(29.84)

* Due to Non-availability of Audited Financial Statements of the joint ventures entities, the share in profit/loss during the current financial year F.Y 2022-2023 are not accounted. Accordingly, total capital of the firm as on 31st March, 2022 & 31st March, 2023 is considered on the basis of last audited financial statement of FY 21-22. 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.

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

Other Investment- Note No. 6A(iv) (Valued at cost, Fully paid up)

(i) Khargapur Urban Co-Operative Bank Ltd.
300 (100)Equity shares of ₹ 10 each fully paid

(ii) Nandura Urban Co-Operative Bank Ltd.
43 (43)Equity shares of ₹ 100 each fully paid

(iii) Malkapur Urban Co-Operative Bank Ltd.
1,000 (1000)Equity shares of ₹ 100 each fully paid

As at 31st March 2023

As at 31st March 2022

0.01

0.01

0.04

0.04

1.00

1.00

1.05

1.05



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ In Lacs)

	As at 31st March 2023	As at 31st March 2022
6A Current Investments		
(Unquoted, valued at cost)		
A Investments in Equity Instruments		
i Investment in Subsidiaries #	799.75	-
	<u>799.75</u>	<u>-</u>
(Quoted, valued at fair value through other comprehensive income)		
B Investments in Equity Instruments Quoted	468.16	1,097.36
C Investments in Mutual Fund Quoted	338.15	33.37
	<u>806.31</u>	<u>1,130.73</u>
	<u>1,606.06</u>	<u>1,130.73</u>



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

Details of Current Investments

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
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A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No.6A(A)

1 Subsidiary Companies in India

- i Ayodhya Gorakhpur SMS Tolls Private Limited *
1,60,00,000 (1,60,00,000)Equity shares of ₹ 10 each fully paid

	1.00	-
	1.00	-

2 Subsidiary Companies outside India #

- i Pt. SMS Minerals International
3,20,000 (NIL)Equity shares of IDR @ 9195 each fully paid
- ii Pt. SMS Mines Indonesia
9,90,000 (NIL)Equity shares of IDR @11722 each fully paid

	161.56	-
	637.19	-
	798.75	-
	799.75	-



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

Details of Current Investments	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
(B) Investment in Quoted equity Shares (fair value through other comprehensive income, fully paid up)-Note No. 6A(B)		
i Dhani Services Ltd 17,60,000 (17,60,000)Equity shares of ₹ 2 each fully paid Cost of Investment - Rs. 2412.93 Fair Market Value of Investment - Rs. 468.16	468.16	1,097.36
	468.16	1,097.36
(C) Investment in Quoted mutual fund (fair value through other comprehensive income)-Note No. 6A(C)		
1 Debt oriented mutual fund		
i IDCI Prudential Short Term Fund - Growth Option § 3,00,335.83 (2,09,529.46) of ₹ 10 each fully paid Cost of Investment - Rs. 45.56 (Rs. 0.00) Fair Market Value of Investment - Rs. 45.56 (Rs.0.00)	45.56	-
ii Bandhan Bond Short Term Reg-G (Erstwhile IDFC Bond Fund -Short Term Plan-Growth-(Regular Plan)) § 5,14,347.61 (1,34,615.53) of ₹ 10 each fully paid Cost of Investment - Rs. 176.17 (Rs. 0.00) Fair Market Value of Investment - Rs.185.22 (Rs. 0.00)	185.22	-
iii PFG-Union Balanced Advantage Fund Regular Plan-Growth INF582M01D10 §§ 459891.591 (NIL) of ₹ 10 each fully paid Cost of Investment - Rs. 70.00 Fair Market Value of Investment - Rs. 70.32 (Rs. 0.00)	70.32	-
2 Equity oriented mutual fund		
i SBI Infrastructure Fund - Regular Plan - IDCW 1,50,000 (1,50,000) of ₹ 10 each fully paid Cost of Investment - Rs.15.00 (Rs. 15.00) Fair Market Value of Investment - Rs. 37.05 (Rs. 33.37)	37.05	33.37
	338.15	33.37
Aggregate value of quoted investments at cost	2,730.38	2,438.65
Aggregate value of quoted investments at market value	806.31	1,130.73
Aggregate value of quoted investments at carrying value	806.31	1,130.73
Aggregate value of unquoted investments at cost	799.75	-

*The Company has applied for merger of wholly owned subsidiary company- Ayodhya Gorakhpur SMS Tolls Private Limited with SMS Limited. The appointed date of merger as per merger petition filed with National Company Law Tribunal (NCLT) is 01.10.2022. However, final order / approval for merger from NCLT is in process. Due to which, the Company has prepared its standalone financial statement without considering the merger despite the fact that the appointed date was 01.10.2022. After approval from NCLT, the Company will incorporate the effect of merger in the year in which approval will be received.

Consequent to propose merger, SMS financials will improve as, there will be increase in general reserve by Rs.10523.82 Lacs, total assets will increase by Rs.14564.20 Lacs (including MAT credit 1669.30 Lacs) and total liability will only increase by Rs.4040.38 Lacs. Due to this the networth of SMS Limited post merger will increase by Rs. 10523.82 Lacs and company will also save tax cash outflow of Rs. 1669.30 Lacs on account of MAT credit.

No fresh investment in these entities. Increase in investment is due to impact of foregin exchange fluctuations.

§ Investments made debt mutual funds are lien marked to Tata Capital Financial services Limited against the term loan and buyers credit facilities availed by the Company from/through them.

§§ Investments made in hybrid mutual fund are lien marked to Union bank of India as margin money against Letter of credit/ bank guarantee issued by bank.



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
7 Other Financial Assets (Non-Current)		
Considered good -Unsecured		
Security deposits	9,535.24	5,876.38
Fixed deposit receipt with remaining maturity for more than 12 months*	1,619.26	889.38
Earnest money deposits	624.77	697.36
Retention money	308.68	959.73
Others receivables	-	7.87
	12,087.94	8,430.72

* Note:- Above fixed deposit receipts are held as a margin money/ security deposit against letter of credit/ bank guarantee facility. Out of total FDR Rs. 734.47 Lacs kept with bank as excess margin and can be release on demand.

8 Other Non-Current Assets		
Considered good -Unsecured		
Capital advance	2,197.12	1,773.36
	2,197.12	1,773.36

9 Inventories (Valued at Cost ** or Net realisable Value whichever is lower)		
Work-in-progress	28,048.96	21,798.27
Construction & Project Inventory	9,399.89	10,225.01
Stores and spares	741.05	543.72
	38,189.89	32,567.00

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



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

	As at 31st March 2023	As at 31 March 2022
		(₹ In Lacs)
10 Trade Receivables (Current)		
Trade Receivables considered good		
Related Party -Trade Receivables	4,530.21	8,393.48
Less: - Loss allowance/provisions for Doubtful Debts*	2,345.68	-
	2,184.53	8,393.48
Others -Trade Receivables	12,510.43	22,855.41
	14,694.96	31,248.89

* Refer Note No-54



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	
As at 31 March 2023						
(i) Undisputed Trade receivables – considered good -Unsecured	8,754.31	1,513.11	667.95	1,699.52	160.52	12,795.42
(ii) Disputed Trade Receivables–considered good	-	-	-	-	1,899.55	1,899.55

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	
As at 31 March 2022						
(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

*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, 2023**

(₹ in Lacs)

	As at 31st March 2023	As at 31 March 2022
11A Cash and Cash Equivalents		
(i) Balances with banks in current accounts	821.50	61.40
(ii) Cash on Hand		
In local currency	163.62	253.96
In foreign Currency	2.22	0.98
(iii) Unencumbered fixed deposits with remaining maturity of less than 3 months	200.00	-
	1,187.34	316.35
11B Bank Balances other than Cash and Cash Equivalents		
Fixed deposits with remaining maturity of less than 12 months (held as a margin money against Letter of credit/bank guarantee facility).*	4,137.46	5,220.41
	4,137.46	5,220.41

* Note:- Out of total FDR Rs. 734.47 Lacs kept with bank as excess margin and can be release on demand.



SMS Limited**Notes to Standalone Financial Statements for the year ended on 31st March, 2023**

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
12 Loans (Current)		
Considered good -Unsecured		
** Loans to related parties	13,832.14	9,288.40
* Less: - Loss allowance/Provisions for Doubtful loans	5,699.73	-
	<u>8,132.41</u>	<u>9,288.40</u>
Other loans	2,136.62	1,052.15
	<u>10,269.03</u>	<u>10,340.55</u>
* Refer Note No-54 & 56		
** It included amount of Rs. 5424.67 Lacs related to Ayodhya Gorakhpur SMS Toll Pvt. Ltd. Where merger petition filed with NCLT for merger with SMS Ltd.		
13 Other Financial Assets (Current)		
Considered good -Unsecured		
Amount Withheld	4,477.01	5,430.44
Security deposits	4,277.12	3,061.54
Retention money	621.15	2,435.91
Earnest money deposits	800.41	599.16
Amount due on account of TDS	0.26	483.53
Others receivables	182.54	235.23
Interest accrued but not due	13.20	1.76
	<u>10,371.67</u>	<u>12,247.57</u>



(₹ in Lacs)

As at 31st March 2023	As at 31st March 2022
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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
As at 31st March 2023		
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	8,132.41	79.19%
As at 31st March 2022		
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	9,288.40	89.83%



SMS Limited**Notes to Standalone Financial Statements for the year ended on 31st March, 2023**

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
14 Other Current Assets		
Balance with statutory authority		
GST receivable	3,158.71	3,918.70
Value added tax receivable	3,473.89	4,691.56
Service tax receivable	87.75	87.75
Advances other than capital advances		
Advance to creditors	1,393.73	2,529.17
Advance to subcontractor	452.06	1,426.78
Advance against expenses & salary	33.80	35.65
Others		
Deposit under protest	5,285.07	5,637.43
Prepaid expenses	1,300.18	1,005.64
	15,185.19	19,332.67



SMS Limited**Notes to Standalone Financial Statements for the year ended on 31st March, 2023**

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
14A Assets classified as held-for-sale		
Assets held for sale	350.45	-
	<u>350.45</u>	<u>-</u>
14B Liabilities classified as held-for-sale		
Advance against assets held for sale	1,136.43	-
	<u>1,136.43</u>	<u>-</u>

- I Description of the non-current assets held for sale
Fletcher Twin Boom HDDR Roof Bolter (Bucyrus) & 30MM-NP Continuous Miner (Bucyrus)
- II According to the agreement for sale of assets, sale consideration received in advance from SMSL KETKI MDO PROJECT LIMITED (100% subsidiary of SMS Ltd.) and it accounted as "Advance received against assets held for sale". Accordingly Gross block & accumulated depreciation of respective assets is reduced from assets and disclosed in current assets under "Assets held for sale" for sale value Rs. 1136.43 Lacs.



	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
15 Equity Share Capital		
a Authorized shares		
15,500,000 (15,500,000) equity shares of Par value of ₹ 10/- each	1,550.00	1,550.00
b Issued, subscribed and fully paid-up shares		
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
Total	<u>1,026.14</u>	<u>1,026.14</u>

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 2023		As at 31st March 2022	
	No.	Amount	No.	Amount
At the beginning of the year	1,02,61,382	1,026.14	1,02,61,382	1,026.14
Add : Issued During the Year	-	-	-	-
Outstanding at the end of the year	<u>1,02,61,382.00</u>	<u>1,026.14</u>	<u>1,02,61,382.00</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 31st March 2023		As at 31st March 2022	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Face value of ₹ 10/- each fully paid				
Shri. Ajay Shaktikumar Sancheti	592687	5.8%	592687	5.8%
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

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 year
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As on 31.03.2023 as under:

1	Shri. Ajay Shaktikumar Sancheti	592687.00	0.00	592687.00	5.78%	-
2	Shri. Anand Shaktikumar Sancheti	2410997.00	0.00	2410997.00	23.50%	-
3	Shri. Paramveer Abhay Sancheti	1607348.00	0.00	1607348.00	15.66%	-
4	Shri. Nirbhay Ajay Sancheti	1818310.00	0.00	1818310.00	17.72%	-
5	Shri. Akshay Abhay Sancheti	1607348.00	0.00	1607348.00	15.66%	-
6	Smt. Bharti Abhay Sancheti	106.00	0.00	106.00	0.00%	-
7	Mrs. Savita Ajay Sancheti	106.00	0.00	106.00	0.00%	-
8	Mrs. Shruti Anand Sancheti	106.00	0.00	106.00	0.00%	-
9	Best Power Plus Private Limited	0.00	0.00	0.00	0.00%	-
	TOTAL	8037008	0.00	8037008	78.32%	

As on 31.03.2022 as under:

1	Late Shri. Abhay Harakchand Sancheti	3214696.00	-3214696.00	0.00	0.00%	-100%
2	Shri. Ajay Shaktikumar Sancheti	592687.00	0.00	592687.00	5.78%	0%
3	Shri. Anand Shaktikumar Sancheti	2410997.00	0.00	2410997.00	23.50%	0%
4	Shri. Paramveer Abhay Sancheti	0.00	1607348.00	1607348.00	15.66%	100%
5	Shri. Nirbhay Ajay Sancheti	1818310.00	0.00	1818310.00	17.72%	0%
6	Shri. Akshay Abhay Sancheti	0.00	1607348.00	1607348.00	15.66%	100%
7	Smt. Bharti Abhay Sancheti	106.00	0.00	106.00	0.00%	0%
8	Mrs. Savita Ajay Sancheti	106.00	0.00	106.00	0.00%	0%
9	Mrs. Shruti Anand Sancheti	106.00	0.00	106.00	0.00%	0%
10	Best Power Plus Private Limited	0.00	0.00	0.00	0.00%	0%
	TOTAL	8037008	0.00	8037008	78.32%	



[₹ In Lacs]

	As at 31st March 2023	As at 31st March 2022
16 Other Equity		
General Reserve		
Balance as per the last financial statements	1,402.99	1,116.85
Add: Additions during the year due to merger of PIPL	-	286.14
Closing Balance	1,402.99	1,402.99
Securities Premium		
Balance as per the last financial statements	10,647.69	10,647.69
Closing Balance	10,647.69	10,647.69
Retained Earning		
Balance as per last financial statements	53,805.69	49,461.52
Add: Profit / (Loss) during the year	6,826.62	3,646.12
Add: Additions during the year due to merger of PIPL	-	698.05
Closing Balance	60,632.31	53,805.69
Other Comprehensive Income		
That will not be reclassified to profit and loss account		
Re-measurement gains/ (losses) on defined benefit plans net off tax		
Balance as per the last financial statements	235.19	155.79
Add: Additions during the year	18.10	79.40
Closing Balance	253.29	235.19
Fair value changes on Equity Instruments through other comprehensive income		
Balance as per the last financial statements	(1,142.00)	-
Add: Gain / (Loss) during the year	(552.67)	(1,153.08)
Add: Additions during the year due to merger of PIPL	-	11.08
Closing Balance	(1,694.66)	(1,142.00)
That will be reclassified to profit and loss account		
Fair value changes in Debt Instruments through other comprehensive income		
Balance as per the last financial statements	0.30	-
Add: Gain / (Loss) during the year	17.11	0.30
Closing Balance	17.41	0.30
Total of Other Comprehensive income	(1,423.96)	(906.51)
Total of Other Equity	71,259.03	64,949.86

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



[₹ in Lacs]

	As at 31st March 2023	As at 31st March 2022
17 Borrowings (Non-Current)		
Secured		
Term Loans *		
(i) From Banks	7,758.62	11,011.27
ICICI Bank Ltd.	578.44	197.03
Kotak Mahindra Bank Ltd.	278.74	379.66
IndusInd bank	-	10.40
Axis Bank Ltd.	3,072.44	4,992.05
HDFC Bank Ltd.	124.01	339.57
Punjab National Bank (GECL)	1,872.60	2,409.00
State Bank of India (GECL)	1,570.57	2,295.81
Bank of India (GECL)	155.73	236.71
Canara Bank (GECL)	106.11	151.03
(ii) From Financial Institution	1,243.51	11,749.77
SREI Equipment Finance Ltd.	-	11,285.36
TATA Capital Financial Services Ltd.	403.92	399.50
Toyota Motor Financial Services Ltd.	31.23	64.91
Sundaram Finance Ltd.	808.37	-
(iii) From others	-	213.06
RVNL	-	213.06
	9,002.14	22,974.10
Unsecured		
(i) Loans from Directors **	3,800.00	2,740.00
Anand Sancheti	3,800.00	2,740.00
	12,802.14	25,714.10

** 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.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.

* For Securities please refer individual bank wise notes given.



17.1 Details of Securities and Terms of Repayments

(₹ in Lacs)

- I. 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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
LQNAG00037183400	1.87	8.60%	31/03/2018	5	0.47	5 months
UQNAG00041012049/104 /172/884/082/097	3.92	10.75%	30/10/2019	1	14.12	1 month
LQNAG00041149057/976/ 032/743/944	6.08	10.79% 9.18% 9.03%	27/11/2019	2	5.07	2 months
LQNAG00042505239	44.34	9.51%	21/11/2020	7	6.54	7 months
LQNAG00043038691	27.32	8.12%	22/12/2020	21	1.40	1 year 9 months
LQNAG00043279407	28.39	8.01%	30/01/2021	22	1.39	1 year 10 months
LVNAG00043279314/LVN AG00043279286	30.37	8.00%	22/03/2021	22	1.49	1 year 10 months
LQNAG00044262279	19.75	8.00%	28/08/2021	17	1.23	1 year 5 months
LANAG00044619956	14.54	7.40%	27/10/2021	20	0.78	1 years 8 months
LANAG00044643418	20.44	7.40%	27/10/2021	20	1.09	1 years 8 months
LQNAG00045946719/ LQNAG00045946897	647.13	10.50%	24/06/2022	51	10.62	4 years 3 months
Total	844.16					

- (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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
CE1036710	379.64	7.58%	18/10/2021	42	10.52	3 years 6 months
Total	379.64					

- (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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
NNN01115L,16L,17L,18L,19L,20L,21L,22L	3.44	9.57%	05/02/2020	2	1.77	2 months
NNN00495E, NNN00494E	3.21	9.55%	05/02/2020	2	1.65	2 months
NNN01124L, NNN01125L, NNN01126L	2.18	9.55%	28/01/2020	2	1.32	2 months
NNN00496E	1.57	9.55%	07/02/2020	2	0.81	2 months
Total	10.40					



17.1 Details of Securities and Terms of Repayments

(₹ in Lacs)

(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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	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	957.55	9.50%	05/12/2020	34	136.77	2 years 10 months
Various Contracts Bundled	3,963.86	9.50%	05/12/2020	21	49.67	1 years 9 months
Various Contracts Bundled	70.64	9.50%	05/12/2020	9	8.16	9 months
Total	4,992.06					

(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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	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	30.01	8.66%	20/02/2021	12	3.12	10 months
116746861	2.79	7.65%	12/02/2021	11	0.26	11 months
117257454	8.02	7.50%	20/02/2021	11	0.76	11 months
116999012	4.85	7.65%	11/02/2021	11	0.46	11 months
85367749	16.11	8.66%	09/04/2021	12	1.41	1 year
85367757	11.66	8.35%	09/04/2021	12	1.02	1 year
85476507/85476512/85476519/85476520/85476527/85476531	14.50	8.51%	09/06/2021	15	1.02	1 year 3 months
CE-1036710	125.10	8.65%	25/06/2021	16	8.34	1 year 4 months
85987561	34.12	5.65%	30/06/2021	16	1.90	1 year 4 months
124455571	16.23	7.05%	18/10/2021	16	0.75	1 year 4 months
86158694/86158714/86158741	16.89	7.51%	21/11/2021	21	0.82	1 year 9 months
125348920/219	23.43	7.50%	20/11/2021	23	1.19	1 year 11 months
130853844	49.08	7.35%	15/06/2022	22	1.79	1 year 10 months
131528908	8.31	8.30%	28/07/2022	21	0.29	1 year 9 months
131574556	8.31	8.30%	27/07/2022	18	0.29	1 year 6 months
119452876/ 119480319 / 119481682	12.73	7.65%	25/07/2022	20	0.84	1 year 8 months
85542043/85542049	16.03	8.51%	26/07/2022	20	1.06	1 year 8 months
Total	398.16					

(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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
3761001L00000347	1,375.00	8.35%	19/01/2021	34	41.67	2 years 10 months
376100EG0000002	1,034.00	8.35%	01/12/2021	57	21.54	4 years 9 months
376100NG00002235	19.95	8.75%	27/09/2022	79	0.33	6 years 7 months
376100NG00002144	12.05	8.75%	07/10/2022	79	0.20	6 years 7 months
Total	2,441.00					



17.1 Details of Securities and Terms of Repayments

(₹ in Lacs)

(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 dated mentioned below. The details of loan is as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
39960697033	2,295.57	7.95%	15/01/2021	38	60.42	3 years 2 months
Total	2,295.57					

(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 dated mentioned below. The details of loan is as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
870065410000014	230.48	8.35%	01/02/2021	38	6.23	3 years 2 months
Total	230.48					

(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 dated mentioned below. The details of loan is as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
5284703000003	155.17	7.95%	18/03/2021	37	4.09	3 years 1 month
Total	155.17					

(ii) From Financial Institution

(1) 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 dated mentioned below. The details of loan is as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Principal	Maturity period w.r.t. Balance Sheet date
21846981	664.91	12.00%	21/10/2021	24	32.05	2 years
Total	664.91					

(2) 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 dated mentioned below. The details of individual loans are as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
NNGP1226117/NNGP1226156	47.50	6.90%	15/01/2022	22	2.31	1 year 10 months
NNGP1231190	17.41	6.90%	10/03/2022	24	0.78	2 years
Total	64.91					



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

17.1 Details of Securities and Terms of Repayments

(R in Lacs)

(3) Sundaram Finance 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 dated mentioned below. The details of loan is as under:

LOAN NO.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
S006700118/S006700116/ S006700156	1,098.47	9.88%	20/08/2022	43	32.63	3 years 7 months
Total	1,098.47					



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
17A Lease Liabilities (Non-Current)		
Lease Liabilities as per Ind AS 116	9,614.57	2,758.14
	9,614.57	2,758.14
18 Other Financial Liabilities (Non-Current)		
Unsecured		
Security deposits from sub contractor	2,432.53	2,240.22
Retention money from sub contractor	3,158.76	2,032.88
Security deposits/Others:		
Datta Meghe Institute Of Higher education and research	2,444.75	341.85
Deposits from outsiders	344.72	297.27
Other payable	35.00	35.00
Security deposit from customer	32.25	32.25
	8,448.01	4,979.48
19 Provisions (Non-Current)		
Employee Benefits		
Gratuity Provision	986.27	951.42
Provision for leave benefits	192.05	242.06
	1,178.32	1,193.47
20 Other Non-Current Liabilities		
Mobilisation advance from customers	390.01	677.20
Secured advance from customers	1,761.21	2,589.31
	2,151.22	3,266.51



SMS Limited**Notes to Standalone Financial Statements for the year ended on 31st March, 2023**

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
21 Borrowings (Current)		
Loan repayable on Demand		
Secured		
From Banks		
Cash credit	21,919.81	28,451.41
Current maturities of long-term borrowings	8,198.64	7,745.80
	<u>30,118.45</u>	<u>36,197.21</u>
From Others		
Current maturities of long-term borrowings	214.05	989.82
	<u>214.05</u>	<u>989.82</u>
Unsecured		
From Others	<u>2,543.90</u>	<u>982.06</u>
	<u>32,876.40</u>	<u>38,169.10</u>
21A Lease Liabilities (Current)		
Lease Liabilities as per Ind AS 116	2,524.47	166.73
	<u>2,524.47</u>	<u>166.73</u>



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. After repayment of loan during F Y 22-23, the outstanding sanctioned limit as on 31.03.2023 has come down to Rs. 134525.24 Lacs.

c) The cash credit is repayable on demand and is carries interest within the range of 8.50% to 9.60% per annum.

d) Shares of following promoters are pledged against the Cash Credit and Non Fund limit.

Name of Shareholder	No. of Shares
Shri. Ajay Shaktikumar Sancheti	461861
Shri. Anand Shaktikumar Sancheti	461861
Shri. Paramveer Abhay Sancheti	308000
Shri. Akshay Abhay Sancheti	308000

2 The company has not defaulted in repayment of unsecured loans and interest thereon during the year and 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 from 12% to 15% per annum.



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
Borrowings (Current)		
Current maturities of long-term borrowings		
Secured		
Term Loans		
(i) From Banks		
ICICI Bank Ltd.	265.73	418.57
Kotak Mahindra Bank Ltd.	100.90	93.56
IndusInd bank	10.40	63.08
Axis Bank Ltd.	1,919.62	1,768.78
HDFC Bank Ltd.	274.15	241.87
Punjab National Bank (GECL)	568.40	500.00
State Bank of India (GECL)	725.00	604.17
Bank of India (GECL)	74.75	62.29
Bank of India - Buyers Credit TOKYO	551.46	-
Canara Bank (GECL)	49.06	44.97
	4,539.47	3,797.29
(ii) From Financial Institution		
SREI Equipment Finance Ltd.	3,074.38	3,677.77
TATA Capital Financial Services Ltd.	261.00	239.25
Toyota Motor Financial Services Ltd.	33.69	31.49
Sundaram Finance Limited	290.10	-
	3,659.17	3,948.51
(iii) From Others		
Rail Vikas Nigam Limited	214.05	989.82
	214.05	989.82
From Banks & Financial Institution	8,198.64	7,745.80
From Others	214.05	989.82



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
22 Trade Payable (Current)		
1 Letter of credit issued and outstanding	3,368.76	978.71
2 Dues to Micro and small enterprises	786.57	1,310.13
3 Trade payables other than 1 & 2 above	15,905.04	12,235.72
	20,060.36	14,524.56



Note - Trade Payables: details relating to Micro and Small enterprises

(₹ In Lacs)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	786.57	1,310.13
(b) the amount of interest paid by the buyer in terms of section 16 of the micro, small and medium enterprises development act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the micro, small and medium enterprises development act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	25.10	23.45
(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	
As at 31 March 2023					
(i) MSME	751.72	3.29	31.57	-	786.57
(ii) Others	17,485.44	273.28	734.75	780.32	19,273.79
(iii) Disputed dues – MSME					-
(iv) Disputed dues - Others					-
As at 31 March 2022					
(i) MSME	1,277.59	32.24	0.29	0.00	1,310.13
(ii) Others	11,300.70	855.56	201.65	856.52	13,214.43
(iii) Disputed dues – MSME					-
(iv) Disputed dues - Others					-

* 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, 2023

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
23 Other Financial Liabilities (Current)		
Expenses payable	6,184.69	4,766.42
Creditors for Capital Goods	3,427.27	1,778.65
Interest accrued but not due	111.34	52.73
Salary and consultancy payable	870.59	817.86
Withheld amount Liabilities	1,906.28	2,575.27
Credit balances in JV	170.29	445.79
	12,670.46	10,436.72
24 Other Current Liabilities		
(i) Advance from debtors	373.07	1,463.65
(ii) Statutory dues payable:		
ESIC Payable	0.73	0.79
Profession Tax Payable	2.35	2.00
Provident Fund Payable	122.65	111.02
Tax Deducted at Source and TCS payable	369.69	252.35
Value Added Tax	-	579.10
GST Payable	636.89	876.44
Service Tax Payable	46.24	46.24
	1,551.61	3,331.60
25 Provisions (Current)		
Employee Benefits		
Provision for gratuity	81.31	63.91
Provision for leave benefits	41.52	56.76
	122.82	120.67
	Year ended 31 March 2023	Year ended 31 March 2022
26 Revenue from Operations		
Contract receipts	1,17,128.18	89,464.57
Other Operating Revenue	2,535.02	1,081.64
	1,19,663.20	90,546.21
27 Other Income		
Interest income on		
Bank deposits	331.90	285.81
Others	978.98	496.99
Dividend on investment in subsidiaries	1,038.96	779.22
Share of profit in joint ventures	194.99	0.00
Profit on sale of fixed assets	1,008.41	604.28
Miscellaneous income	242.26	83.23
Rental income on investment property	12.06	8.64
Insurance claim	66.01	2.35
Net gain on foreign currency transaction	354.92	124.32
	4,228.49	2,384.83



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

	(₹ In Lacs)	
	Year ended 31st March 2023	Year ended 31st March 2022
28 Cost of Project Material Consumed		
Inventory at beginning of the year	10,768.73	10,113.32
Add: Purchases	25,265.05	19,160.59
Less: Inventory at the end of the year	10,140.94	10,768.73
	25,892.84	18,505.18
29 Change in Inventories of Work in Progress and stock-in-trade		
WIP		
Opening WIP	21,798.27	21,601.01
Closing WIP	(28,048.96)	(21,798.27)
	(6,250.68)	(197.27)
Stock in Trade		
Opening	-	-
Closing	-	-
	-	-
30 Direct Expenses		
Work expenses	58,920.35	40,258.87
Machinery repairs and maintenance	1,863.83	1,856.68
Vehicles repairs and maintenance	84.91	86.69
Power and fuel	1,786.29	1,188.16
Royalty	1,902.98	1,161.60
Hire charges	851.90	1,014.02
Insurance	412.26	357.61
Transporting charges	257.10	94.34
R.T.O taxes	11.64	22.94
Custom duty	34.49	3.37
	66,125.75	46,044.27
31 Employee Benefit Expenses		
Salaries and wages		
Salaries, wages, ex-gratia and bonus	10,618.06	9,368.53
Leave encashment expenses	(38.15)	32.40
Gratuity expenses	299.50	318.96
Contribution to Provident and other funds		
Contribution to Provident fund	655.87	597.87
Contribution to employees state insurance corporation	5.49	8.26
Staff welfare expenses	9.09	8.11
	11,549.86	10,334.13
32 Finance Costs		
Interest cost		
To bank & financial institutions (net of reversal)	3,548.03	5,230.22
To others	687.51	324.51
On mobilisation advance	268.76	78.80
On statutory dues	46.51	229.51
Interest on lease	2,589.59	577.03
Bank finance charges	1,457.08	1,575.76
	8,597.48	8,015.83

Note: For reversal refer note no. 55.



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ in Lacs)

	Year ended 31st March 2023	Year ended 31st March 2022
33 Depreciation and Amortization Expenses		
Depreciation of property plant & equipment	4,551.03	3,613.64
Depreciation of investment properties	5.95	6.60
Amortization of intangible assets	42.71	90.63
	4,599.70	3,710.86
34 Other Expenses		
Advertising and sales promotion	28.72	14.93
Bank charges	35.58	20.50
Business promotion expenses	113.63	54.06
Commission & brokerage	99.84	64.05
Corporate social responsibility	23.52	40.29
Cost auditors remuneration	5.25	5.25
Donation	11.88	3.94
Fine and penalty	1.93	10.48
GST expenses including state compensation cess	11.99	19.27
Internal auditors remuneration	62.95	60.44
Legal and professional fees	1,517.43	1,268.41
Lodging, boarding & guest house expenses	76.95	71.05
Office and other miscellaneous expenses	362.88	205.94
Postage, telephone & internet cost	27.88	30.49
Power and fuel	107.93	106.86
Printing and stationery	17.01	12.10
Rates and taxes	76.94	97.23
Rent	191.36	206.17
Repairs to building	7.56	7.46
Security charges	376.08	349.87
Share of Loss from Joint Venture & partnership firm	-	2.71
Statutory auditors remuneration	48.00	28.50
Tender expenses	27.72	6.82
Travelling and conveyance	183.12	133.82
Written-off balances	341.16	355.69
	3,757.30	3,176.30



As at 31st March 2023	As at 31st March 2022
--------------------------	--------------------------

35 Deferred Tax Assets/(liability) (Net)

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

Deferred income tax liability

Timing difference on tangible and intangible assets depreciation and amortisation	791.21	580.45
Timing difference on Mining Assets considered as allowable expenditure on the basis of payments made	587.12	509.49
Timing difference on Right to use assets considered as allowable expenditure on the basis of payments made	13.31	41.57
Timing difference on Net (loss)/gain on FVTOCI Debt mutual funds	9.35	0.16
Due to PIPL merger	1.01	1.01
Net gain on foreign currency transaction	-	-

Deferred income tax liability

1,402.00	1,132.69
-----------------	-----------------

Deferred income tax asset

Provision for gratuity	373.05	354.80
Leave encashment	81.62	104.42
Provision for Bad debt	2,255.53	-
Net (loss)/gain on FVTOCI equity Securities	223.96	152.02

Deferred income tax asset

2,934.16	611.23
-----------------	---------------

MAT Credit entitlement

-	953.52
---	--------

A) Due to PIPL merger prior to F Y 2021-22

361.88	802.71
--------	--------

B) Due to PIPL merger for F Y 2021-22

-	8.94
---	------

C) MAT Credit entitlement of SMS Ltd.

141.87	141.87
--------	--------

Deferred income tax asset

2,934.16	1,564.76
-----------------	-----------------

Total Deferred Tax Assets/(liability) (Net)

1,532.15	432.07
-----------------	---------------

Deferred tax liabilities (net)

1,402.00	1,132.69
----------	----------

Deferred tax assets

2,934.16	1,564.76
----------	----------

Net deferred tax Assets/(liability)

1,532.15	432.07
-----------------	---------------

Amount charged to profit & loss account for deferred tax

Deferred tax expense on profit before tax

(1,495.91)	51.60
------------	-------

Deferred tax expense on Other comprehensive income

(53.95)	(109.21)
---------	----------

Total

(1,549.86)	(57.60)
-------------------	----------------

Movement in Deferred tax Assets/(liability) (Net)

1,100.09	854.17
----------	--------

A) Amount charged to profit & loss account for deferred tax

1,549.86	57.60
----------	-------

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 filling of income tax return of previous year

(449.77)	(5.14)
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1,100.09	854.17
-----------------	---------------



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

(₹ in Lacs)

	As at 31st March 2023	As at 31st March 2022
36 Current tax assets (net)		
i The following table provides the details of income tax assets and liabilities		
Income tax assets	5,147.83	3,868.80
Income tax liabilities	194.69	12.15
Net balance	<u>4,953.14</u>	<u>3,856.65</u>
ii The gross movement in the current tax asset/ (liability) is as follows:		
Net current income tax asset at the beginning	3,856.65	2,893.72
Income tax paid / TDS deducted/amount paid under appeal	2,683.47	2,218.29
Current income taxes	1,716.75	1,155.97
Adjustment of tax relating to earlier periods	186.95	104.52
Adjustment of MAT against income tax liability related to earlier year	(449.77)	(5.14)
TDS amount not appear in 26AS written off	133.06	-
Net current income tax asset at the end	<u>5,219.26</u>	<u>3,856.65</u>
iii Income tax expense in the Statement of Profit and Loss comprises:		
Current income taxes	1,716.75	1,155.97
Adjustment of tax relating to earlier periods	186.95	104.52
Deferred income taxes credit	(1,549.86)	(162.12)
Income tax expenses / (credit) (net)	<u>353.84</u>	<u>1,098.37</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	6,663.00	3,671.12
Adjustment of prior period errors		
Total comprehensive income before income tax before adjustment of prior period error	6,663.00	3,671.12
Enacted tax rates in India	34.94	34.94
Computed expected tax expense	2,474.04	1,527.63
Effect of items not allowed for tax purpose - Permanent Difference	(2,348.07)	(524.83)
Adjustments relating to assessment of earlier year income tax return	186.95	104.52
Others	40.92	(8.94)
Income tax expense credit/(charge) to the Statement of Profit and Loss	<u>353.84</u>	<u>1,098.37</u>
37 Exceptional Items (Net of taxes)		
Share of Profit/(Loss) in joint venture		
SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (JV)*	-	1,763.23
Provision for diminution in value of investments		
SMS-AAMW Tollways Pvt. Ltd.#	0.26	-
RCCL Infrastructure Ltd.\$	467.85	-
Provision for diminution in value of Loan		
SREI Equipment Finance Ltd.%	(7,900.04)	-
Pt. SMS Mineral International^	2,345.68	-
SMS-AAMW Tollways Pvt. Ltd.#	1,038.89	-
Provision for diminution in value of debtor		
Pt. SMS Mineral International^	4,660.85	-
	<u>613.49</u>	<u>1,763.23</u>

* Refer Note No-58, # Refer Note No-56, \$ Refer Note No-6A(4), % Refer Note No-55, ^ Refer Note No-54



₹ in Lacs)

38 Earnings Per Share (EPS)	As at 31 March 2023	As at 31 March 2022
Face Value Per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹) – After Exceptional Item	66.53	35.53
Basic Earnings Per Share (₹) – Before Exceptional Item	72.51	18.35
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs) – After Exceptional Item	6,826.62	3,646.12
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs) – Before Exceptional Item	7,440.11	1,882.89
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	66.53	35.53
Diluted Earnings Per Share (₹) – Before Exceptional Item	72.51	18.35
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs) – After Exceptional Item	6,826.62	3,646.12
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs) – Before Exceptional Item	7,440.11	1,882.89
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,02,61,382	1,02,61,382
Reconciliation of Weighted Average Number of Shares Outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,02,61,382	1,02,61,382
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,02,61,382	1,02,61,382

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 2023	As at 31 March 2022
Non-current Borrowings	9,002.14	22,974.10
Current Borrowing	30,118.45	36,197.21
Total Debt	39,120.59	59,171.31
Less : Cash & Cash Equivalent and other bank balance	5,324.80	5,536.76
Net debt	33,795.78	53,634.55
Equity	72,285.17	65,976.00
Unsecured borrowings from the Director*	3,800.00	2,740.00
Total capital	76,085.17	68,716.00
Capital and net debt	1,09,880.95	1,22,350.55
Gearing Ratio	30.76%	43.84%

*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.24000 Lacs and accordingly considered as a part of total capital .



40 A Contingent Liabilities and Guarantees

(` in Lacs)

As at 31st
March 2023 As at 31st
March 2022**Contingent Liability****Claims against the company not acknowledged as debts**

Income Tax Act	1,157.04	855.77
Service Tax including Penalty of Rs. 18798.58 Lacs (Rs. 18801.08 Lacs) *	43,837.20	43,866.29
Sales Tax/VAT/GST	4,658.67	4,819.35
Life Time road transport tax	721.79	721.79
Legal Cases against company	225.50	130.77
Custom act,1962	10.00	10.00
Claims from clients **	1,476.08	1,948.72

Guarantees excluding Financial Guarantees

Corporate Guarantees to subsidiary***	18,871.00	26,734.17
Performance Bank Guarantees of Subsidiaries & Associates Co's.	5,569.38	5,577.55
Disputed arbitration award (refer note 55)	11,288.74	-

* Out of this one matter is related to wrong availment of common credit for Rs. 17496.87 Lacs (and penalty of Rs.14505.44 Lacs) where SMS appeal is pending before CESTAT, Mumbai. This case is for the period 2011-12 to 2015-16. For this duration service tax department objected regarding common cenvat credit which SMS had eligibly availed. For this department had questioned our eligibility by applying the unreasonable formula. This resulted in imbalanced demand of service tax; where by reversal of credit asked was far more than the actual availed credit. Service tax department observed that the turnover of SMS had two part i.e. regular works contract and Trading activity. Further SMSL had forgone such alleged common credit by itself in both the cases by way of reversal/payment of input tax credit. These two parts would have been occupied in the same Show cause notice but department preferred two separate notices for these two parts. Then SMS had to approached with two different cases and both the cases filled before The Commissioner (Appeal), Central Excise & GST, Nagpur, however in the case of common credit related to trading turnover in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 The Commissioner (Appeal), Central Excise & GST, Nagpur has accepted that computation of reversal of credit made by SMS and dropped the entire demand. However for Common credit related to regular works contract turnover considering the amount involved matter went against the company and now appeal pending before CESTAT, Mumbai. In this case also as it did in common credit related to trading turnover, the company had reversed input credit of INR 104.52 Lacs.

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 with interest. Also, For this case and for other matter independent opinions obtain by SMSL for a major portion of the contingent liabilities and as articulated by the management for the overall contingent liabilities, the final outgo in this regard is not likely to be significant. Due to long pending queue before CESTAT, Mumbai matter hearings are getting delayed. The company is confident that once the matter come for hearing the result shall be in favour of company.

* Also include 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 Ore. SMSL had paid service tax for the development part, 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 service tax on developement part under normal rates as against service tax paid under composition scheme. 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.



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

**The company has 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 449.02 Lacs 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. In this case, the company is assured that, this amount will be release.



SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

***The outstanding Corporate Guarantee remains only for Maharashtra Enviro Power Limited (MEPL), one of the subsidiary of the company SMS Limited where the loan amount has come down from Rs 31779 Lacs to Rs 18871 Lacs.

Contingent Assets

Claim raised to the client not acknowledged as receivable* 2,667.04 2,667.04

*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 Lacs. Subsequently, award was given by the tribunal in favor of SMS Limited on 22nd Dec 2021 and tribunal 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	22,910.72	6,142.75
Revenue Commitment	1,03,888.35	46,120.47
	1,26,799.07	52,263.22

41 Payment to Auditors (Excluding Taxes)

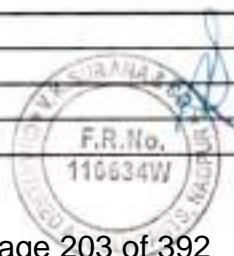
Audit fee	28.60	21.90
Tax audit fee	4.40	4.40
Other services (Certification Fees)	15.00	2.20
	48.00	28.50

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 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 ₹ 8,62,406 lakhs out of which 17.25% 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		2022-23	2021-22
A	Contracts with customers		
i	Revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue	Yes	Yes
ii	Any impairment losses recognised (in accordance with Ind AS 109) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts	NA	NA
B	Contract balances		
i	Opening Balances		
	Contract Receivable	31,248.89	29,812.08
	Contract Assets	17,764.01	19,119.18
	Contract Liability	4,730.16	3,070.85
ii	Closing Balance		
	Contract Receivable	14,694.96	31,248.89
	Contract Assets	19,219.19	17,764.01
	Contract Liability	2,524.29	4,730.16



C	ii	Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,801.42	2,266.90
	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
D	Significant judgement in the application of standard			
	i	An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following	Yes	Yes
		the timing of satisfaction of performance obligations	Yes	Yes
		the transaction price and the amounts allocated to performance obligations.	Yes	Yes
E	Determining the timing of satisfaction of performance obligations			
	i	the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied)	Yes	Yes
	ii	an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.	Yes	Yes

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

Particulars	2022-23	2021-22
i Depreciation charge for right-of-use assets	666.62	176.79
ii Interest expenses on lease liabilities	2,589.59	577.03
iii Expenses relating to short term assets accounted on straight line or other systematic basis over lease term	1,043.26	1,220.19
iv Total cash outflow for Leases other than Sale and Leaseback transactions		-
v Total cash outflow for Sale and Leaseback transactions leases	3,119.31	811.65
vi Interest Income recognised on SD given under lease arrangements	56.02	25.99
vii Additions of right-of use assets	12,837.22	4,089.88
viii Carrying value of right-of use assets at the end of the reporting period	16,117.98	3,947.38
ix Gain/(loss) arising from sale and lease back transactions	40.29	52.06
x Maturity analysis of lease liability as at the end of the reporting period		



Financial Year:		
22-23	-	166.73
23-24	2,524.47	227.22
24-25	3,712.20	1,654.41
25-26	2,351.05	50.98
26-27	1,559.00	74.59
27-28	283.83	109.16
28-29	861.00	641.78
29-30	847.42	
Total amount of lease liabilities as at end of the reporting period	12138.97	2924.87

xi Sale and Leaseback Transactions:

During the FY 22-23, the company has acquired the assets under sale and leaseback transaction to the tune of Rs. 12854.88 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. 40.29 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	126.53
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	126.30
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	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 march22 & 10.88 April22 onwards	Monthly	NO	267.09
J M COTSPIN PRIVATE LIMITED	48 Months	01/05/2022	30/04/2026	27.00	Monthly	NO	530.26
INVATO SALES & SERVICES PRIVATE LIMITED	48 Months	01/05/2022	30/04/2026	16.64	Monthly	NO	336.18
ARS INFO CONCEPT PVT LTD	48 Months	01/05/2022	30/04/2026	22.50	Monthly	NO	440.51
SMS TOLLS AND DEVELOPERS PVT. LTD.	84 Months	01/12/2022	30/11/2029	24.22	Monthly	NO	425.64
SMS TOLLS AND DEVELOPERS PVT. LTD.	84 Months	01/02/2023	31/01/2030	11.36	Monthly	NO	207.70
SMS TOLLS AND DEVELOPERS PVT. LTD.	84 Months	01/01/2023	31/12/2029	1.23	Monthly	NO	22.55

Lease 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
RENT ALPHA PRIVATE LIMITED	16 Quarter	15/04/2022	15/01/2026	4.43	Quarterly	NO	5.66
RENT ALPHA PRIVATE LIMITED	16 Quarter	15/01/2022	31/05/2028	57.85	Quarterly	NO	-
RENT ALPHA PRIVATE LIMITED	16 Quarter	15/01/2022	31/05/2028	5.23	Quarterly	NO	-
SMG REALITIES PRIVATE LIMITED	36 Months	01/12/2022	30/11/2025	249.05	Monthly	NO	5,213.51



45 Employees Benefit

(₹ in Lacs)

Particulars	Gratuity plan		Leave encashment plan	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Table I: Assumptions				
Discount Rate	7.48% per	7.29% per	7.48%	7.29% per
Rate of increase in Compensation levels	7.00% per	7.00% per	7.00%	7.00% per
Rate of Return on Plan Assets	7.29% per	6.81% per	NA	NA
Average future service (in Years)	25.51 Years	24.43 Years	25.51 Years	24.43 Years
Table II: Service Cost				
Current Service Cost	225.48	223.18	94.53	119.33
Past Service Cost (including curtailment Gains/Losses)*		-		-
Gains or losses on Non Routine settlements		-		-
Total	225.48	223.18	94.53	119.33
Table III: Net Interest Cost				
Interest Cost on Defined Benefit Obligation	87.80	75.24	21.78	18.37
Interest Income on Plan Assets	13.79	12.06		-
Net Interest Cost (Income)	74.02	63.18	21.78	18.37
Table IV: Change in Present Value of Obligations				
Opening of defined benefit obligations	1,204.45	1,104.82	298.81	269.78
Service cost	225.48	223.18	94.53	119.33
Interest Cost	87.80	75.24	21.78	18.37
Benefit Paid	(215.42)	(76.70)	(27.09)	(3.37)
Actuarial (Gain)/Loss on total liabilities:	-28.64	(122.09)	(154.47)	(105.31)
- due to change in financial assumptions	-33.17	(83.09)	(2.19)	(6.51)
- due to change in demographic assumptions		-		-
- due to experience variance	4.53	(39.00)	(152.28)	(98.80)
Closing of defined benefit obligation	1,273.67	1,204.45	233.57	298.81
Table V: Change in Fair Value of Plan Assets				
Opening fair value of plan assets	189.12	177.10	-	-
Actual Return on Plan Assets	12.96	12.02	-	-
Employer Contribution	219.45	76.70	27.09	3.37
Benefit Paid	-215.42	(76.70)	(27.09)	(3.37)
Closing fair value of plan assets	206.10	189.12	-	-
Table VI: Actuarial (Gain)/Loss on Plan Asset				
Expected Interest Income	13.79	12.06	-	-
Actual Income on Plan Asset	12.96	12.02	-	-
Actuarial gain /(loss) on Assets	(0.83)	(0.04)	-	-



Particulars	Gratuity plan		Leave encashment plan	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Table VII: Other Comprehensive Income				
Opening amount recognized in OCI outside	-	-	-	-
Actuarial gain / (loss) on liabilities	28.64	122.09	-	-
Actuarial gain / (loss) on assets	-0.83	(0.04)	-	-
Closing amount recognized in OCI outside P&L account	27.81	122.05	-	-
Table VIII: The amount to be recognized in Balance Sheet Statement				
Present Value of Obligations	1,273.67	1,204.45	233.57	298.81
Fair value of plan assets	206.10	189.12		N
Net Obligations	1,067.57	1,015.33	233.57	298.81
Amount not recognized due to asset limit		-		-
Net defined benefit liability / (assets) recognized in balance sheet	1,067.57	1,015.33	233.57	298.81
Table IX: Expense Recognized in Statement of Profit and Loss				
Service cost	225.48	223.18	94.53	119.33
Net Interest Cost	74.02	63.18	21.78	18.37
Net actuarial (gain)/loss		-	(154.47)	(105.31)
Expenses Recognized in the statement of Profit & Loss	299.50	286.36	(38.15)	32.40
Table X: Major categories of plan assets (as percentage of total plan assets)				
Government of India Securities	0%	0%	0%	0%
State Government Securities	0%	0%	0%	0%
High Quality Corporate Bonds	0%	0%	0%	0%
Equity Shares of Listed Companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Special Deposit Scheme	0%	0%	0%	0%
Fund Managed by Insurer	100%	100%	0%	0%
Bank Balance	0%	0%	0%	0%
Other Investments	0%	0%	0%	0%
Total	100%	100%	0%	0%
Table XI: Change in Net Defined Obligations				
Opening of Net defined benefit liability	1015.33	1013.03	298.81	269.78
Service cost	225.48	223.18	94.53	119.33
Net Interest Cost	74.02	63.18	21.78	18.37
Re-measurements	(27.81)	(122.05)	(154.47)	(105.31)
Employer Contribution	(219.45)	(76.70)	(27.09)	(3.37)
Closing of Net defined benefit liability	1,067.57	1,100.64	233.57	298.81

SMS Limited

Notes to Standalone Financial Statements for the year ended on 31st March, 2023

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. (Application for Merger under process with NCLT)
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	16. SMSL Ketki MDO Project Limited
8. SMS Tolls And Developers Ltd. (Not Subsidiary w.e.f. 09.12.2022)	
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. SMSL-SRRCIPL (J V)
2. SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	12. SMSIL-MBPL (JV)
3. SMS Infrastructure Ltd. Shreenath Enterprises J.V.	13. Meghe SMS Health Sciences Consortium (SPV)
4. SRRCIPL-SMSL-BEKEM-JV	14. AGIPL-SMSIL (JV)
5. Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	15. Sanbro Corporation
6. GSJ Envo Ltd. in consortium with SMS Infrastructure Ltd.	16. Saket - SMSIL (JV)
7. SMSIL KTCO (JV)	17. SRRCIPL-SMSL (J V)
8. Bharati SMSIL (JV)	18. SRRCIPL-SMSL (JV)-Mahabubnagar
9. SMSIL-MBPL-BRAPL (JV)	19. SMSIL-MBPL JV Durg-package-A
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 - Non Executive Director
4. Ajay Kumar Lakhota - Independent Director	8. Nirbhay Sancheti - Whole Time Director

e Other related parties

1. Ponda Envocare Limited	17. Best Power Plus Private Limited
2. SMS Envocare Ltd.	18. Kingsway Foundation
3. SMS Waluj CETP Pvt. Ltd.	19. Pinnacle
4. SMS Multi Objective Organisation	20. BSS Associates
5. Atul Multi Objective Organisation	21. Mrs. Raveena Nirbhay Sancheti
6. Valencia Constructions Pvt. Ltd.	22. Trishala Anand Sancheti
7. Veet Rag Exploration & Minerals Pvt. Ltd.	23. Mrs. Kavita Paramveer Sancheti
8. Veet Rag Hospitality Pvt. Ltd.	24. Smt. Bharati Sancheti
9. San Commercials Pvt. Ltd.	25. Karan Anand Sancheti
10. Nilawar Water Grace Waste Management Private Limited	
11. Butibori CETP Pvt Ltd	26. SMS Water Grace Enviroprotect Pvt Ltd.
12. Grey Mountain Private Limited	27. SMS Water Grace Medwaste Management Pvt Ltd
13. San Finance Corporation	28. Smt. Vijaya Sancheti
14. Sanson Developers	29. Mrs. Shruti Anand Sancheti
15. KPANV Mines and Mineral LLP	30. Mrs. Shreya Akshay Sancheti
16. SPANV Medisearch Life Science Private Limited	31. KPANV Ventures LLP
	32. Oracity life sciences LLP



46 Related Party Transactions

2. Transaction carried out with related parties referred to above

(' in Lacs)

Nature of Transaction	Related Parties		
	Subsidiary Companies	Associates, JVs & Other Related Parties	Key Mangement Personnel
Loan \ Advance Given\Repaid	26,949.46	33,014.44	240.00
	(13,879.97)	(27,136.03)	(1,160.00)
Loan \ Advance Received\ Recovered	25,748.48	34,662.34	1,300.00
	(12,360.42)	(28,615.02)	(3,900.00)
Donations	-	1.16	-
	-	(1.00)	-
Interest Income	767.33	13.77	-
	(440.46)	(7.41)	-
Interest Expenses	-	528.16	-
	(52.97)	(166.11)	-
Other Services Rendered	1,389.69	69.89	-
	(248.37)	(26.63)	-
Rent Expenses	14.42	14.40	-
	(13.92)	(14.40)	-
Rent Income	224.75	1.68	-
	(152.73)	(1.68)	-
Revenue from operations	313.77	21,571.77	-
	(1,252.68)	(11,587.82)	-
Sale of Assets	718.69	730.89	2,041.04
	-	(1,934.52)	-
Sale of Material	-	600.63	600.63
	-	-	-
Services Taken	617.43	610.94	-
	(1,049.16)	(501.68)	-
Sitting Fees	-	-	128.00
	-	-	(134.00)
Managerial Remuneration	-	-	972.19
	-	-	(994.56)
Commission & Brokerage	-	94.50	-
	-	(63.75)	-
Security Deposit Given	-	438.45	-
	-	(285.93)	-
Security Deposit Taken	-	(1,056.29)	-
	-	-	-
Royalty Expenses	-	15.29	-
	-	(2.54)	-
Reimbursement of expenses	3.09	41.97	-
	(0.16)	-	-
Purchase of Share (Investment)	2,900.00	-	-
	(1.00)	-	-
Mobilisation Advance Received	-	4.99	-
	-	(14.92)	-
Change in Investment	(5.00)	288.65	-
	-	(1,554.37)	-
Purchase	4.38	14.50	-
	-	(2.72)	-
Profit on Foreign Exchange	468.93	-	-
	(148.65)	-	-
Lease Rent	-	381.60	-
	-	(318.00)	-
Dividend Received	1,038.95	-	-
	(779.22)	-	-
Outstanding balances include in Current Asset & Current Liabilities & Investment Outstanding	15,346.36	(98.94)	-3912.67
	(12372.02)	(3352.64)	(-2997.37)

*All figures in brackets are related to previous financial year 2021-22



Party Name/Nature of Transactions	Loan / Advances Given/Repaid	Loan / Advances Taken / (Recovered)	Profit Due to Foreign Exchange Variation	Donation	Purchase	Other Services Received	Rent Expenses	Rent Income	Interest Expenses	Interest Income	Security Deposit	Security Deposit Taken	Mobilization Advances Received	Purchase of Shares	Reimbursement of expenses	Royalty Expenses	Commission & Brokerage	Revenue from Operations	Sale of Asset	Sale of Material	Lease Rent	Services Taken	Dividend Received	Sitting Fees	Managerial Remuneration	Change in Investment	Outstanding balance include in Current Asset & Current Liabilities
AGPL-EMSA (JV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sri. Havona Nirday Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72.00	-	-	-	-	-	-148.90	
Sri. Trishala Anand Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(574.06)	80.00	-	-	-	-	-	(-140.06)	
Sri. Trishala Anand Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(294.70)	66.00	-	-	-	-	-	(-118.70)	
Sri. Kavita Paravveer Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72.00	-	-	-	-	-	-148.90	
Sri. Shwari Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(374.06)	80.00	-	-	-	-	-	(-140.06)	
Sri. Shwari Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72.00	-	-	-	-	-	-148.90	
Sri. Kagan Anand Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(393.99)	80.00	-	-	-	-	-	(-118.14)	
Sri. Kagan Anand Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(294.70)	66.00	-	-	-	-	-	(-118.14)	
Sri. Shreya Ashay Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(294.70)	66.00	-	-	-	-	-	(-118.14)	
Sri. Shreya Ashay Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(294.70)	66.00	-	-	-	-	-	(-118.14)	
Sri. Shreya Anand Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	312.88	606.43	-	-	-	-	-	-	
Sri. Shreya Anand Sancheti-Relative of KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(394.70)	66.00	-	-	-	-	-	-	
SMS Water Grace Environment Pvt Ltd	-	-	-	-	-	1.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SMS Water Grace Environment Pvt Ltd	-	-	-	-	-	(1.75)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.99)	
SMS Water Grace Mediawaste Management Pvt Ltd	-	-	-	-	-	1.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.75)	
SMS Water Grace Mediawaste Management Pvt Ltd	-	-	-	-	-	(1.75)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.75)	
Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sri. Ajay Kumar Lakhotia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-5.02	
Sri. Ajay Kumar Lakhotia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.02)	
Sri. Ramendra Gupta	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-5.02	
Sri. Ramendra Gupta	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.02)	
Sri. Harish Lohia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.02)	
Sri. Harish Lohia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.02)	
Sri. Ashay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	817.78	-	-	-	-	-	-5.02	
Sri. Ashay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.02)	
Sri. Anand Sancheti	240.00	1,380.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	518.06	606.43	-	-	-	-	-301.18	
Sri. Anand Sancheti	(1,380.00)	(3,900.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(-2704.86)	
Sri. Dilip Sumre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-16.17	
Sri. Dilip Sumre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(62.00)	
Sri. Nirbhay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-8.00	
Sri. Nirbhay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(242.83)	
Sri. Pawan Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-4.84	
Sri. Pawan Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(162.49)	
Sri. Smita Agarwal (DR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(159.93)	
Sri. Smita Agarwal (DR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.34)	
Sri. Rajesh Gada (DR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49.94	
Sri. Rajesh Gada (DR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25.57)	

*All figures in brackets are related to previous financial year 2021-22



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 values of financial assets and liabilities measured at amortised cost The carrying amounts of trade receivables, short term deposits, cash and cash equivalents, trade payables are considered to be the same as their fair values, due to their short-term nature. The Company considers that the Security Deposits does not include a significant financing component. The security deposits coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract. Accordingly, transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost. Significant estimates: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.

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, 2023 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	13,628.76	-	429.90	14,058.66	14,058.66
Trade receivables	14,694.96	-	-	14,694.96	14,694.96
Loans	10,269.03	-	-	10,269.03	10,269.03
Others financial assets	22,459.62	-	-	22,459.62	22,459.62
Cash and cash equivalents	1,187.34	-	-	1,187.34	1,187.34
Other bank balances	4,137.46	-	-	4,137.46	4,137.46
Liabilities:					
Borrowings	45,678.54	-	-	45,678.54	45,678.54
Lease Liabilities	12,139.04	-	-	12,139.04	12,139.04
Trade payables	20,060.36	-	-	20,060.36	20,060.36
Other financial liabilities	21,118.47	-	-	21,118.47	21,118.47

The carrying value and fair value of financial instruments by categories as at 31st 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
Assets:					
Investments	11,956.95	-	412.95	12,369.90	12,369.90
Trade receivables	31,248.89	-	-	31,248.89	31,248.89
Loans	10,340.55	-	-	10,340.55	10,340.55
Others financial assets	20,678.29	-	-	20,678.29	20,678.29
Cash and cash equivalents	316.35	-	-	316.35	316.35
Other bank balances	5,220.41	-	-	5,220.41	5,220.41
Liabilities:					
Borrowings	63,883.19	-	-	63,883.19	63,883.19
Lease Liabilities	2,924.87	-	-	2,924.87	2,924.87
Trade payables	14,524.56	-	-	14,524.56	14,524.56
Other financial liabilities	15,416.20	-	-	15,416.20	15,416.20



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

Ratio	Numerator (Narration)	Denominator	Current Period F.Y 2022-23	Previous Period F.Y 2021-22	% of Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.44	1.74	-17%	Current ratio decreased due to decreased in current assets without corresponding decreased in current liability.
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.51	0.86	-40%	Due to decrease in loan liability and increase in profit.
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.23	1.16	6%	
(d) Return on Equity Ratio	(Net Profits after taxes – Preference Dividend)	Average Shareholder's Equity	9.44%	5.53%	4%	
(e) Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	2.55	1.72	49%	The ratio has improved due to better utilisation of resources.
(f) Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	8.14	2.90	181%	Due to better realisation from client, ratio has improved significantly
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1.26	1.32	-5%	
(h) Net capital turnover ratio	Net Sales	Working Capital	3.89	1.83	113%	Due to better utilisation of resources, the company able to improved net capital turnover ratio.
(i) Net profit ratio	Net Profit	Net Sales	5.70%	4.03%	2%	
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	14.21%	10.28%	4%	
(k) Return on investment	(Current Value of investment - Cost of investment)	Cost of Investment	11.50%	9.72%	2%	



49 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 31st March 2023	As at 31st March 2022
Trade receivables	14,694.96	31,248.89
Work in progress	28,048.96	21,798.27
Total	42,743.92	53,047.17

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 2023	As at 31st March 2022
Bank guarantees	86,721.36	71,423.82
Total	86,721.36	71,423.82

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 minimise 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 2023	As at 31st March 2022
Cash and cash equivalent	1,187.54	316.35
Bank balance other cash and cash equivalent	4,137.46	5,220.41
Total	5,324.80	5,536.76

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 2023	As at 31st March 2022
(i) Amount required to be spent by the company during the year	24.79	34.61
(ii) Last year Unspent amount	(1.68)	0.71
(iii) Amount of expenditure incurred	23.52	37.00
(iv) (Shortfall)/excess at the end of the year	0.41	1.68
(v) (Shortfall)/excess at the end of the year	NIL	NIL
(vi) Reason for shortfall	NIL	NIL
(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	8.82	25.00
B) Contribution to fight against COVID-19 pandemic	-	1.76
C) Contribution to Eradicating hunger, poverty and malnutrition	0.20	-
D) Contribution to promoting education	14.50	9.53
E) Contribution to Prime Minister National Relief Fund	-	0.71
	23.52	37.00

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 2022	As on 31 March 2021
Total comprehensive income as per the last audited financial statement	2,572.75	(1,989.23)
Prior Period Item (Foreign currency fluctuation due to change in rate)	0.00	48.37
Total comprehensive income as per the current year financial statement	2,572.75	(1,940.86)

Reconciliation of other equity	As on 31 March 2022	As on 31 March 2021
Total amount of other equity as per the last audited financial statement	64,949.86	61,333.47
Prior period item	-	48.37
Total amount of other equity as per the current year financial statement	64,949.86	61,381.84

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 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 claim 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 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 known as 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 went 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 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 Cineplex's. 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.



- 54 The Company had invested an amount of Rs. 637.19 Lacs in Pt. SMS Mines Indonesia and Rs.161.56 Lacs in Pt. SMS Minerals International towards equity, apart from this the Company has given interest bearing loan of Rs.4660.85 Lacs and have trade receivable of Rs.2345.67 Lacs in later JV. These companies are in the business of coal mining in the province of Sumatra. These foreign JV's have huge reserves of coal and in the past a substantial portion of the same was mined which resulted in profit in past years. However, subsequently due to diversion of river and certain other issues, the mining of balance reserves could not be undertaken as coal reserves was stuck beneath the river and over the past few years there has been no/negligible business in foreign JV. The application for river diversion had already been put up with the concerned authorities in Indonesia, but no approval has been received so far.
- In the meanwhile, SMS Ltd. was also exploring to sell and transfer the business interest. In the current year an understanding has arrived at to said effect whereby the company has entered into a term sheet dated 15th March, 2023 with a prospective buyer to sell off the investment in above foreign JV's.
- However, looking at the past performance of the business, regulatory challenges, distant chances of revival of business operations, huge losses etc. no clear deadline of recovery of loan & book debt in the term sheet the possibility to recover the amount from said foreign JV is uncertain. As such on a prudent basis, it has been proposed to make a provision for doubtful loans and debt in the books totaling to Rs.7006.52 Lacs. However, this action does not impact the right of SMS Ltd to recover the said amount in future from foreign entities.
- 55 Accounting of Arbitration Award in relation to credit facilities availed from SREI: Despite reaching an understanding of reduction in loan liability, the same was disputed and referred to Arbitrator by SREI. Arbitration Award was passed by the learned Sole Arbitrator on 25th August, 2022, wherein the view of SMS Limited was upheld by the Arbitrator and SMS Limited was directed to pay Rs. 4904 Lacs along with interest @ 8% p.a.
- The said Award was challenged by SREI before the Hon'ble Calcutta High Court u/s 34 of the Arbitration and Conciliation Act. However, till date neither there is any stay granted on the Award nor the same has been set aside. The management is confident that the petition filed by SREI will not be allowed by the Hon'ble High Court since it has been proved in the arbitration proceedings that a settlement had taken place between SMS Limited and SREI towards full and final settlement of dues for Rs. 14000 Lacs, out of which Rs. 9096 Lacs was paid by December 2020 and appropriated by SREI and balance to be paid was Rs. 4904 Lacs.
- In view of the expert legal opinion and facts above, the management has written back the excess liability comprising of principal amount of Rs. 7900.04 Lacs and interest liability of Rs.1315.43 Lacs thereon in the finance cost. The amount of written back of principal amount is in the nature of capital receipt and considered as an exceptional items in accordance with Ind AS 109 read with schedule III - Division II of Companies Act 2013.
- 56 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 loan amount is Rs. 1,038.89 Lakhs and amount of investment in equity is Rs.0.26 Lacs.
- Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation (hereinafter referred as SDMC) which was disputed by later. Against this, the Associate company had approached the Hon. High Court of Delhi, which vide its order dated 17th June'2018, appointed Sole Arbitrator. However, the same was challenged by SDMC in the Hon. Supreme Court, which vide its order dated 22nd November'2018 held that in this matter no arbitrator can be appointed. Thereafter the Associate company had filed a Petition for clarification of above Order. On 1st January'2022 the Hon. Supreme Court dismissed the clarification application and granted liberty to associate co. to pursue other remedies available under the law.
- Consequently, on the 6th June'2022, the associate company sent the notice to the SDMC for the payment of balance consideration, but did not received any response. Thereafter, Associate company has filed the civil suit in High Court of Delhi for recovery of the amount. The suit is still pending.
- In view of the prolonged pendency with no relief as yet, on a prudent basis the company has decided to make provision for doubtful recovery of the loan given to associate company amounting to Rs. 1038.89 Lacs and provision for diminution in investment amounting to Rs.0.26 Lacs. However, this action does not impact the right of SMS Limited to receive the same amount in future from associate company.



- 57 SMS Limited had invested an amount of Rs. 992 Lacs and provided the loan of Rs. 1571.98 Lacs in SMS Vidyut Private Limited. 3) 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.
- 58 A Joint Venture in the name of SMS Infrastructure Ltd. (SMSI) & D. Thakkar Construction Pvt. Ltd. (DTC) (JV) was formed in December 2008, with 70% share of SMSI 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. SMSI is now executing the remaining works on behalf of JV.
- Against loss of Rs. 3890.84 Lacs in FY 2019-2020 the SMSI has booked his share of 70% of loss of Rs. 2723.59 Lacs as an exceptional item. Though there will be no cash outflow for SMSI, 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, this 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.
- 59 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. 043434
Place : Nagpur
Date : 06/06/2023
UDIN : 23043414BHXCREF6359



For and on behalf of the Board of Directors

Anand Sandheti

ANAND S. SANDHETI
Managing Director
DIN: 00953362

S. Agarkar
SANTA F. AGARKAR
Company Secretary

For and on behalf of the Board of Directors

Dilip B. Surana

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, 2023, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated Statement of cash flows 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 possible 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, 2023, their consolidated profit, (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

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. Bhartia SMSIL JV based on the provisional financial statement of FY 2022-23. As per the information and explanation 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.



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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") together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

1. We draw attention to Note No. 61 of the consolidated financial statements regarding Accounting of Arbitration Award in relation to credit facilities availed from SREI. Despite reaching an understanding of reduction in loan liability, the same was disputed and referred to Arbitration by SREI. Arbitration Award was passed by the learned Sole Arbitrator on 25th August, 2022, wherein the view of the Company was upheld by the Arbitrator and the Company was directed to pay Rs. 4904 Lacs along with interest @ 8% p.a., out of which Rs.2,250 Lacs has been paid by company in March 2023 to SREI (via DBS Bank as SREI assigned one loan contract to DBS Bank) and balance to be paid is only Rs. 3074 Lacs (including interest).

The said Award was challenged by SREI before the Hon'ble High Court at Calcutta. On 27th July, 2023, the Hon'ble High Court dismissed the application filed by SREI while holding that SREI has not been able to establish any grounds for interfering with or setting aside the Award. In this regard, SREI is also exploring other legal options.

In view of the expert legal opinion and facts above, the management has written back the excess liability comprising of principal amount of Rs. 7900.04 Lacs and interest liability of Rs.1315.43 Lacs thereon in the finance cost. The amount of written back of principal



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amount is in the nature of capital receipt and considered as an exceptional item in accordance with Ind AS 109 read with schedule III - Division II of Companies Act 2013.

2. We draw attention to Note No. 62 of the consolidated financial statements regarding wherein the Company had invested an amount of Rs. 637.19 Lacs in Pt. SMS Mines Indonesia and Rs.161.56 Lacs in Pt. SMS Minerals international towards equity, apart from this the Company has given interest bearing loan of Rs.4660.85 Lacs and have trade receivable of Rs.2345.67 Lacs in later JV. These companies are in the business of coal mining in the province of Sumatra. These foreign JV's have huge reserves of coal and in the past a substantial portion of the same was mined which resulted in profit in past years. However, subsequently due to diversion of river and certain other issues, the mining of balance reserves could not be undertaken as coal reserves was stuck beneath the river and over the past few years there has been no/negligible business in foreign JV. The application for river diversion had already been put up with the concerned authorities in Indonesia, but no approval has been received so far.

In the meanwhile, SMS Ltd. was also exploring to sell and transfer the business interest. In the current year an understanding has arrived at to the said effect whereby the company has entered into a term sheet dated 15th March, 2023 with a prospective buyer to sell off the investment in above foreign JV's.

However, looking at the past performance of the business, regulatory challenges, distant chances of revival of business operations, huge losses etc. no clear deadline of recovery of loan & book debt in the term sheet the possibility to recover the amount from said foreign JV is uncertain. As such on a prudent basis, the holding company has made a provision for doubtful loans and debt in the books totalling to Rs.7,006.52 Lacs. However, this action does not impact the right of SMS Ltd to recover the said amount in future from foreign entities.

3. We draw attention to Note No. 63 of the consolidated financial statements wherein the Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an Associate company'). Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation ((hereinafter referred as SDMC) which was disputed by later. Against this, the Associate Company had approached the Hon. High Court of Delhi, which vide its order dated 17th June 2016, appointed Sole Arbitrator. However, the same was challenged by SDMC in the Hon. The Supreme Court, which vide its order dated 22nd November 2018 held that in this matter no arbitrator can be appointed. Thereafter the Associate Company filed a Petition for clarification of the above Order. On 3rd January'2022 the Hon. The Supreme Court dismissed the clarification application and granted liberty to associate co. to pursue other remedies available under the law. Consequently, on the 6th June'2022, the associate



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company sent the notice to the SDMC for the payment of balance consideration, but did not receive any response. Thereafter, the Associate Company has filed the civil suit in the High Court of Delhi for recovery of the amount which is still pending. In view of the prolonged pendency with relief yet to come, on a prudent basis the company has made provision for doubtful recovery of the loan given to the associate company. However, this action will not impact the right of SMS Limited to receive the same amount in future from the associate company.

4. We draw attention to Note No. 70 of consolidated financial statements wherein balance confirmations of some of the parties are not received as on the date of signing of financial statement and are subject to confirmations. Our Opinion is not modified in respect of these matters.

5. **Subsidiaries, Jointly Controlled entities and Associate Company not consolidated.**

We draw attention to Note No. 57(i), Note No. 57(iii) and Note No. 57(v) of the Consolidated Financial Statements, which is reproduced as under:

The financial statement of the SMS Infrastructure Ltd. Shreenath Enterprises jointly controlled entity (partnership firm) was not available on record. The operations of this entity stalled 6-7 years back and the company is expecting receipts of outstanding income tax refund, vat refund and security deposits in this entity and hence same balances is considered for the consolidated financial statement.

We draw attention to Note No. 8 (1) of the consolidated financial statements wherein the company has made the provision for diminution in value of investments in Associate Company, RCCL infrastructure Ltd. during F Y 2022-23 amounting to Rs. 467.86 Lacs, as the operation of this entity has stalled 8-9 years back and the company is not estimating any future return from it. 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 company's share of net worth and profit / (loss) for the financial year 2022-23 (as per equity method).

In the absence of the financial statements of Subsidiary Foreign Companies i.e. P.T.SMS Mines Indonesia and P.T. SMS Minerals International are not consolidated in SMS LTD ("the Holding Company") due to they were not available on record.

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.



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6. Ayodhya Gorakhpur SMS Tolls Private Limited – Subsidiary of the Holding Company

We draw attention to Note No. 66 of the consolidated financial statements, wherein the company is in the process of merger with its parent company SMS Limited after due approval of the same. That company will cease to exist and all the assets and liabilities will be subsumed in the merged entity. Our opinion is not modified in this matter.

7. Spark Mall and Parking Private Limited - Subsidiary of the Holding Company

We draw attention to Note No. 67 and Note No.68 of the consolidated financial statement wherein during FY 2022-23, the company has discontinued the services of operating pharmacy/chemist shop, operating medical Testing unit i.e., Laboratory which was purchased on 1st August,2021 against the consideration of Rs. 3640 lacs from SMD Hospitals Private Limited. The company has sold all the related to pharmacy/chemist shop business to different buyers as follows:

(Rs. In Lacs)

Sr No.	Nature of Asset sold	Buyer's Name		
		Cotex laxmi	AVBR	Scrap Sale
		Amount	Amount	Amount
1	Building Shed	0.97	-	-
2	Computer Equipment and Audio Visual	23.52	-	-
3	Equipment's	96.46	15.30	-
4	Furniture And Fixtures	55.52	-	-
5	Software	11.70	-	-
6	Vehicle	5.08	-	0.13
7	Inventory	489.53	-	-
TOTAL		682.78	15.30	0.13

We further draw attention to the Note no. 43A of consolidated financial statements wherein during FY 2022-23, the company has impaired entire goodwill related to acquisition of pharmacy/chemist shop business amounting to Rs. 2,890.90 lacs.

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.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and jointly controlled entities, 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.

In addition to the matters described in the Basis for Qualified Opinion we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters.

➤ SMS Limited – Holding Company

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	<p>Evaluation of impairment of Non-Current Investments and Current Loans.</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">• The significance of the amount of these investments in the consolidated Balance Sheet.• Performance and net worth of these entities and• The degree of management judgement involved in determining the recoverable	<p>Principal Audit Procedures</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">• Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models;• Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models;• Evaluating the reasonableness of the valuation assumptions, such as discount rates; used by management through reference to external market data;• Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products;• Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management;• Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash



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Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>amount of these investments including:</p> <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. 8 and 9 to the Consolidated Financial Statements.</p>	<p>flows;</p> <ul style="list-style-type: none"> • Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and • Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.
2.	<p>Evaluation of Contingent Liabilities</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>Principal Audit Procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the company; • We along with our internal tax experts – <ul style="list-style-type: none"> a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards; c) Assessed management's estimate of the possible outcome of the disputed cases.
3.	<p>Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:</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</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of indirect tax from the Customer / Department. • Considered the terms of the contracts to determine the transaction



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Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>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 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. - 60 to the Consolidated Financial Statements.</p>	<p>price i.e. whether it is inclusive of the Indirect Taxes or not.</p> <ul style="list-style-type: none">• Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law.• Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;• Assessed management's estimate of the possible recovery of the claim raised to the Department.

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, compare with the financial statements / financial information of the subsidiaries, jointly controlled entities and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or



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otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, jointly controlled entities and associates, is traced from their financial statements / financial information audited by the other auditors.

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

Responsibilities of Management and for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group including 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies 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 the Board of Directors either intend to liquidate the Group including its associates and jointly controlled entities or to cease operations, or has no realistic alternative but to do so.



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Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude



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that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in 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 Consolidated Financial Statements

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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



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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 consolidated 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.

Other Matters

- a) We did not audit the financial statements / financial information of three subsidiaries, two step-down subsidiaries and eighteen jointly controlled entities, whose financial statements / financial information reflect total assets of Rs.58,430.99 Lacs as at 31st March, 2023, total revenues of Rs. 65,897.53 Lacs and net cash outflow amounting to Rs. 5,641.14 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 include the Group's share of net loss (including other comprehensive income) of Rs.813.48 Lacs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of two step-down associates whose financial statements have not been audited by us. The consolidated financial statements also disclosed the unrecognised losses of Group's share of net loss of Rs. 1,149.12 Lacs as at 31st March' 2023 (Rs. 22.39 Lacs for the year ended 31st March' 2023) referred to in Note No.8 (1), 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



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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 the subsidiary SMS Taxicabs Private Limited and its jointly controlled entity – M/s. Bhartia SMSIL JV, whose financial statements / financial information reflect total assets of Rs. 10,448.66 Lacs as at 31st March, 2023, total revenues of Rs. 26.11 Lacs and net cash inflows amounting to Rs. 15.60 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 entities, 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, associates and jointly controlled entities, is based solely on such unaudited financial statements / financial information.

The said subsidiary and jointly controlled entity 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)

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

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 jointly 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;



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- 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 and its jointly controlled entity – M/s. Bhartia SMSIL JV – 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, 2023 taken on record by the Board of Directors of the Holding Company and based on the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the director of the Holding Company, its Subsidiary companies and associate company from being appointed as a director in terms of Section 164(2) of the Act, except for the Subsidiary Company-SMS Taxicabs Private Limited wherein all the existing directors as appearing in ministry of corporate affairs portal as on 31st March, 2023 are technically disqualified from being appointed as a director in terms of Section 164(2) of the Act due to non-filing of annual returns for continuous of three financial years.
- 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 and its jointly controlled entity – M/s. Bhartia SMSIL JV – 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



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subsidiary companies, one step-down associate 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 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 all nineteen 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.

In case of, two step-down subsidiaries, one step-down associate and one associate company the opinion on the internal financial controls over the financial reporting is not given by the Statutory Auditor of the said subsidiaries, step-down associate company and associate company due to which we are unable to comment on the same

In the absence of the financial statements, two foreign subsidiaries are not consolidated in SMS LTD ("the Holding Company") due to they were not available on record, hence opinion on the internal financial controls over the financial reporting is not given by the Statutory Auditor of the said subsidiaries due to which we are unable to comment on the same

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, associates and jointly controlled entities:
 - 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



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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, its associate companies and jointly controlled entities 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, its associate companies and jointly controlled entities.
- iv. a) The respective managements of the Holding Company, its subsidiaries, associates and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and jointly controlled entities respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and jointly controlled entities to or in any other person(s) or entities, 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 respective Holding Company or any of such subsidiaries, associates and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and jointly controlled entities respectively 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 respective Holding Company or any of such subsidiaries, associates and jointly controlled entities from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and jointly controlled entities 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; and



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- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Holding Company, its subsidiary companies, associate companies and jointly controlled entities have not declared or paid any dividend during the year ended 31st March 2023, except for the interim dividend paid by the Subsidiary Company- SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED incorporated in India during the year are in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
- 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 explanations given to us and based on the auditor's reports of subsidiary companies, associate companies and jointly controlled entities incorporated in India, the remuneration paid by the Parent and such subsidiary companies, associate companies and jointly controlled entities to their respective directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act.
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 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, one step-down associates, which are companies incorporated in India, as of March 31, 2023.



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There are two Step-down Subsidiaries, one associate and one stepdown associate included in the consolidated financial statements for the year ended 31st March 2023 audited by other auditors, for which the reports under section 143(11) of the Act of such companies have not yet been provided by the respective auditors.

In the absence of the financial statements, one associate and two foreign subsidiaries are not consolidated in SMS Ltd. ("the Holding Company") due to they were not available on record.

The unaudited financial statements of one of subsidiary company SMS Taxicab Private Limited has been considered on a provisional basis 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 all nineteen 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 28, 2023

UDIN - 23093414B4XC TE 2265



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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, 2023, we have audited the internal financial controls over financial reporting of **SMS LIMITED** (hereinafter referred to as "the Company"), its twelve subsidiary companies and one step-down associate, which are companies incorporated in India, as of March 31, 2023.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its twelve subsidiary companies and one step-down associate 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 incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over



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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, two fellow subsidiaries companies and its one associate and two step-down associates 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.



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Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, its twelve subsidiary companies and its one step-down associate 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, 2023, 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) We did not audit the internal financial controls with reference to financial statements in so far as it relates to three subsidiaries which are companies covered under the Act, whose financial statements / financial information reflect total assets of Rs. 54,124.19 Lacs as at 31st March, 2023, total revenues of Rs. 45,507.48 Lacs and net cash outflow amounting to Rs. 5,656.96 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs.824.12 Lacs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one step-down associate, which is a company covered under the Act, whose internal financial controls with reference to financial statements has not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and step-down associate company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and step-down associates, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and step-down associates is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.



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- (b) In case of, 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 all nineteen 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.
- (d) In case of, two step-down subsidiaries, one step-down associate and one associate company the opinion on the internal financial controls over the financial reporting is not given by the Statutory Auditor of the said subsidiaries, step-down associate company and associate company due to which we are unable to comment on the same
- (e) In the absence of the financial statements, two foreign subsidiaries are not consolidated in SMS LTD ("the Holding Company") due to they were not available on record, hence opinion on the internal financial controls over the financial reporting is not given by the Statutory Auditor of the said subsidiaries 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 28, 2023

UDIN - 23043414 B4XC7E2265



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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, one step-down associates, which are companies incorporated in India, as of March 31, 2023.

The details of Holding Company, its twelve subsidiary companies and one step-down associates 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	06-06-2023
2	SMS ENVOCLEAN PRIVATE LIMITED	U52100MH2005PTC156774	Subsidiary	19-08-2023
3	SMS INFOLINK PRIVATE LIMITED	U74110MH2011PTC221718	Subsidiary	29-07-2023
4	SMS HAZARDOUS WASTE MANAGEMENT PRIVATE LIMITED	U90000MH2007PTC170870	Subsidiary	24-08-2023
5	SPARK MALL AND PARKING PVT LTD	U74999MH2008PTC178827	Subsidiary	04-09-2023
6	SMS VIDHYUT PRIVATE LIMITED	U40101MH2006PTC166038	Subsidiary	27-08-2023
7	SMS WATER GRACE BMW PVT LTD	U52100MH2007PTC167615	Subsidiary	22-07-2023
8	SMS WASTE MANAGEMENT PVT LTD	U90001MH2014PTC260149	Subsidiary	19-08-2023
9	MAHARASHTRA ENVIRO POWER LIMITED	U40105MH2005PLC150780	Subsidiary	04-09-2023
10	SMS MINING LIMITED	U14290MH2021PLC368362	Subsidiary	26-08-2023
11	SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED	U45200MP2014PTC032929	Subsidiary	27-08-2023
12	AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED	U63000MH2013PTC240214	Subsidiary	30-08-2023
13	SMSL KETKI MDO PROJECT LIMITED	U14294MH2022PLC393634	Subsidiary	25-08-2023
14	SPANV MEDISEARCH LIFESCIENCES PRIVATE LIMITED	U74999MH2018PTC303510	Step-down associate	02-06-2023



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Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2013 for which such Order reports have been issued till date and made available to us:

Sr. No.	Name of the Company	CIN	Relationship with Holding Company	Clause number of the CARO report which is qualified or adverse or remarks
1	SMS LIMITED	U80100MH1997P LC107906	Holding	(ii)(b), (iii), (vii)(a), (vii)(b)
2	SMS ENVOCLEAN PRIVATE LIMITED	U52100MH2005P TC156774	Subsidiary	(iii)
3	SMS INFOLINK PRIVATE LIMITED	U74110MH2011P TC221718	Subsidiary	(xvii)
4	SMS HAZARDOUS WASTE MANAGEMENT PRIVATE LIMITED	U90000MH2007P TC170870	Subsidiary	(xvii)
5	SPARK MALL AND PARKING PRIVATE LIMITED	U74999MH2008P TC178827	Subsidiary	(iii), (vii)(b), (ix)(a), (xvii)
6	SMS VIDHYUT PRIVATE LIMITED	U40101MH2006P TC166038	Subsidiary	(iii), (ix)(a), (xvii)
7	SMS WATER GRACE BMW PRIVATE LIMITED	U52100MH2007P TC167615	Subsidiary	(iii)
8	SMS WASTE MANAGEMENT PRIVATE LIMITED	U90001MH2014P TC260149	Subsidiary	(xvii)
9	MAHARASHTRA ENVIRO POWER LIMITED	U40105MH2005P LC150780	Subsidiary	(iii), (vii)(b)
10	SMS MINING LIMITED	U14290MH2021P LC368362	Subsidiary	(xvii)
11	SMS-AABS INDIA TOLLWAYS PRIVATE LIMITED	U45200MP2014P TC032929	Subsidiary	(iii), (vii)(a), (xx)(a)
12	AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED	U63000MH2013P TC240214	Subsidiary	(iii), (vii)(b)
13	SMSL KETKI MDO PROJECT LIMITED	U14294MH2022P LC393634	Subsidiary	(xvii)
14	SPANV MEDISEARCH LIFESCIENCES PRIVATE LIMITED	U74999MH2018P TC303510	Step-down associate	(vii)(a), (xvii)



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Following are the companies included in the consolidated financial statements for the year ended 31 March 2023 audited by other auditors, for which the reports under section 143(11) of the Act of such companies have not yet been provided by the respective auditors:

Sr. No.	Name of the Company	CIN	Relationship with Holding Company
1	KINGSWAY INSTITUTE OF HEALTH SCIENCES PRIVATE LIMITED	U85300MH2020PT C338559	Step-down Subsidiary
2	MEDISEARCH LIFESCIENCES PRIVATE LIMITED	U74999MH2018PT C303510	Step-down Subsidiary
3	SMS-AAMW Tollways Private Limited	U45203DL2011PT C218839	Associate
4	Arcor Infraventures Private Limited	U70109MH2018PT C313815	Step down associate

In the absence of the financial statements, following companies are not consolidated in SMS LTD ("the Holding Company") due to they were not available on record.

Sr. No.	Name of the Company	CIN	Relationship with Holding Company
1	RCCL Infrastructure Private Limited	U45203RJ2002PLC018003	Associate
2	P.T. SMS Minerals International	-	Foreign Subsidiary
3	P.T. SMS Mines Indonesia	-	Foreign Subsidiary

The unaudited financial statements of one of subsidiary company has been considered on a provisional basis for the purpose of preparation of consolidated financial statement of SMS Group, due to which we are unable to comment on the same.

Sr. No.	Name of the Company	CIN	Relationship with Holding Company
1	SMS Taxicab Private Limited	U60230MH2011PTC220163	Subsidiary

In case of all nineteen 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 28, 2023
UDIN - 23043414B4XCTE2265



	Note No.	As at 31 March 2023	As at 31 March 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3A	52,003.74	34,692.02
(b) Capital work-in-progress	3B	5,640.23	5,972.61
(c) Investment property	4	1,832.71	1,850.55
(d) Goodwill	5	349.44	3,155.44
(e) Other Intangible assets	6	22,376.74	27,999.63
(f) Intangible assets under development	7	4,746.66	7,759.10
(g) Investments accounted for using the equity method	8	7,860.43	8,404.21
(h) Financial assets			
(i) Investments	8	20,801.69	41,405.28
(ii) Loans	9	567.73	1,427.75
(iii) Other financial assets	10	17,725.63	9,034.58
(i) Deferred tax assets (net)	11	20,880.07	18,404.69
(j) Other non-current assets	12	2,579.84	2,455.40
Total non-current assets		1,57,364.89	1,62,561.26
(2) Current assets			
(a) Inventories	13	39,269.29	34,243.68
(b) Financial assets			
(i) Investments	14	27,401.34	5,112.62
(ii) Trade receivables	15	20,791.04	35,751.06
(iii) Cash and cash equivalents	16	5,443.40	9,694.24
(iv) Bank balance other than (iii) above	16	4,485.72	5,649.96
(v) Loans	9	19,969.09	16,357.15
(vi) Other financial assets	17	13,002.14	21,201.45
(c) Current Tax Assets (net)	11	7,032.49	5,492.15
(d) Other current assets	18	16,572.64	24,254.15
Total current assets		1,53,967.14	1,57,756.46
(3) Assets classified as held for sale	19	374.73	24.28
Total assets		3,11,706.77	3,20,342.00
Equity and liabilities			
(1) Equity			
(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	83,756.63	71,066.85
Equity attributable to owners of the parent		85,080.99	72,391.21
(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) Other non-controlling interests	24	16,381.44	12,537.84
Equity attributable to non-controlling interests		24,699.19	20,855.59
Total equity		1,09,780.18	93,246.80
(2) Liabilities			
i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	48,092.02	79,545.92
(ia) Lease liabilities	25A	9,620.67	2,765.60
(ii) Other financial liabilities	26	14,304.82	10,131.57
(b) Provisions	27	4,891.14	12,040.17
(c) Deferred tax liabilities (net)	11	-	3.01



	Note No.	As at 31 March 2023	As at 31 March 2022
(d) Other non-current liabilities	28	2,514.50	3,825.89
Total Non-current Liabilities		79,423.15	1,08,312.16
II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	70,130.96	72,158.31
(ia) Lease liabilities	29A	2,554.93	166.85
(ii) Trade payables dues to Micro and small enterprises	30	867.39	1,409.45
Other than micro and small enterprises	30	21,826.35	18,791.64
(iii) Other financial liabilities	31	19,468.93	17,867.76
(b) Other current liabilities	32	3,100.52	4,850.10
(c) Provisions	27	4,177.10	3,245.78
(d) Current tax liability (net)	11	363.24	279.16
Total Current liabilities		1,22,489.43	1,18,769.04
III) Liabilities classified as held for sale	19	14.00	14.00
Total liabilities		2,01,926.58	2,27,095.20
Total equity and liabilities		3,11,706.77	3,20,342.00

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 & Co.

Chartered Accountants

Firm Registration No. :110634W



CA Sudhir Surana


Partner

Membership No. 043414

Place : Nagpur

Date : 28 SEP 2023

UDIN : 23043414861XCTE2265



ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B. SURANA

Director

DIN: 00953495



RAJESH KUMAR GUPTA

Chief Financial Officer



SMITA P. AGARKAR

Company Secretary



SMS Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(₹ in lacs)

	Note No.	Year Ended 31 March 2023	Year Ended 31 March 2022
Revenue from operations	33	2,14,137.42	1,76,672.70
Other income	34	7,748.38	4,511.08
Total income		2,21,885.80	1,81,183.78
Expenses			
Cost of raw/project material consumed	35	25,858.92	19,014.95
Direct expenses	36	1,09,541.28	75,513.17
Purchase of stock-in-trade	37	5,262.34	2,866.64
Change in inventories of stock-in trade and work in progress	38	(5,774.93)	(611.17)
Employee benefits expense	39	16,472.38	15,831.18
Finance costs	40	19,231.14	18,381.57
Depreciation and amortization expense	41	16,462.81	25,926.24
Other expenses	42	7,015.63	8,045.71
Total expense		1,94,069.58	1,64,968.29
Profit Before Share of profit/(loss) of an associate companies, exceptional items and tax		27,816.23	16,215.49
Share of profit / (loss) of associate companies	43	(813.48)	(213.28)
Profit before exceptional items and tax		27,002.74	16,002.21
Exceptional items	43A	(3,036.26)	1,761.43
Profit before tax		23,966.48	17,763.65
Tax expense	44		
Current tax		4,855.07	3,835.81
Adjustment of tax relating to earlier periods		(1,451.19)	104.54
Deferred tax		(282.13)	(981.62)
Profit for the year		20,844.73	14,804.91
Attributable to			
Non controlling interest	24	7,606.71	5,466.01
Owners of the parent	21	13,238.02	9,338.91
Other comprehensive income / (loss)			
Items that will not be reclassified to Profit or (Loss)	21		
Gain/(Loss) on recognition of investment in equity instruments at fair value		(615.93)	(1,066.04)
Remeasurement benefit of defined benefit plans		58.28	119.17
Share of OCI of associate companies net of tax		(1.72)	(0.60)
Income tax effect on the above		56.00	54.71
Items that will be reclassified to profit or (loss)	21		
Unwinding interest on preference share issued		(5,714.83)	(5,183.13)
Unwinding interest income on investment in preference shares		(47.68)	(42.96)
Income tax effect on the above		817.14	484.77
		(18.05)	(6.01)
Other comprehensive income / (loss) for the year (net of taxes) attributable to		(5,466.80)	(5,640.09)



SMS Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(₹ in lacs)

	Note No.	Year Ended 31 March 2023	Year Ended 31 March 2022
Non controlling interest	24	(2,439.92)	(2,319.52)
Owners of the parent	21	(3,026.88)	(3,320.58)
Total comprehensive income for the year attributable to		15,377.93	9,164.82
Non controlling interest	24	5,166.78	3,146.49
Owners of the parent	21	10,211.15	6,018.33
Earning per equity share after exceptional item	46		
Basic		129.01	91.01
Diluted		129.01	91.01
Earning per equity share before exceptional item	46		
Basic		158.60	73.84
Diluted		158.60	73.84
Significant Accounting Policies	2		

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

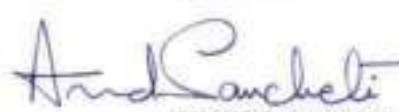
As per our report of even date

For V. K. Surana & Co.

Chartered Accountants

Firm Registration No. :110634W

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

ANAND S. SANCHETI
Managing Director
DIN: 00953362



DILIP B. SURANA
Director
DIN: 00953495

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 28 SEP 2023

UDIN : 23043414BGXCTE2265



RAJESH KUMAR GUPTA
Chief Financial Officer



SMITA P. AGARKAR
Company Secretary



SMS Limited

Consolidated Cash flow statement for the year ended 31 March 2023

	Year Ended 31 March, 2023	Year Ended 31 March, 2022
		(₹ in lacs)
Cash flow from operating activities		
Net profit before tax as per the statement of profit and loss (after exceptional item and tax thereon)	23,966.48	17,763.65
Adjustment for :		
Depreciation/Amortization of property, plant and equipment and intangible assets	16,462.81	25,926.24
Finance cost	19,231.14	18,381.57
Profit on sale of fixed assets	(1,219.98)	(666.32)
Profit on sale of Investments including redemption thereof	(64.86)	(40.74)
Gain arising on financial assets measured at fair value through profit or loss	(14.84)	(3.49)
Rental income on investment property	(14.24)	(10.81)
Non-cash items disclosed in exceptional items	3,036.26	-
Foreign exchange rate fluctuations	(354.92)	(113.18)
Grant/Subsidy received	(219.73)	(357.37)
Fair valuation loss on equity instrument routed through P&L	505.12	1,492.07
Share of loss from joint venture & partnership firm (which are not consolidated)	257.82	654.81
Share of (profit) / loss of associate companies	813.48	213.28
Loss on sale of property, plant and equipment including derecognition thereof	5.32	-
Preoperative expenses written off	50.30	-
Investment written off	-	500.00
Balances written back / written off	(1,784.48)	367.43
Interest income	(3,061.68)	(2,370.35)
Share issuing charges	3.00	-
Dividend income	(0.80)	(2.52)
Operating profit before working capital changes	57,596.21	61,734.24
Adjustment for :		
Increase / (decrease) in trade payables	2,492.65	396.64
Increase / (decrease) in non current provisions	(7,149.03)	(14,354.02)
Increase / (decrease) in current provisions	931.32	631.19
Increase / (decrease) in other current liabilities	(1,749.57)	(853.34)
Increase / (decrease) in other non current liabilities	(1,311.40)	1,462.91
Increase / (decrease) in other current financial liabilities	1,601.17	7,825.56
Increase / (decrease) in other non-current financial liabilities	4,173.25	1,706.46
Decrease / (increase) in current trade receivables	14,398.82	(2,945.87)
Decrease / (increase) in other non-current financial assets	(2,832.23)	4,880.27
Decrease / (increase) in other current financial assets	8,199.31	137.89
Decrease / (increase) in other current assets	7,681.51	3,223.67
Decrease / (increase) in other non-current assets	43.39	12.25
Decrease / (increase) in inventories	(5,025.61)	301.68
Decrease / (increase) in income tax assets	(4,015.72)	(2,519.36)
Decrease / (increase) in liabilities classified as held for sale	-	(10.00)
Decrease / (increase) in Income tax liabilities	81.08	(1,003.79)
	75,115.15	60,626.40
Direct taxes paid (net of refunds)	3,083.80	2,910.03
Net cash flow from/ (used in) operating activities (A)	72,031.35	57,716.37



SMS Limited

Consolidated Cash flow statement for the year ended 31 March 2023

(₹ in lacs)

	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Cash flow from investing activities		
Purchase / sale of fixed assets, including intangible assets, Goodwill, CWIP and capital advances	(14,764.89)	(20,289.11)
Proceeds from Sale / Purchase of investments	(8,720.73)	(13,305.21)
Decrease / (increase) in other bank balances	1,164.24	(1,466.36)
Share of profit / (loss) of associate companies	(813.48)	(213.28)
Decrease / (increase) in non current loans and advances	860.02	(802.60)
Decrease / (increase) in current loans and advances	(9,311.67)	4,633.38
Rental income on investment property	14.24	10.81
Interest received	3,061.68	2,370.35
Dividends received	0.80	2.52
Net cash flow from/(used in) investing activities (B)	(28,509.80)	(29,059.48)
Cash flow from financing activities		
Proceeds from long-term borrowings	(23,553.86)	(4,317.74)
Proceeds from short-term borrowings	(2,027.35)	(2,421.76)
Share issuing charges	(3.00)	-
Finance cost	(19,231.14)	(18,381.57)
Increase/ (decrease) in non controlling interest for dividend paid	(1,958.04)	(1,468.53)
Dividend & DDT paid on equity shares	(999.00)	(749.25)
Net cash flow from/(used in) in financing activities (C)	(47,772.39)	(27,338.85)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(4,250.83)	1,318.03
Cash and cash equivalents at the beginning of the year	9,694.24	8,376.20
Cash and cash equivalents at the end of the year	5,443.40	9,694.24
Components of cash and cash equivalent		
Cash on hand	244.10	334.36
With banks- on current account	3,162.92	8,079.62
Other cash and cash equivalents	2,036.38	1,280.25
Total cash and cash equivalents	5,443.40	9,694.24

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 & Co.

Chartered Accountants

Firm Registration No. :110634W



CA Sudhir Surana

Membership No. 043414

Place : Nagpur

Date :

28 SEP 2023

UDIN :

22043414BGXCTE2265




ANAND S. SANCHETI

Managing Director

DIN: 00953362



DILIP B. SURANA

Director

DIN: 00953495



RAJESH KUMAR GUPTA

Chief Financial Officer



SMITA P. AGARKAR

Company Secretary

A. Equity share capital

Issued, subscribed and fully paid up share capital

(₹ in lacs)

	Amount
Balance as at 31 March 2022	1,026.14
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2022	1,026.14
Changes in equity share capital during the year	-
Balance as at 31 March 2023	1,026.14
Balance as at 31 March 2021	1,026.14
Changes in equity share capital due to prior period errors	-
Restated balance at 1 April 2021	1,026.14
Changes in equity share capital during the year	-
Balance as at 31 March 2022	1,026.14

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	Equity		Non controlling interest	
	Capital reserve	Securities premium	General reserve	Holding reserve (including retained earning)	Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value	Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value	Re-measurement gains or losses on defined benefit plans	Unwinding interest income on investment in Preference Shares	Unwinding interest on Preference Shares Issued		Equity component of Preference share capital-Owners Of The Parent	Equity component of Preference share capital-Non controlling interest	Money Received against Share Warrants	Other Non-controlling interest
Balance as at 1 April 2022	93.46	10,647.69	1,402.99	66,393.41	(2,582.69)	(5,452.34)	160.51	338.82	65.00	71,066.85	298.22	286.53	8,031.22	12,537.84
Restatement / Prior period errors / change in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	93.46	10,647.69	1,402.99	66,393.41	(2,582.69)	(5,452.34)	160.51	338.82	65.00	71,066.85	298.22	286.53	8,031.22	12,537.84
Capital reserve addition due to acquisition of Associate	270.93	-	-	-	-	-	-	-	-	270.93	-	-	-	-
Reserves arising on account of consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	(45.38)
Profit for the year	-	-	-	13,238.02	-	-	-	-	-	13,238.02	-	-	-	7,606.71
Other comprehensive income for the year	-	-	-	-	(2,906.53)	(545.59)	32.82	416.74	(24.32)	(3,026.88)	-	-	-	(2,439.92)
Retained earnings reversed due to elimination of subsidiary company consequent to transfer	-	-	-	(72.22)	-	-	-	-	-	(72.22)	-	-	-	-
Reduction due to foreign company not consolidated	-	-	-	3,278.92	-	-	-	-	-	3,278.92	-	-	-	680.24
Interim dividend paid	-	-	-	(999.00)	-	-	-	-	-	(999.00)	-	-	-	(1,958.04)
Balance as at 31 March 2023	364.39	10,647.69	1,402.99	81,839.14	(5,489.22)	(5,997.93)	193.33	755.56	40.68	83,756.63	298.22	286.53	8,031.22	16,381.44



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	Equity				Non controlling interest	
	Capital reserve	Securities premium	General reserve	Holding reserve (including retained earning)	Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value	Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value	Re-measurement gains or losses on defined benefit plans	Unwinding interest income on investment in Preference Shares	Unwinding interest on Preference Shares Issued		Equity component of Preference share capital-Owners Of The Parent	Equity component of Preference share capital-Non controlling interest	Money Received against Share Warrants	Other Non-controlling interest		
Balance as at 1 April 2021	93.46	10,647.69	1,116.85	58,575.56	57.77	(4,473.31)	86.72	91.59	86.91	66,283.43	298.22	286.53	8,031.22	10,859.88		
Restatement / Prior period errors / change in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Derecognition of reserves of PPL due to merger	-	-	-	(698.05)	-	(11.08)	-	-	-	(709.13)	-	-	-	-		
Goodwill of PPL derecognised due to merger	-	-	-	(416.75)	-	-	-	-	-	(416.75)	-	-	-	-		
Restated balance as at 1 April 2021	93.46	10,647.69	1,116.85	57,460.77	57.77	(4,484.39)	86.72	91.59	86.91	65,157.56	298.22	286.53	8,031.22	10,859.88		
Reclassification/regrouping	-	-	286.34	(286.34)	-	-	-	-	-	-	-	-	-	-		
Restatement / Prior period errors / change in accounting policies	-	-	-	(68.92)	-	-	-	-	-	(68.92)	-	-	-	-		
Profit for the year	-	-	-	9,338.91	-	-	-	-	-	9,338.91	-	-	-	5,466.01		
Other Comprehensive income for the year	-	-	-	-	(2,640.46)	(978.22)	73.79	247.23	(21.91)	(1,320.58)	-	-	-	(2,319.52)		
Recognition of reserves of PPL through SMS standalone financial consequent to merger	-	-	-	698.05	-	11.08	-	-	-	709.13	-	-	-	-		
Interim dividend paid	-	-	-	(749.25)	-	-	-	-	-	(749.25)	-	-	-	(1,468.53)		
Balance as at 31 March 2022	93.46	10,647.69	1,402.99	66,393.41	(2,582.69)	(5,452.34)	160.51	338.82	65.00	71,066.85	298.22	286.53	8,031.22	12,537.84		

Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

General reserve

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

Securities premium

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

Significant Accounting Policies 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 & Co.

Chartered Accountants

Firm Registration No. :110634W



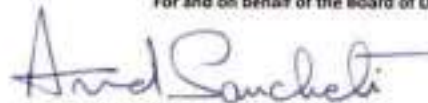
CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur

Date : 28 SEP 2023
UDIN :

23043414RGXCTE2265



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



ANAND S. SANCHETI
Managing Director
DIN: 0093362



RAJESH KUMAR GUPTA
Chief Financial Officer



DILIP B. SURANA
Director
DIN: 00953495



SMITA P. ASARKAR
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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, 2023 were authorised for issue in accordance with resolution of the Board of Directors on 28th September, 2023.

2. Significant Accounting Policies

a. Basis of preparation:

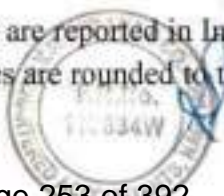
The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

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.

Liquidated damages for default

Liquidated damages (LD) are levied by the party/ client if the company (SMS limited) is not able to achieve targeted production, development or do not commence / complete the work within the stipulated period as per terms of contract.

However, such LD deducted from RA bill is most of the times is debatable and challengeable wherein the above default are not attributable to the company and are many a time due to default from the side of party or due to circumstance beyond the control of the company. Such LD is challenged by the Company and most of the time the same is waived off at the end of the project.

As such, such deduction from RA bill are accounted as amount deducted / levied by the party and debited to the withheld amount under non-current financial asset. At the same time the corresponding liability is disclosed as contingent liability under the nomenclature "claims from client". However, the LD due to clear default / non compliances of terms of contract on the part of company, which is not challenged is duly accounted for in the year of levy/ deduction.

Such disputed LD, to the extent accepted by the Company is accounted for upon final settlement of the claim.

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 coat 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.

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.

Change in accounting treatment of recognition of GST claim for migration from erstwhile indirect taxes to GST.

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 became taxable and also in cases of inclusive contract there is increase in tax rate from the original contract. This resulted in decrease in turnover on the company against which company filed the claim with the concern Department.

Till the FY 2021-22, the company has opted to account for the impact due to change in law as turnover in the books of account with corresponding recognition of claim receivable.

However, over the years the company identified that there is substantial difference in the amount of claim raised vis a vis claim actually allowed and also there is substantial delay in certification of the GST Impact by the Client. Due to this time lag in acceptance of claim and difference in the amount of claim it has been decided to treat such GST Impact as WIP until the same is approved by the client and book the GST impact as Turnover upon certification by the Department.

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.

ix. Container Maintenance Charges:

Container Maintenance Charges are being booked to income on receipt basis, which is as and when charges are collected from customers.

x. Toll collection

Revenue from toll collection is recognised on actual collections of toll and in case of contractual terms with certain customers the same is recognised on an accrual basis.

xi. Operation and Maintenance Contracts

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

xii. Operation of Phone fleet taxi / DBO subscription income

The company recognizes income from operating phone fleet taxis on accrual basis for the period of deployment of cars (excluding initial waiver period). During the year the company closed its phone a fleet taxi operations in March 2018 and launched DBO subscription scheme. As per the DBO subscription scheme the taxi is offered for sale to prospective drivers on giving a deposit and daily subscription amount. On full payment of subscription amount the ownership of the taxi would get transferred in favour of the respective driver for his use. The entire subscription amount for the taxi is accounted as a receivable and collection against the same is reduced as and when received. The subscription proportionate to the year is offered as subscription income in the financials and indirect taxes on the same accrued till the time ownership is transferred after which it would be due for payment.

xiii. Advertisement Income

Advertisement Income is recognized after rendering of services for advertisement has been completed.

xiv. Rent, Common Area Maintenance Charges and other charges with relation to the usage of the properties and various utility charges are accounted for on accrual basis except in case where ultimate collection is considered doubtful.

xv. Food Court charges

Food court charges are accounted on revenue sharing / Fixed Rental basis as per the agreement entered with the Parties.

xvi. Car Parking Collection has been accounted on actual basis.



xvii. Power Supply and Transmission Charges

Revenue from Power Supply and Transmission Charges are accounted for on the basis of billing to State Transmission Utility i.e. Maharashtra State Electricity Distribution Corporation Limited.

xviii. Finance and Other Income

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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments.

n. Government grants:

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in capital reserve as deferred income and are credited to Profit and Loss on a written down value over the remaining period of the project and presented within other income.

o. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group chief operating decision maker has disclosed business segment as the primary segment the Group operation predominately relate to "Engineering and procurement constructions (EPC), Tolls & Other", "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.

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.

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 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.

u. Taxes on Income**Income Tax**

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

i) Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii) Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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



v. **Earnings per share:**

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

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

w. **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.



3A Property, plant and equipment

Particular	Land		Building	Plant and Equipments		Furniture and Fixtures	Vehicles	Office Equipments	Computers & Printer		Road	Right to use asset	Mining Assets	Total
	Leasehold	Freehold		Leasehold	Freehold				Leasehold	Freehold				
i Gross carrying amounts														
At 1st April 2022	0.95	1,082.32	10,019.00	4,089.88	67,671.53	904.66	28,602.24	1,329.05	60.15	895.14	14.76	0.78	1,600.67	1,16,271.12
Prior period errors	-	-	-	-	-	-	(0.12)	1.05	-	-	-	-	-	0.93
Additions	61.74	-	270.33	12,837.22	13,033.13	66.54	587.00	233.84	-	70.44	-	-	316.32	27,476.55
Assets held for sale	-	-	-	-	(2,890.51)	-	-	-	-	-	-	-	-	(2,890.51)
BTA/Slump sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(0.30)	(174.38)	-	(12,947.07)	(117.85)	(690.92)	(283.60)	-	(35.12)	(14.76)	-	-	(14,264.00)
Interhead adjustment	-	-	-	-	(32.89)	-	32.89	(57.62)	-	-	-	-	-	(57.62)
At 31st March 2023	62.69	1,082.02	10,114.95	16,927.10	64,834.18	853.35	28,531.08	1,222.72	60.15	930.46	-	0.78	1,916.99	1,26,536.47
At 1st April 2021	0.95	113.68	9,599.56	-	64,633.23	876.94	28,258.89	1,190.94	60.15	866.84	14.76	0.78	1,502.45	1,07,119.15
Prior period errors	-	-	-	-	-	-	168.57	-	-	-	-	-	-	168.57
Additions	-	968.64	434.32	4,089.88	4,272.19	66.10	797.86	113.76	-	97.91	-	-	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)	(623.82)	(14.55)	-	(69.61)	-	-	-	(2,028.86)
Interhead adjustment	-	-	(10.25)	-	4.22	4.75	-	1.29	-	-	-	-	-	-
At 31st March 2022	0.95	1,082.32	10,019.00	4,089.88	67,671.53	904.66	28,602.24	1,329.05	60.15	895.14	14.76	0.78	1,600.67	1,16,271.12
ii Accumulated Depreciation														
At 1st April 2022	0.12	-	7,523.94	165.65	44,115.83	772.62	26,999.91	1,064.57	37.00	784.23	14.76	0.14	100.34	81,579.10
Prior period errors	-	-	-	-	-	-	-	0.14	-	-	-	-	-	0.14
Charge for the year	61.57	-	386.37	655.48	4,811.42	44.73	403.69	136.33	11.13	68.20	-	0.04	94.19	6,673.16
BTA/Slump sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	(2,540.07)	-	-	-	-	-	-	-	-	(2,540.07)
Disposals	-	-	(167.25)	-	(10,088.53)	(60.22)	(628.87)	(139.21)	-	(34.73)	(14.76)	-	-	(11,133.57)
Interhead adjustment/ rectification	-	-	-	-	(2.05)	-	2.05	(46.02)	-	-	-	-	-	(46.02)
At 31st March 2023	61.69	-	7,743.06	821.14	36,296.60	757.13	26,776.77	1,015.81	48.13	817.70	(0.00)	0.18	194.53	74,532.73
At 1st April 2021	0.11	-	7,181.56	-	40,808.30	789.67	27,056.62	976.47	25.86	804.04	13.67	0.09	40.45	77,696.86
Prior period errors	-	-	-	-	-	-	168.57	-	-	-	-	-	-	168.57
Charge for the year	0.01	-	358.44	165.65	4,164.15	51.91	386.23	89.35	11.13	49.11	1.08	0.05	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)
At 31st March 2022	0.12	-	7,523.94	165.65	44,115.83	772.62	26,999.91	1,064.57	37.00	784.22	14.76	0.14	100.34	81,579.09
Net carrying amounts														
At 31st March 2023	1.01	1,082.02	2,371.89	16,105.96	28,537.57	96.22	1,754.31	206.91	12.02	112.77	0.00	0.60	1,722.46	52,003.74
At 31st March 2022	0.83	1,082.32	2,495.05	3,924.23	23,555.70	132.04	1,602.33	264.48	23.15	110.92	0.00	0.64	1,500.33	34,692.02



3B Capital Work-in-progress

Particular	Land		Building	Plant and Equipments		Furniture and Fixtures	Vehicles	Office Equipments	Computers & Printer		Road	Right to use asset	Mining Assets	Total
	Leasehold	Freehold		Leasehold	Freehold				Leasehold	Freehold				
At 1st April 2022	-	-	(0.00)	-	5,656.29	-	-	-	-	-	-	-	316.32	5,972.61
Additions	-	-	28.50	-	5,615.89	-	-	0.13	-	-	-	-	-	5,644.52
Capitalised during the year	-	-	-	-	(3,580.94)	-	-	-	-	-	-	-	(316.32)	(3,897.26)
Sale	-	-	-	-	(2,079.64)	-	-	-	-	-	-	-	-	(2,079.64)
At 31st March 2023	-	-	28.50	-	5,611.60	-	-	0.13	-	-	-	-	(0.00)	5,640.23
At 1st April 2021	-	-	77.89	-	1,200.87	-	-	-	-	-	-	-	414.54	1,693.30
Additions	-	-	-	-	5,132.22	-	-	-	-	-	-	-	-	5,132.22
Capitalised during the year	-	-	(77.89)	-	(676.80)	-	-	-	-	-	-	-	(98.22)	(852.91)
At 31st March 2022	-	-	(0.00)	-	5,656.29	-	-	-	-	-	-	-	316.32	5,972.61



(a) For Capital-work-in progress

CWIP aging schedule as at 31st March 2023:

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	28.50	-	-	-	28.50
Projects in progress- CWIP-Mining Asset	-	-	-	-	-
Projects in progress- CWIP-Plant and Equipments	3,857.91	1,296.15	168.17	289.50	5,611.73
Total	3,886.41	1,296.15	168.17	289.50	5,640.23

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	-	-	-	-	-
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
Total	5,132.78	509.16	326.12	4.55	5,972.61

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

For Maharashtra Enviro Power Limited

CWIP Completion schedule as at 31st March 2023:

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Secured landfill -3, Butibori	1,402.41	-	-	-	1,402.41
Land Development Secured Landfill-7, Ranjangaon	584.53	-	-	-	584.53
3 Ton Incinerator, Ranjangaon	824.00	-	-	-	824.00
22KV Express Feeder	7.85	-	-	-	7.85
Total	2,818.79	-	-	-	2,818.79

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
Total	3,260.22	23.75	-	-	3,283.98



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in lacs)

4	Investment Property	LAND	BUILDING	TOTAL
a	Gross Carrying Amounts			
	Balance as at 1st April 2022	1,547.11	379.27	1,926.38
	Addition	60.51	-	60.51
	Less Disposal	-	86.62	86.62
	Balance as at 31st March 2023	1,607.62	292.65	1,900.27
	Balance as at 1st April 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	Accumulated Depreciation			
	Balance as at 31st March 2022	-	75.83	75.83
	Depreciation charged	-	5.95	5.95
	Depreciation disposal	-	14.22	14.22
	Balance as at 31st March 2023	-	67.56	67.56
	Balance as at 1st April 2021	-	69.23	69.23
	Depreciation charged	-	6.60	6.60
	Balance as at 31st March 2022	-	75.83	75.83
c	Net Carrying Amounts			
	Balance as at 31st March 2023	1,607.62	225.09	1,832.71
	Balance as at 31st March 2022	1,547.11	303.44	1,850.55

Information regarding income and expenditure of investment property

	As at 31 March 2023	As at 31 March 2022
Rental income derived from investment properties	12.06	8.64
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	0.37	2.54
Depreciation charged on the investment property that generated rental income during the year.	3.45	3.45
Profit arising from investment properties that generated rental income after depreciation and direct expenses	8.24	2.65
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.	2.51	3.15
Profit/(Loss) arising from investment properties that did not generate rental income after depreciation and direct expenses	(2.51)	(3.15)
Net Profit/(Loss) from Investment activity.	5.73	(0.50)

The Company's investment properties consist of flats and land in India. The company 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 company 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.



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

	As at 31 March 2023	(₹ in lacs) As at 31 March 2022
5 Goodwill		
a Investment in subsidiaries (Unquoted)		
Opening Balance	3,155.44	680.93
Addition during the year on account of Consolidation (valued at cost)	1.39	-
Created on acquisition of subsidiary companies	84.23	-
Derecognised due to elimination of subsidiary company PIPL consequent to Merger	-	(416.75)
Derecognised due to elimination of subsidiary company consequent to transfer	(0.37)	-
	3,240.69	264.18
b Addition of Pharmacy Business	-	2,891.26
c Impairment of Pharmacy Business (Refer note no 67)	(2,891.26)	-
Closing balance	349.44	3,155.44

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



6 Other Intangible Asset

Particulars	Computer Software	General Arrangement Drawing	Motor Car Permits	Project Facilities on NH-28 *	Right to use Assets	Rights	Pre-operative Expenses on Mine Development	Total
A Gross carrying amount								
At 1st April 2022	1,399.11	581.14	7,309.60	99,979.78	58.49	20,569.02	-	1,29,897.13
Prior period errors	-	-	-	-	-	-	-	-
Additions	8.47	-	-	146.65	-	2.20	1,011.32	1,168.65
Disposal	27.00	-	-	-	-	-	-	27.00
Deductions / Adjustments	-	-	-	(1,00,126.43)	(58.49)	-	-	(1,00,184.92)
Interhead adjustment	-	-	-	-	-	57.62	-	57.62
At 31st March 2023	1,380.58	581.14	7,309.60	0.00	(0.00)	20,628.83	1,011.32	30,911.47
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
At 31st March 2022	1,399.11	581.14	7,309.60	99,979.78	58.49	20,569.02	-	1,29,897.13
B Accumulated Amortisation								
At 1st April 2022	1,039.52	190.95	2,408.85	94,252.89	52.72	3,952.57	-	1,01,897.51
Prior period errors	-	-	-	-	-	-	-	-
Charge for the year	70.24	22.40	243.41	5,873.54	-	512.57	63.21	6,785.37
Disposal	(15.02)	-	-	-	-	-	-	(15.02)
Deductions / Adjustments	-	-	-	(1,00,126.43)	(52.72)	-	-	(1,00,179.15)
Interhead adjustment	-	-	-	-	-	46.02	-	46.02
At 31st March 2023	1,094.74	213.36	2,652.26	(0.00)	0.00	4,511.16	63.21	8,534.73
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	-	-	-	-	-	-	-	-
At 31st March 2022	1,039.52	190.95	2,408.85	94,252.89	52.72	3,952.57	-	1,01,897.51
C Net carrying amounts								
At 31st March 2023	285.84	367.78	4,657.34	0.00	(0.00)	16,117.67	948.12	22,376.74
At 31st March 2022	359.59	390.19	4,900.75	5,726.88	5.77	16,616.45	-	27,999.63

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

*The Project has been successfully completed on 2nd October 2022 and all the intangible assets have been written/disposed off.



7 Intangible Assets Under Development

Particulars	Project Expenditures	Computer Software	Other Intangible assets under development	Total
Gross block				
Opening 01.04.2022	20,203.50	-	72.84	20,276.34
Addition	-	45.00	-	45.00
Closing 31.03.2023	20,203.50	45.00	72.84	20,321.34
Opening 01.04.2021				
Opening 01.04.2021	20,203.50	-	69.87	20,273.37
Addition	-	-	2.97	2.97
Closing 31.03.2022	20,203.50	-	72.84	20,276.34
Accumulation				
Opening 01.04.2022	12,511.05	-	6.19	12,517.24
Depreciation for the year	2,990.80	-	-	2,990.80
Other adjustment	-	-	66.64	66.64
Closing 31.03.2023	15,501.85	-	72.83	15,574.68
Opening 01.04.2021				
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	-	-	-	-
Closing 31.03.2022	12,511.05	-	6.19	12,517.24
At 31st March 2023	4,701.65	45.00	(0.00)	4,746.66
At 31st March 2022	7,692.45	-	66.65	7,759.10

(a) Intangible assets under development aging schedule

As at 31 March 2023

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	45.00	-	4,701.65	4,746.65
Projects temporarily suspended	-	-	-	-
Total	45.00	-	4,701.65	4,746.65

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	-	-	-	-
Total	2.97	-	7,756.13	7,759.10



(₹ in lacs)

As at 31 March
2023

As at 31 March
2022

8 Non-current Investments

a) Investments accounted for using the equity method

In Equity Instrument

i RCCL Infrastructure Pvt. Ltd

1565200 (31 March 2022: 1565200) Equity shares of ₹ 10 each fully paid
Including Goodwill 1.71 Lacs

ii SMS-AAMW Tollways Pvt. Ltd.#

2600 (31 March 2022: 2600) Equity shares of ₹ 10 each fully paid
Including Goodwill Nil, Capital Reserve Nil

iii SPANV Medisearch Lifesciences Pvt Ltd

(3500133 ((3500133) Equity shares of ₹1 each fully paid)

Net worth attributable to shareholding of SMS group upto the date of
holding associate relationship

Goodwill on account of consolidation

Accumulated opening Profit /(loss)

Profit /(loss) during the year

iv Investments in equity instrument of unlisted Associate Company

Arcor Infraventures Private Limited

4900 (Equity Shares of par value of ₹ 10/- each fully paid up.)

	4,933.19	4,933.19
	3,684.90	3,684.90
	(213.88)	-
	(825.85)	(213.88)
	282.06	-
	7,860.43	8,404.21
b) Investment in Preference Instruments	6,844.94	4,823.70
c) Investment in Joint Ventures	0.00	0.00
d) Investment in Partnership Firm	9,781.10	33,337.02
e) Investment in Unquoted equity Instruments	364.60	13.54
f) Investment in Government Securities	1.54	1.54
g) Investment in Mutual Fund	1,329.00	1,032.33
h) Investment in Debt Instruments	1,730.92	1,048.44
i) Other Investments (unquoted): (At amortised cost)	44.25	-
j) Other Investments (unquoted): (At Fair Value through Other Comprehensive Income)	330.75	269.00
k) Investment in Quoted equity Instruments	374.61	879.72
	20,801.69	41,405.28

Note :-

- 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. Total unrecognised losses of associate company is ₹ -1149.12 Lacs as at 31/03/2023. (F.Y 2021-22 ₹-1126.73 Lacs). During F.Y 2022-23 the share in loss of associate company not accounted for amounts to ₹-22.39 Lacs (F.Y 2021-22 ₹ -17.73 Lacs)



Details of Non Current Investments

	As at 31 March 2023	As at 31 March 2022
A Investment in Equity Instruments		
Unquoted (Valued at cost)		
1 Equity Shares of Abhyudaya Co-operative Bank Ltd. 50000 (31 March 2022 : 99990) Equity Shares of ₹ 10/- each issued at par	5.00	9.99
2 Khamgaon Urban Co-Operative Bank Ltd. 100 (31 March 2022: 100) Equity shares of ₹ 10/- each issued at par	0.01	0.01
3 Nandura Urban Co-Operative Bank Ltd. 43 (31 March 2022: 43)Equity shares of ₹ 100/- each issued at par	0.04	0.04
4 Malkapur Urban Co-Operative Bank Ltd. 1000 (31 March 2022: 1000) Equity shares of ₹ 100/- each issued at	1.00	1.00
5 Abhyudaya Co-operative Bank Ltd.	2.50	2.50
6 SPANV Medisearch Lifescience Pvt Ltd 122776 (Equity Shares of par value of ₹ 1/- each fully paid up.) @ ₹ 290/-	356.05	-
	364.60	13.54
B Investment in Preference shares of Associate Companies in India		
Unquoted (Valued at cost)		
1 Agroh Biaora Tollways Pvt Ltd 70,00,000 (previous year 70,00,000) 5% Non Cumulative Convertible Preference Shares of ₹ 10 each Note : As this are Convertible Preference shares, they are valued at cost	700.00	700.00
Unquoted (At Fair Value through Other Comprehensive Income)		
2 Manawar Kukshi Tollways Pvt Ltd (6,00,000, (previous year 6,00,000) 1% Cumulative Redeemable Preference Shares of ₹ 100 each) Note : Redeemable preference shares purchased for ₹ 600 Lacs valued at Fair Value (previous year ₹ 600 Lacs valued at Fair Value).	211.31	190.37
3 Ayushajay Construction Pvt. Ltd. (8,21,51,730 (previous year 6,11,03,730), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of ₹ 10 each) Note : Redeemable Preference Shares purchased for ₹ 8,215 Lacs valued at Fair Value (previous year ₹ 6,110 Lacs valued at Fair Value)	2,294.33	1,627.05
4 Charu Infotech Pvt. Ltd. (1,58,38,600 (previous year 1,02,76,600), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of ₹ 10 each) Note : Redeemable preference shares purchased for ₹ 1,028 Lacs valued at Fair Value(previous year ₹ 1,584 Lacs valued at Fair Value)	425.87	267.41
5 Khalghat Manawar Toll Pvt. Ltd. 29,30,000, (previous year 29,30,000), 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹ 10 each	103.19	92.96



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

Details of Non Current Investments

	As at 31 March 2023	As at 31 March 2022
Note : Redeemable Preference Shares purchased for ₹ 293 Lacs valued at Fair Value (previous year ₹ 293 Lacs valued at Fair Value).		
6 Sarangpur Agar Road Pvt. Ltd. (14,75,000 (previous year 14,75,000), 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares purchased for ₹ 147 Lacs valued at Fair Value (previous year ₹ 147 Lacs valued at Fair Value).	51.95	46.80
7 Shilpy Finlease Pvt. Ltd. (61,00,600 (previous year 61,00,600), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased of ₹ 10 each) Note : Redeemable Preference shares purchased for ₹ 610 Lacs valued at Fair Value.(previous year ₹ 610 Lacs valued at Fair Value)	207.92	149.64
8 Agroh Infrastructure Developers Pvt Ltd. (8,82,99,452 (previous year 5,86,28,052), 6% Non Convertible Redeemable Preference Shares of ₹ 10 each) Note : Redeemable Preference Shares purchased for ₹ 8,830 Lacs valued at Fair Value. (previous year ₹ 5,863 Lacs valued at Fair Value)	2,368.88	1,513.98
9 BE Infratech Pvt Ltd. (22,70,200 (previous year 13,70,200), 0.0001% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased of ₹ 100 each) Note : Redeemable preference shares purchased for ₹ 2,270 Lacs valued at Fair Value (Previous year ₹ 1,370 Lacs valued at Fair value)	481.50	235.48
	6,844.94	4,823.70

C Investments in Mutual Funds (At Fair Value through Other Comprehensive Income)

Quoted

Debt oriented mutual fund

1 Aditya Birla Sun Life Dynamic Bond Fund-Growth-Regular Plan	164.43	155.96
2 Aditya Birla Sun Life Credit Risk Fund - Growth-Regular Plan	9.40	8.84
3 SBI Credit Risk Fund Regular Growth	16.27	15.54
4 SBI Dynamic Bond Fund - Regular Plan - Growth	154.73	146.65
5 Axis Banking & PSU Debt Fund - Growth (BDGPG)	18.17	3.78
6 IDFC Banking & PSU Debt Fund - Growth	111.79	107.12
7 IDFC Corporate Bond Fund	41.47	-
8 IDFC Banking & PSU Debt Fund - Regular	14.25	-
9 Nippon India Banking & PSU Debt Fund - Growth	43.93	-
10 Nippon India Floating Rate Fund - Growth Plan	44.19	-
11 Axis Short Term Fund - Regular Growth \$ 4,01,625.06 (4,01,625.06) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 100.00 Lacs (₹ 100.00 Lacs)	104.45	100.12
12 ICICI Prudential Short Term Fund - Growth Option \$ 3,00,335.83 (2,09,529.46) of ₹ 10 each fully paid Cost of Investment - ₹ 100.00 Lacs (₹ 100.00 Lacs)	106.20	100.13
13 Bandhan Bond Short Term Reg-G (Erstwhile IDFC Bond Fund -Short 5,14,347.61 (1,34,615.53) of ₹ 10 each fully paid Cost of Investment - ₹ 62.50 Lacs (₹ 62.50 Lacs)	62.56	62.56



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

Details of Non Current Investments

	As at 31 March 2023	As at 31 March 2022
14 Bandhan Banking & PSU Debt Reg-G (Erstwhile IDFC Banking and PSU 7,50,105.02 (7,50,105.02) of ₹ 10 each fully paid Cost of Investment - ₹ 150.00 Lacs (₹ 150.00 Lacs)	156.69	150.14
Equity oriented mutual fund		
15 UTI Flexi Cap Fund (Earlier UTI Equity Fund) - Regular Growth Plan	57.27	50.75
16 Edelweiss Balanced Advantage Fund - Growth	101.95	83.14
17 ICICI Prudential Multicap Fund- Growth	49.10	47.59
18 HDFC Small Cap Fund - Regular Growth	23.76	-
19 Mirae Asset Large Cap Regular Growth	17.75	-
20 Nippon India Large Cap Fund - Growth	18.71	-
21 SBI Flexicap Fund -Regular Growth Plan	11.93	-
	1,329.00	1,032.33

₹ For FY 2022-23, Investments made debt mutual funds are lien marked to Tata Capital Financial Services Limited against the term loan credit facility availed by the Company from them.

D Investment in Partnership firm : (At amortised cost)

Unquoted

1 SAN Finance Corporation	9,781.10	33,337.02
	9,781.10	33,337.02

E Other Investments (unquoted): (At amortised cost)

1 Edelweiss Infrastructure Yield Plus	330.75	269.00
	330.75	269.00

F Investments in Debentures

Unquoted (At Fair Value through Other Comprehensive Income)

1 Surya International Pvt Ltd. (329, 1% Convertible Debentures of ₹ 10 Lacs each) As this are Compulsorily 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 ₹ 3,290 Lacs)	1,730.92	1,048.44
	1,730.92	1,048.44

G Investment in Equity Instruments

Quoted (Valued at fair value through P&L)

1 Shares of Dhani Services* 14,10,944 (14,10,944) shares of face Value ₹ 10/- each	374.61	879.72
	374.61	879.72

H Other Investments (unquoted): (At amortised cost)

1 ICICI Prudential Banking & PSU Debt Fund - Growth	44.25	-
	44.25	-



Details of Non Current Investments

Maharashtra Enviro Power Ltd.

Details of Partnership Firm as on 31st March 2023

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	(6,289.73)	0.13	27%	(601.15)
2)	Anand Sancheti	(20,887.94)	0.13	27%	(601.15)
3)	Paramveer Sancheti	(4,865.01)	0.06	18%	(400.76)
4)	Akshay Sancheti	(4,864.74)	0.06	18%	(400.76)
5)	Maharashtra Enviro Power	35,204.58	0.13	10%	(222.65)
	Total	(1,702.85)	0.50	100%	(2,226.47)

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%	(1,762.26)
2)	Anand Sancheti	(20,916.74)	6.00	27%	(1,762.26)
3)	Paramveer Sancheti	(4,152.52)	0.06	18%	(1,174.84)
4)	Akshay Sancheti	(4,657.63)	0.06	18%	(1,174.84)
5)	Maharashtra Enviro Power Limited	36,732.02	0.13	10%	(652.69)
	Total	1,638.99	6.38	100%	(6,526.89)

Note :-

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

1 the mutual funds:

- Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular
- Aditya Birla Sun Life Credit Risk Fund Growth - Regular
- SBI Dyanamic Bond Fund - Regular Plan - Growth
- 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
- ICICI Prudential Multicap Fund- Growth
- Edelweiss Balanced Advantage Fund - Growth

- Due to change in Audited Financials Statement of SAN Finance Corporation as compared to provisional figures considered in Consolidated Financial Statements of FY 21-22, the Net Loss has increased by ₹ 35.17 Lacs to extent of MEPL's Share the same has been accounted as current year item.



(₹ in lacs)

	Non Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
9 Loans				
A Loan to related parties				
Loans receivables considered good unsecured				
Joint Controlled entities	-	846.92	17,777.31	9,389.19
Loans and Advances to Directors	-	-	33.84	33.84
Less: - Loss allowance/provisions for doubtful loans *	-	-	(5,699.73)	-
B Other loans				
Loans receivables considered good unsecured				
Other Parties	567.73	580.83	7,857.67	6,934.12
Total	567.73	1,427.75	19,969.09	16,357.15

*Refer Note No-62 & 63

Additional disclosures related to loans given to related parties that are: (a) repayable on demand and (b) without specifying any terms or period of repayment.

Type of Borrower	Non Current		Current	
	Amount of loan outstanding	Percentage to the total Loans	Amount of loan outstanding	Percentage to the total Loans
As at 31st March 2023				
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	33.84	0.17%
KMPs	-	0.00%	-	0.00%
Related Parties	-	0.00%	17,777.31	89.02%
As at 31st March 2022				
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	57.40%



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
10 Other non current financial assets (Unsecured considered good)		
Fixed Deposit with remaining maturity for more than 12 months including accrued Interest thereon*	6,181.74	906.87
Earnest Money Deposits	624.77	697.36
Retention Money	728.40	1,263.82
Security Deposit**	9,606.78	6,158.67
Other Receivables	-	7.87
Advance for Purchase of Shares	583.95	-
	17,725.63	9,034.58

* Note:- Most of the fixed deposit receipts are held as a Margin Money/ Security Deposit against Letter of Credit/ Bank Guarantee.

**For SMS Water Grace BMW Pvt. Ltd. : The Company considers that the retention money and performance security deposits does not include significant financing component. These coincide with the Company's / contractor's performance and the Contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each payment is intended to protect the interest of the customer, from the company's / contractor's failing to adequately complete its obligation under the contract. Accordingly, transaction cost of retention money and security deposits is considered as fair value at initial recognition and subsequently measured at amortised cost.



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
Advance for Purchase of Shares		
i) Akshay Sancheti 81850 (Equity Shares of par value of Rs.1/- each fully paid up.) @ ₹ 290/-	237.37	-
ii) Paramveer Sancheti 81850 (Equity Shares of par value of Rs.1/- each fully paid up.) @ ₹ 290/-	237.36	-
iii) Shruti Sancheti 37663 (Equity Shares of par value of Rs.1/- each fully paid up.) @ ₹ 290/-	109.22	-
iv) Spark Mall & Parking Private Limited 34483 (Equity Shares of par value of Rs.1/- each fully paid up.) @ ₹ 290/-	-	-

The shares of SPANV Medisearch Lifesciences Pvt. Ltd. has been transferred in the name of SMS Vidhyut Private Limited on 01/04/2023 in case of (i), (ii) & (iv) & in case of (iii) above the shares have been transferred on 12/04/2023.



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
11 A Current tax assets (net)		
Income tax assets in case of same entities	8,069.49	6,128.60
Income tax liabilities in case of same entities	(1,036.99)	(636.45)
Net balance	<u>7,032.49</u>	<u>5,492.15</u>
B Deferred tax assets (net)		
Deferred tax assets in case of same entities	15,694.44	14,158.61
Minimum alternate tax credit entitlement	5,185.63	4,246.08
Net deferred tax assets	<u>20,880.07</u>	<u>18,404.69</u>
C Current tax liability (net)		
Income tax liabilities in case of same entities	689.26	655.06
Income tax assets in case of same entities	(326.02)	(375.91)
Net balance	<u>363.24</u>	<u>279.16</u>
D Deferred tax liability (net)		
Deferred tax liabilities in case of same entities	-	3.01
Net deferred tax liabilities	<u>-</u>	<u>3.01</u>

Note :-

1. In case of SMS Infolink Pvt Ltd. , SMS Hazardous Waste Management Pvt. Ltd., & SMS Waste Management Pvt Ltd. 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 been considered & 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 Pvt Ltd.

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.



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
12 Other Non Current Assets		
(Unsecured considered good)		
a Capital advances - Other Parties	2,505.81	2,337.99
b Advances other than Capital Advances		
Security deposit to vendors & utilities	46.17	86.75
Security Deposit for rent	10.67	12.00
Other	-	9.54
c Prepaid expenses	17.19	9.13
	2,579.84	2,455.40



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

	As at 31 March 2023	As at March 31 2022
13 Inventories (As taken and valued at lower of cost or net realisable value)		
Work in progress	28,758.97	22,586.03
Construction & Project Inventory	10,140.94	10,780.69
Stock-in-trade	71.90	540.70
Stores and spares	261.57	278.30
Chemicals	35.92	53.94
Material in transit	-	4.02
	39,269.29	34,243.68



Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
14 Current Investments		
A Investment in Listed Equity Shares	840.84	1,460.75
B Investment in Mutual Fund	338.15	256.87
C Investment in Partnership Firms	25,423.60	3,395.00
D Investment in Subsidiaries	798.75	-
	27,401.34	5,112.62

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

(i) AJR infra and tolling Ltd. 14698970 (14698970) Equity shares of ₹ 2 each fully paid Cost of Investment - ₹121.70 Lacs (₹121.70 Lacs)	293.98	270.46
(ii) Hindustan construction company Ltd. 100 (100) Equity shares of ₹ 1 each fully paid Cost of Investment - ₹ 0.01 Lacs (₹ 0.01 Lacs)	0.01	0.02
(iii) IDBI bank Ltd. 20000 (20000) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 8.08 Lacs (₹ 8.08 Lacs)	9.00	8.56
(iv) Kalpataru Project (formerly JMC projects (India) limited) 6 (6) Equity shares of ₹ 2 each fully paid Cost of Investment - ₹ 0.02 Lacs (₹ 0.02 Lacs)	0.03	0.02
(v) Just dial Ltd. 5350 (5350) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 48.07 Lacs (₹ 48.07 Lacs)	31.80	38.06
(vi) MCNALLY bharat engineering company Ltd. 5 (5) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 0.00 (0.00)	0.00	0.00
(vii) NCC Ltd. 2800 (2800) Equity shares of ₹ 2 each fully paid Cost of Investment - ₹ 2.37 Lacs (₹ 2.37 Lacs)	2.98	1.64
(viii) Patel engineering Ltd. 5 (5) Equity shares of ₹ 1 each fully paid Cost of Investment - ₹ 0.00 (0.00)	0.00	0.00
(ix) PTC India financial services Ltd. 30000 (30000) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 6.21 Lacs (₹ 6.21 Lacs)	3.79	4.68
(x) PTC India Ltd. 12250 (12250) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 9.67 Lacs (₹ 9.67 Lacs)	10.42	10.09
(xi) Reliance power Ltd. 150000 (150000) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 6.62 Lacs (₹ 6.62 Lacs)	14.91	20.25
(xii) Sadbhav engg 50 (50) Equity shares of ₹ 1 each fully paid Cost of Investment - ₹ 0.04 Lacs (₹ 0.04 Lacs)	-	0.01



Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
(xiii) Sobha limited 1000 (1000) Equity shares of ₹ 10 each fully paid Cost of Investment - ₹ 7.77 Lacs (₹ 7.77 Lacs)	4.31	7.10
(xiv) Suven life 2500 (2500) Equity shares of ₹ 1 each fully paid Cost of Investment - ₹ 2.01 Lacs (₹ 2.01 Lacs)	1.21	2.32
(xv) YES bank limited 1550 (1550) Equity shares of ₹ 2 each fully paid Cost of Investment - ₹ 0.24 Lacs (₹ 0.24 Lacs)	0.23	0.19
(xvi) Dhani Services Ltd 17,60,000 (17,60,000)Equity shares of ₹ 2 each fully paid Cost of Investment - ₹ 2412.93 Lacs	468.16	1,097.36
	840.84	1,460.75
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
2 Nippon India Banking & PSU Debt Fund - Growth (Earlier Reliance)	-	42.31
3 Nippon India Floating Rate Fund - Growth Plan (Earlier Reliance)	-	42.35
4 ICICI Prudential Short Term Fund - Growth Option \$ 3,00,335.83 (2,09,529.46) of ₹ 10 each fully paid Cost of Investment - ₹ 45.56 (₹ 0.00) Fair Market Value of Investment - ₹ 45.56 (₹ 0.00)	45.56	-
5 Bandhan Bond Short Term Reg-G (Erstwhile IDFC Bond Fund - Short Term Plan-Growth-(Regular Plan)) \$ 5,14,347.61 (1,34,615.53) of ₹ 10 each fully paid Cost of Investment - ₹ 176.17 (₹ 0.00)	185.22	-
6 PFG-Union Balanced Advantage Fund Regular Plan-Growth INF582M01D10 \$\$ 459891.591 (Nil) of ₹ 10 each fully paid Cost of Investment - ₹ 70.00	70.32	-
Equity oriented mutual fund		
7 HDFC Small Cap Fund - Regular Growth	-	21.18
8 Mirae Asset Large Cap Regular Growth	-	17.92
9 Nippon India Large Cap Fund - Growth	-	17.56
10 SBI Infrastructure Fund - Regular Plan - IDCW 1,50,000 (1,50,000) of ₹ 10 each fully paid Cost of Investment - ₹ 15.00 (₹ 15.00)	37.05	33.37
Unquoted		
11 ICICI Prudential Banking & PSU Debt Fund - Growth	-	41.98
	338.15	256.87



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

Particulars	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
C Investment in Partnership firm : (At amortised cost)		
SAN Finance Corporation	25,423.60	3,395.00
	<u>25,423.60</u>	<u>3,395.00</u>

\$ SMS Limited:- Investments made debt mutual funds are lien marked to Tata Capital Financial services Limited against the term loan and buyers credit facilities availed by the Company from/through them.

\$\$ SMS Limited:- Investments made in hybrid mutual fund are lien marked to Union Bank of India as margin money against Letter of Credit/ Bank guarantee issued by bank.



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

15 Trade receivables (Current)

Trade receivables Considered good, Unsecured

Related Party

4,555.05

5,465.56

Less: Loss allowance/provisions for doubtful debts

(2,345.68)

-

Other parties

18,599.01

30,302.85

Less: Loss allowance/provisions for doubtful debts

(17.35)

(17.35)

20,791.04

35,751.06



As at 31 March 2023

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	12,060.67	2,770.27	1,022.79	2,098.56	236.64	18,188.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	2,363.03	2,363.03
(iv) Disputed Trade Receivables–considered good	-	-	-	-	1,907.03	1,907.03
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vii) others	695.08	-	-	-	-	695.08
	-	-	-	-	(2,363.03)	(2,363.03)
Less: Provision for bad & doubtful debts						
Total	12,755.74	2,770.27	1,022.79	2,098.56	2,143.67	20,791.04

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	27,515.90	1,144.15	5,463.42	648.46	140.95	34,912.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	7.58	9.77	17.35
(iv) Disputed Trade Receivables–considered good	18.75	7.45	20.01	4.59	1,895.60	1,946.39
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	7.48	7.48
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vii) others	(1,115.69)	-	-	-	-	(1,115.69)
	-	-	-	(7.58)	(9.77)	(17.35)
Less: Provision for bad & doubtful debts						
Total	26,418.96	1,151.60	5,483.42	653.05	2,044.03	35,751.06

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

Note:- While preparing consolidated disclosure, we have considered only financials of those companies in which these disclosures are available and rest are shown in others.



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	As at 31 March 2023	(₹ in lacs) As at 31 March 2022
16 A Cash and cash equivalents		
Balances with banks in current accounts #	2,958.48	1,883.13
FDR with maturity less than 3 months includes interest there on	204.44	6,196.49
Cash on hand		
a) In local currency	241.88	333.38
b) In foreign Currency	2.22	0.98
Marketable securities (Stated at Fair Value) (Purchase at Cost ₹ 1795.20 Lacs (Previous Year ₹ 800 Lacs))	1,810.04	803.49
Debit balance in cash credit account*	134.96	241.38
Cheques in hand	2.95	156.63
Fastag Receivables	88.31	78.69
POS Receivable	-	0.03
Paytm Wallet	0.12	0.03
	5,443.40	9,694.24
B Other bank balances		
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).	4,485.72	5,649.96
	4,485.72	5,649.96

SMS Envoclean Pvt Ltd.

* For 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. meter 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). The current rate of interest is 10.16%.

SMS Water Grace BMW Pvt Ltd.

* Secured by first charge by way of hypothecation on entire current assets of the company both present and future,also by first charge on entire fixed assets constructed out of the term loan. Collateral security in the form of equitable mortgage/registered mortgage on Plot No 1 to 33, survey no 48/1-B, Mouza - Arni Suitated at Arni, Opp Tahasil office, Arni, Yawatmal having total Plot Area 13500 sq. meters owned by Mr. Rajiv Nilawar, Mrs. Sheelabai Nilawar and Mrs. Kusum Nilawar. Also secured against the personal guarantees of Mr Paramveer Sancheti and owner of above stated of land. Since there is a debit balance in cash credit accounts, the same is grouped under cash and cash equivalent.

Ayodhya Gorakhpur SMS Tolls Pvt Ltd.

Term deposits with banks by the company on a short-term basis with original maturity of three months or less. The carrying amount of cash equivalents as at reporting date at fair value.



	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
17 Other Current Financial Assets		
Other receivables	218.13	299.44
Sesen Realty Pvt Ltd (formerly Satellite Developers Pvt Ltd)	-	7,665.00
Withheld amount	4,618.33	5,527.65
Security deposits	4,963.90	3,257.48
Retention money	1,209.61	3,049.03
Amount receivable on account of TDS deducted	271.64	516.19
Claim from MSEDCL (33 KVA Line RBC) & (33 KVA Line LBC) (Refer Note 65)	169.90	169.90
Interest accrued but not due	36.88	86.09
Earnest money deposit	823.33	615.00
Interest receivable on debentures	24.03	15.29
Amount due from partners of jointly controlled entities	31.54	0.39
Debtors against asset sale	634.85	-
	13,002.14	21,201.45



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
18 Other Current Assets		
Advances other than Capital Advances		
Advance to suppliers	1,590.89	6,348.29
Advance to sub-contractors	666.02	1,426.78
Security Deposit	155.86	145.55
Advance against expenses & Salary	118.23	102.14
Other advances	0.84	61.38
Deposit with Sales Tax Department	0.45	0.47
GST paid on advance received from customer	12.66	-
Statutory dues receivable		
Value Added Tax Receivable	3,493.50	4,711.32
Goods & Service Tax Receivable	3,686.04	4,098.12
Other Balance with Revenue authorities	1.99	303.50
Service Tax Receivable	104.20	104.43
Works Contract Tax Receivable	9.23	9.23
Excise duty Receivable	0.81	0.81
Others		
Prepaid expenses	1,435.14	1,247.93
Deposit under protest	5,290.38	5,657.88
Other receivable	6.08	1.24
Interest Receivable on Security Deposit	0.31	0.56
Deposit under Appeal	-	34.52
	16,572.64	24,254.15



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
19 Assets / Liabilities Classified as held for Sale		
A Assets classified as held for Sale		
Assets held for sale*	374.73	24.28
	<u>374.73</u>	<u>24.28</u>
B Liabilities classified as held for Sale		
Advances against assets held for sale	14.00	14.00
	<u>14.00</u>	<u>14.00</u>

For SMS Limited

* i. Description of the non-current assets held for sale

Fletcher Twin Boom HDDR Roof Bolter (Bucyrus) & 30MM-NP Continious Miner (Bucyrus)

ii. According to the agreement for sale of assets, sale consideration received in advance from SMSL Ketki MDO Project Ltd.(100% subsidiary of SMS Ltd.) and it accounted as "Advance received against assets held for sale". Accordingly Gross block & accumulated depreciation of respective assets is reduced from assets and disclosed in current assets under "Assets held for sale" for sale value ₹ 1,136.43 Lacs.

For SMS Taxi Cabs Pvt. Ltd.

* 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 2023	As at 31 March 2022
20 Equity Share capital		
a Authorized shares		
15500000 (31st March 2022 : 15500000) equity shares of par value ₹ 10/- each	1,550.00	1,500.00
b Issued, subscribed and fully paid-up shares		
10261382 ((31st March 2022 : 10261382) equity shares of par value ₹ 10/- each	1,026.14	1,026.14
Total issued, subscribed and fully paid-up share capital	<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 2023		As at 31 March 2022	
	No.	Amount	No.	Amount
At the beginning of the year	10261382	1,026.14	10261382	1,026.14
Add : Issued During the Year	-	-	-	-
Outstanding at the end of the year	<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 2023		As at 31 March 2022	
	No.	% holding in the class	No.	% holding in the class
Equity shares of par value ₹ 10/- each fully paid				
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 31.03.2023 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
Shri. Ajay Shaktikumar Sancheti	592687	0	592687	5.78%	0%
Shri. Anand Shaktikumar Sancheti	2410997	0	2410997	23.50%	0%
Shri. Paramveer Abhay Sancheti	1607348	0	1607348	15.66%	0%
Shri. Nirbhay Ajay Sancheti	1818310	0	1818310	17.72%	0%
Shri. Akshay Abhay Sancheti	1607348	0	1607348	15.66%	0%
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%
Best Power Plus Private Limited	2224374	0	2224374	21.68%	0%
Total	10261382	0	10261382	100.00%	0%



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

g 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 Shakokumar 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%
Best Power Plus Private Limited	2224374	0	2224374	21.68%	0%
Total	10261382	0	10261382	100.00%	



	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
21 Other Equity		
A Reserves & Surplus		
General Reserve		
Balance as per the last financial statements	1,402.99	1,116.85
Reclassification/regrouping	-	286.14
Closing Balance	1,402.99	1,402.99
B Holding Reserve (including Retained Earnings)		
Balance at the beginning of financial year	66,393.41	58,575.56
Reclassification/regrouping	-	(286.14)
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	66,393.41	57,174.62
Add:		
Restatement / Prior Period Errors / Change in Accounting Policies	-	(68.92)
Profit for the year	13,238.02	9,338.91
Interim Dividend Paid including Dividend Distribution Tax	(999.00)	(749.25)
Recognition of reserves of PIPL through SMS standalone financial consequent to merger	-	698.05
Retained earnings reversed due to elimination of subsidiary company consequent to transfer	(72.22)	-
Reduction due to foreign company not consolidated	3,278.92	-
Net surplus in the statement of profit and loss	81,839.14	66,393.41
C Other Comprehensive Income		
i Gain/(Loss) on Recognition of Investment in Preference Shares /Debt Instruments at Fair Value		
Balance as per last financial statements	(2,582.69)	57.77
Reserves Arising on Account of Consolidation		
Addition during the year	(2,906.53)	(2,640.46)
Closing balance	(5,489.22)	(2,582.69)
ii Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value		
Balance as per last financial statements	(5,452.34)	(4,473.11)
Addition during the year	(545.59)	(979.22)
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 balance	(5,997.93)	(5,452.34)
iii Re-measurement gains or losses on defined benefit plans		
Balance as per last financial statements	160.51	86.72
Addition during the year	32.82	73.79
Closing balance	193.33	160.51
iv Unwinding interest income on investment in Preference Shares		
Balance as per last financial statements	338.82	91.59
Addition during the year	416.74	247.23
Closing balance	755.56	338.82
v Unwinding interest on Preference Shares Issued		
Balance as per last financial statements	65.00	86.91
Addition during the year	(24.32)	(21.91)
Closing balance	40.68	65.00
Total Closing Balance	(10,497.58)	(7,470.70)



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
D Securities Premium Account		
Balance as per the last financial statements	10,647.69	10,647.69
Closing Balance	<u>10,647.69</u>	<u>10,647.69</u>
E Capital Reserve		
Balance as per the last financial statements	93.46	93.46
Add: Created during the year(Acquational of Arcor Infraventures Pvt Ltd)	270.93	-
Closing Balance	<u>364.39</u>	<u>93.46</u>
Total of other equity	<u>83,756.63</u>	<u>71,066.85</u>



	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
22 Instruments entirely equity in nature		
A Equity portion of Preference Share Capital- Owners of the Parent		
Opening Share Capital	298.22	298.22
Equity portion of Preference Share Capital	-	-
Closing Share Capital	298.22	298.22
B Equity portion of Preference Share Capital- Non-Controlling Interest		
Opening Share Capital	286.53	286.53
Equity portion of Preference Share Capital	-	-
Closing Share Capital	286.53	286.53

(Shares are 6% cumulative, non-convertible, redeemable preference shares after 15 years from the date of issue)

(This note covers the equity component of the issued non-convertible preference shares and the liability component is disclosed as a part of financial liability)

Details of Shareholders holding :-	As at 31 March 2023	As at 31 March 2022
Ayushajay Construction Private Limited		
No. of Shares	2157840	2157840
% Holding	22%	22%
Agroh Infrastructure Developers Private Limited		
No. of Shares	2697300	2697300
% Holding	27%	27%
Surya International Private Limited		
No. of Shares	999000	999000
% Holding	10%	10%
B E Infratech Private Limited		
No. of Shares	999000	999000
% Holding	10%	10%
Charu Infotech Private Limited		
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.

None of the Equity shares have been allotted for consideration other than Cash.



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
23 Money received against Share Warrants		
Precinct Concorde Private Limited- Associate Company of SMS Taxicab Pvt Ltd.	8,031.22	8,031.22
Closing Balance	<u>8,031.22</u>	<u>8,031.22</u>

The Company has issued 500,00,000 share warrants which will be convertible into 500,00,000 equity shares of ₹ 10 each at a premium of ₹ 10 after completion of locking period.



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
24 Non-controlling interest		
Opening Balances	12,537.84	10,859.88
Restated balance	12,537.84	10,859.88
Reserves arising on account of consolidation	(45.38)	-
Profit for the year	7,606.71	5,466.01
Other Comprehensive Income for the year	(2,439.92)	(2,319.52)
Interim dividend paid	(1,958.04)	(1,468.53)
Reduction due to foreign company not consolidated	680.24	-
	16,381.44	12,537.84



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	As at 31 March 2023	(₹ in lacs) As at 31 March 2022
25 Non-current Borrowings		
I. Secured		
A Term loans		
i Banks		
Axis Bank	3,200.90	5,030.64
Punjab National Bank (GECL)	1,872.60	2,409.00
State Bank of India (GECL)	1,570.57	2,295.81
HDFC Bank	181.18	465.91
Kotak Mahindra Bank	278.74	379.66
Bank of India (GECL)	155.73	236.71
ICICI Bank	609.90	234.21
Canara Bank (GECL)	106.11	151.03
IndusInd Bank	-	10.40
ii Financial Institution		
Indiabulls Housing Finance Ltd.	33,914.87	49,917.57
SREI Equipment Finance Pvt Ltd.	-	11,285.36
TATA Capital Financial Services Ltd.	403.92	399.50
Toyota Financial Services India Ltd.	31.23	64.91
Diamler Financial Services India Ltd.	39.36	50.46
Sundaram Finance Ltd.	808.37	
iii Others		
RVNL	-	213.06
II. Unsecured		
A Preference Share Capital		
Liability portion of preference shares		
Liability component of Financial Instrument		
Non-Convertible Redeemable Preference shares (Referred Note No.22)	426.89	379.21
B Loan from director		
Anand Sancheti	3,800.00	2,740.00
C Others Parties		
From Body Corporate :		
Dhani Loan & Services Ltd.	-	2,222.22
Adeshwar Gems Pvt Ltd.	376.75	348.52
PT Sinamarinda Lintas Nusantara	-	313.11
Shri Gurudatta Sugars Ltd.	229.93	204.20
Jinendra Diamonds Pvt Ltd.	84.97	77.95
Others	-	116.48
	48,092.02	79,545.92

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

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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
LQNAG00037183400	1.87	8.60%	31/03/2018	5	0.47	5 months
UQNAG00041012049/ 104/172/884/082/097	3.92	10.75%	30/10/2019	1	14.12	1 month
LQNAG00041149057/ 976/032/743/944	6.08	10.79% 9.18% 9.03%	27/11/2019	2	5.07	2 months
LQNAG00042505239	44.34	9.51%	21/11/2020	7	6.54	7 months
LQNAG00043038691	27.32	8.12%	22/12/2020	21	1.40	1 year 9 months
LQNAG00043279407	28.39	8.01%	30/01/2021	22	1.39	1 year 10 months
LVNAG00043279314/L VNAG00043279286	30.37	8.00%	22/03/2021	22	1.49	1 year 10 months
LQNAG00044262279	19.75	8.00%	28/08/2021	17	1.23	1 year 5 months
LANAG00044619956	14.54	7.40%	27/10/2021	20	0.78	1 years 8 months
LANAG00044643418	20.44	7.40%	27/10/2021	20	1.09	1 years 8 months
LQNAG00045946719/ LQNAG00045946897	647.13	10.50%	24/06/2022	51	10.62	4 years 3 months
Total	844.16					

(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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
CE1036710	379.64	7.58%	18/10/2021	42	10.52	3 years 6 months
Total	379.64					

(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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
NNN01115L,16L,17L,18L,19L,20L,21L,22L	3.44	9.57%	05/02/2020	2	1.77	2 months
NNN00495E, NNN00494E	3.21	9.55%	05/02/2020	2	1.65	2 months
NNN01124L, NNN01125L, NNN01126L	2.18	9.55%	28/01/2020	2	1.32	2 months
NNN00496E	1.57	9.55%	07/02/2020	2	0.81	2 months
Total	10.40					



25.1 Details of Securities and Terms of Repayments

(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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
Various Contracts Bundled	957.55	9.50%	05/12/2020	34	136.77	2 years 10 months
Various Contracts Bundled	3,963.86	9.50%	05/12/2020	21	49.67	1 years 9 months
Various Contracts Bundled	70.64	9.50%	05/12/2020	9	8.16	9 months
Total	4,992.06					

(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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
85246517/85246521/ 85246527	30.01	8.66%	20/02/2021	12	3.12	10 months
116746861	2.79	7.65%	12/02/2021	11	0.26	11 months
117257454	8.02	7.50%	20/02/2021	11	0.76	11 months
116999012	4.85	7.65%	11/02/2021	11	0.46	11 months
85367749	16.11	8.66%	09/04/2021	12	1.41	1 year
85367757	11.66	8.35%	09/04/2021	12	1.02	1 year
85476507/85476512/ 85476519/85476520/ 85476527/85476531	14.50	8.51%	09/06/2021	15	1.02	1 year 3 months
CE-1036710	125.10	8.65%	25/06/2021	16	8.34	1 year 4 months
85987561	34.12	5.65%	30/06/2021	16	1.90	1 year 4 months
124455571	16.23	7.05%	18/10/2021	16	0.75	1 year 4 months
86158694/86158714/ 86158741	16.89	7.51%	21/11/2021	21	0.82	1 year 9 months
125348920/219	23.43	7.50%	20/11/2021	23	1.19	1 year 11 months
130853844	49.08	7.35%	15/06/2022	22	1.79	1 year 10 months
131528908	8.31	8.30%	28/07/2022	21	0.29	1 year 9 months
131574556	8.31	8.30%	27/07/2022	18	0.29	1 year 6 months
119452876/ 119480318 / 119481682	12.73	7.65%	25/07/2022	20	0.84	1 year 8 months
85542043/85542049	16.03	8.51%	26/07/2022	20	1.06	1 year 8 months
Total	398.16					



25.1 Details of Securities and Terms of Repayments

(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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
376100I00000347	1,375.00	8.35%	19/01/2021	34	41.67	2 years 10 months
376100EG0000002	1,034.00	8.35%	01/12/2021	57	21.54	4 years 9 months
376100NG00002235	19.95	8.75%	27/09/2022	79	0.33	6 years 7 months
376100NG00002244	12.05	8.75%	07/10/2022	79	0.20	6 years 7 months
Total	2,441.00					

(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 dated mentioned below. The details of loan is as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
39960697033	2,295.57	7.95%	15/01/2021	38	60.42	3 years 2 months
Total	2,295.57					

(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 dated mentioned below. The details of loan is as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
870065410000014	230.48	8.35%	01/02/2021	38	6.23	3 years 2 months
Total	230.48					

(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 dated mentioned below. The details of loan is as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
5284703000003	155.17	7.95%	18/03/2021	37	4.09	3 years 1 month
Total	155.17					

(b) From Financial Institution

(1) Tata Capital Financial Services 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 dated mentioned below. The details of loan is as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Principal	Maturity period w.r.t. Balance Sheet date
21846981	664.91	12.00%	21/10/2021	24	32.05	2 years
Total	664.91					

(2) Toyota Financial Services India 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 dated mentioned below. The details of individual loans are as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
NNGP1226117/NNGP1226156	47.50	6.90%	15/01/2022	22	2.31	1 year 10 months
NNGP1231190	17.41	6.90%	10/03/2022	24	0.78	2 years
Total	64.91					



25.1 Details of Securities and Terms of Repayments

(3) Sundaram Finance Ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter dated mentioned below. The details of loan is as under:

Loan No.	Outstanding Balance as on 31.03.2023	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
5006700118/5006700116/5006700156	1,098.47	9.88%	20/08/2022	43	32.63	3 years 7 months
Total	1,098.47					

- (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 Pvt Ltd.

A Secured

(a) Term Loans From Banks

(1) HDFC Bank

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.

No. of Loan	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest %	Total No. of Inst.	Total No of Inst. due	Amount of instalment including Interest	Outstanding Balance as on 31.03.2023
1	1 years 1 Month	23/03/2019	10.90%	60	47	0.16	1.98
3	1 years 4 Month	29/06/2021	8.34%	36	20	0.18	8.01
2	1 years 6 Month	15/10/2021	8.06%	36	18	0.17	5.64
1	1 years 6 Month	15/10/2021	8.06%	36	18	0.17	2.83

III. SMS Envoclean Pvt Ltd.

A Secured

(a) Term Loans From Banks

(i) Secured Term Loan From Bank

(1) HDFC Bank

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.

No. of Loan	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest %	Total No. of Installments	No of Instalments due	Amount of instalment including Interest	Outstanding Balance as on 31.03.2023
1	9	20/12/2019	9.52%	48	39	0.14	1.21
2	9	19/12/2019	9.52%	48	39	0.74	6.47
1	9	19/12/2019	9.52%	48	39	0.20	1.71
1	9	19/12/2019	9.52%	48	39	0.29	2.52
10	9	19/12/2019	9.52%	48	39	1.25	10.95
6	19	30/09/2020	9.54%	48	29	0.89	15.76
6	19	30/09/2020	9.53%	48	29	0.90	15.95
3	22	31/12/2020	9.53%	48	26	0.45	9.12
10	27	03/06/2021	8.07%	48	21	1.52	37.76
2	41	07/09/2021	7.96%	60	19	0.20	7.28
3	30	22/08/2022	8.68%	37	7	0.54	14.27

(2) Axis 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.

No. of Loan	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest %	Total No. of Installments	No of Instalments due	Amount of instalment including Interest	Outstanding Balance as on 31.03.2023
1	51	01/08/2022	9.07%	60	9	0.26	11.06



25.1 Details of Securities and Terms of Repayments

(3) IICI 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.

No. of Loan	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest %	Total No. of Installments	No of Instalments due	Amount of Instalment including Interest	Outstanding Balance as on 31.03.2023
1	38	23/05/2022	9.52%	47	9	0.50	16.91

IV. MAHARASHTRA ENVIRO POWER LIMITED

(a) Other Loans

(1) India Bulls Housing Finance Limited

The loan is secured against following property of the company viz. Plot No CHW-1 Butibori Industrial Area, Mandawa and Plot no. 56, Village Ranjagaon MIDC, Taluka Shirur MIDC, Maharashtra. Further, for this loan Co-applicant/ gaurantors are Bharti Sancheti, Abhay Sancheti (Through his legal Heirs), Anand Sancheti, Vijaya Sancheti, Shruti Sancheti, Ajay Sancheti, Savita Sancheti, & SMS Limited.

Sr No.	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest upto 31st March, 2023	Total No. of Instalments	Amount of instalment including Interest	Outstanding Balance as on 31.03.2023
1	7 years 7 Months	26/03/2018	15.50%	92.00	465.18	24,543.39

(2) Axis bank Ltd

The loan is secured against exclusive charge on fixed asset created out of the term loan on exclusive basis, investment in Mutual funds, FDs of ₹ 120 Lacs and such other liquid securities such that total collateral is minimum 75%. Further, for this loan Co-applicant/ gaurantors are Anand Kumar Sancheti, Paramveer Sancheti

Sr No.	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest upto 31st March, 2023	Total No. of Instalments	Amount of instalment including Interest	Outstanding Balance as on 31.03.2023
1	5 years and 8 Months	07/02/2023	11.10%	70	25.00	148.00

(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.

Sr No.	Maturity period w.r.t. Balance Sheet date	Date of Agreement/ Sanction	Effective Rate of Interest %	No of Instalments due	Amount of Instalment including Interest	Outstanding Balance as on 31.03.2023
(1) IICI Bank						
1	6 Months	07/09/2018	9.25%	6	0.16	0.95
2	6 Months	07/09/2018	9.25%	6	0.16	0.95
3	1 Month	13/02/2020	10.87%	1	0.74	0.53
4	1 Years 3 Months	15/07/2020	9.60%	15	0.27	3.78
5	2 Years 3 Months	29/07/2021	7.50%	27	0.60	15.48
6	2 Years 3 Months	29/07/2021	7.50%	27	0.60	15.48
						37.17
(2) Axis bank						
1	2 Years 3 Months	02/08/2021	7.41%	27	0.22	5.40
2	2 Years 3 Months	06/08/2021	7.41%	27	0.22	5.40
3	2 Years 2 Months	06/08/2021	7.41%	26	1.16	27.79
						38.59
(3) Diamier Financial Services India Ltd.						
1	4 Years	02/08/2021	6.78%	48	1.18	50.60
						50.60

25.1 Details of Securities and Terms of Repayments

V. Spark Mall and Parking Private Limited

(b) Other Loans

1) India Bulls Housing Finance Ltd.

Date of Agreement/ Sanction	Agreement No.	Maturity period w.r.t. Balance Sheet date	Effective Rate of Interest %	Total No. of instalments due	Equated EMI amount	Outstanding Balance as on 31.03.2023
28/05/2020	HLAPNAG004913 34 (91 Cr)**	-	-	-	-	-
06/09/2021	HLLANAG005023 77 (25 Cr)	8 Years 8 months	13.60%	128	34.44	2,318.56
14/08/2020	HLAPNAG004918 51 (35 cr)	7 years 6 months	17.00%	114	54.34	3,054.17
31/07/2020	HLAPNAG004918 26 (40 cr)	7 years 5 months	17.00%	112	62.11	3,474.08
19/12/2019	HLLANAG004900 94 (80 cr)	2 years 6 months	17.00%	32	250.32	6,397.61

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)	Pehalwan Dhaba	SMS Ltd
	Paul Complex	BSS Associates
	Plot No M-7 Green Park New Delhi	Anand Sancheti
	FSB Dhantoli	Vetrag Hospitality Pvt Ltd
	Nagpur Club	Bharti Abhay Sancheti + Savita Ajay Sancheti + Shruti Sancheti, Abhay Sancheti(HUF)+ Ajay Sancheti(HUF) + Anand Sancheti(HUF)
HLAPNAG00491851 (35 cr)		
HLAPNAG00491826 (40 cr)	P No 1 -21/23/28 Nandura	Late Shaktikumar Sancheti/ Anand Sancheti/ Late Abhay Sancheti/ Ajay Sancheti
HLLANAG00490094 (80 cr)	Shashwat	Paramveer Sancheti/ Akshay Sancheti/ Bharti Sancheti
	Sakar	Ajay Sancheti/ Savita Sancheti
	Atulya Hindustan Colony	Anand Sancheti
	P no.5-A, Dharampeth	Savita Sancheti
HLLANAG00502377 (25 Cr)	Spark Mall, Delhi	Spark Mall & Parking Pvt Ltd



25.1 Details of Securities and Terms of Repayments

C Delay and default of Loan

The delays and default of loan details as under:-

Bank Name : Indiabulls Housing Finance Limited (₹ 3500 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque no.	Overdue days
05/04/2022	54.34	13-Oct-2022	54.34	972384	191
06/05/2022	54.34	25-Oct-2022	54.34	131871	172
07/06/2022	54.34	25-Oct-2022	54.34	131875	140
05/07/2022	54.34	13-Oct-2022	54.34	131879	100
05/08/2022	54.34	13-Oct-2022	54.34	131867	69
05/09/2022	50.37	08-Feb-2023	50.37	972171	156
05/10/2022	50.32	21-Apr-2023	50.32	131914	198
05/11/2022	50.18	21-Apr-2023	50.18	131915	167
05/12/2022	50.20	21-Apr-2023	50.20	131916	137
05/01/2023	50.22	26-Apr-2023	50.22	131917	111
05/02/2023	50.04	26-Apr-2023	50.04	131920	80
05/03/2023	50.06	26-Apr-2023	50.06	131919	52

Bank Name : Indiabulls Housing Finance Limited (₹ 4000 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque no.	Overdue days
05/04/2022	62.11	13-Oct-2022	62.11	131868	191
06/05/2022	62.11	13-Oct-2022	62.11	972385	160
07/06/2022	62.11	25-Oct-2022	62.11	131876	140
05/07/2022	62.11	13-Oct-2022	62.11	131880	100
05/08/2022	62.11	25-Oct-2022	62.11	131872	81
05/09/2022	62.11	08-Feb-2023	62.11	972172	156
05/10/2022	62.11	21-Apr-2023	62.11	131908	198
05/11/2022	62.11	21-Apr-2023	62.11	131909	167
05/12/2022	62.11	21-Apr-2023	62.11	131910	137
05/01/2023	62.11	26-Apr-2023	62.11	131911	111
05/02/2023	62.11	26-Apr-2023	62.11	131912	80
05/03/2023	62.11	26-Apr-2023	62.11	131913	52

Bank Name : India Bulls Housing Finance Limited (₹ 8000 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque no.	Overdue days
05/04/2022	250.32	13-Oct-2022	250.32	131869	191
06/05/2022	250.32	13-Oct-2022	250.32	972386	160
07/06/2022	250.32	25-Oct-2022	250.32	131877	140
05/07/2022	250.32	13-Oct-2022	250.32	131881	100
05/08/2022	250.32	25-Oct-2022	250.32	131873	81
05/09/2022	240.86	08-Feb-2023	240.86	972170	156
05/10/2022	240.91	24-Apr-2023	240.91	972200	201
05/11/2022	240.75	24-Apr-2023	240.75	972199	170
05/12/2022	240.95	24-Apr-2023	240.95	131902	140
05/01/2023	241.16	26-Apr-2023	241.16	131907	111
05/02/2023	240.95	26-Apr-2023	240.95	131905	80
05/03/2023	241.17	26-Apr-2023	241.17	131904	52

Bank Name : Indiabulls Housing Finance Limited (₹ 9100 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque no.	Overdue days
05/04/2022	104.15	13-Oct-2022	104.15	131870	191
06/05/2022	107.12	13-Oct-2022	107.12	972387	160
07/06/2022	104.15	25-Oct-2022	104.15	131878	140
05/07/2022	107.12	13-Oct-2022	107.12	131882	100
05/08/2022	104.15	25-Oct-2022	104.15	131874	81
05/09/2022	101.43	08-Feb-2023	101.43	972169	156
05/10/2022	103.11	21-Apr-2023	103.11	972189	198
05/11/2022	107.12	21-Apr-2023	107.12	972190	167
05/12/2022	107.12	21-Apr-2023	107.12	972191	137
05/01/2023	107.12	26-Apr-2023	107.12	972193	111
05/02/2023	112.14	26-Apr-2023	112.14	972196	80
05/03/2023	112.14	26-Apr-2023	112.14	972197	52

Interest Default

Note : The Company has Defaulted on Interest due on August 22 instalment of ₹ 3.71 Lacs

EVENTS OCCURRING AFTER BALANCE SHEET DATE:-

For Spark Mall and Parking Private Limited The Spark Mall & Parking Private Limited has issued 1600 compulsorily convertible debentures (CCD) of face value Rs. 10 Lacs (Rupees Ten Lakh Only) to "EVINOS BUILDERS LIMITED" on 19/04/2023, the Company has raised a fund of Rs.16,000.00 Lacs.



25.1 Details of Securities and Terms of Repayments**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 or the option of OCNCRPS Shareholders by giving one month's notice.

d. The said preference shares shall be redeemable at the option of the company at any time before 20 years. Terms of Redemption are as follows:

- i. OCNCRPS are redeemable at the issue price of Rs. 50 at any time before the expiry of 36 months from the date of allotment.
- ii. OCNCRPS are redeemable at Rs. 63 at any time after 36 months but before the expiry of 60 months from the date of allotment.
- iii. OCNCRPS are redeemable at Rs. 74 at any time after expiry of 60 months from the date of allotment but before end of 120 months from the date of allotment.
- iv. OCNCRPS are redeemable at Rs. 110 at any time after expiry of 120 months from the date of allotment but before end of 180 months from the date of allotment.
- v. OCNCRPS are redeemable at Rs. 170 at any time after expiry of 180 months from the date of allotment but before end of 235 months from the date of allotment.
- vi. OCNCRPS are redeemable at Rs. 270 at any time after expiry of 235 months from the date of allotment but before end of 240 months from the date of allotment.

e. Such preference shares shall carry preferential right for redemption of the capital on the winding up the company.

- i. OCNCRPS are redeemable at Rs. 74 at any time after expiry of 60 months from the date of allotment but before end of 120 months from the date of allotment.
- ii. OCNCRPS are redeemable at Rs. 110 at any time after expiry of 120 months from the date of allotment but before end of 180 months from the date of allotment.
- iii. OCNCRPS are redeemable at Rs. 170 at any time after expiry of 180 months from the date of allotment but before end of 235 months from the date of allotment.
- iv. OCNCRPS are redeemable at Rs. 270 at any time after expiry of 235 months from the date of allotment but before end of 240 months from the date of allotment.

f. Such preference shares shall carry preferential right for redemption of the capital on the winding up the company.

g. 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 Rs. 10/- each of the company at par or 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 Rs. 77 at any time after 36 months but before the expiry of 60 months from the date of allotment.
- iii. OCNCRPS are redeemable at Rs. 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 Rs. 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 Rs. 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 Rs. 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.



25.1 Details of Securities and Terms of Repayments

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.

3) Terms of issue of CCD to Evinox Builders Limited

a) The CCDs have a face value of ₹ 10 Lacs (Indian Rupees Ten lakh Only).

b) The Issuer shall allot and issue CCDs at per debenture price of ₹ 10 Lacs (Indian Rupees Ten Lakh Only).

c) The Tenure of the CCDs shall be 60 (sixty) months from the date of allotment subject to early conversion by the holder of such CCDs.

d) The CCDs shall not bear any interest.

e) The CCDs shall be convertible in the following manner

(i) The CCD issued shall be converted into such number of fully paid-up Equity Shares representing 24.99% of the Equity Share capital of the Issuer on Fully Diluted Basis post conversion of the CCDs, at any time after 2 months from subscription, during the tenor of CCDs.

(ii) The CCDs shall be converted into Equity Shares of the Issuer in the manner contemplated hereinabove, on the date falling one Business Day prior to the expiry of 60 (Sixty) months from the allotment date of CCDs, in the event the holder of the CCDs does not exercise the right to convert prior to such date.

f) The holder of the CCDs and the Equity Shares to be allotted pursuant to the conversion of CCDs shall be freely transferable .

g) The Company has/ shall have the authority under the Articles of Association to issue and allot such number of the Equity Shares to reflect the conversion of the CCDs.

VI. SMS Vidhyut Pvt Ltd.**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, MU-AJNI, CS NO.1228, NAGPUR.	BSS Associates	Partnership Firm of KMP of Holding Company
2)	P. NO. 1T023	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, 10T015 ,17T019 ,20 ,A, 20B, 21A, 21B, 22A, 22B,NANDURA , BULDHANA.	Mr. Anand Sancheti	Shareholder, Promoter & Director of Holding Company

2 ROI & Other Details**i) Indiabulls Housing Finance Ltd**

Agreement No.	Date of Agreement/	Maturity period w.r.t. Balance Sheet	Effective Rate of interest	Total No. of Instalments	Equated EMI Amount	Outstanding Balance as on
HLLANAG00490093	19/12/2019	2.5 years	17%	30 - Monthly	219.03	5,498.69



25.1 Details of Securities and Terms of Repayments

3 Delay and default of Loans:

a) Defaults during the year :

i) Bank Name : Indiabulls Housing Finance Limited (₹ 7000 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/04/2022	219.03	15/07/2022	219.03	282017	101
05/05/2022	219.03	04/08/2022	219.03	248744	91
05/06/2022	219.03	04/08/2022	219.03	282020	60
05/07/2022	219.03	04/08/2022	219.03	282018	30
05/09/2022	219.03	02/12/2022	210.75	282026	88
05/10/2022	219.03	04/02/2023	210.79	282034	122
05/11/2022	219.03	04/02/2023	210.65	282035	91
05/12/2022	219.03	04/02/2023	210.83	282037	61
05/01/2023	219.03	04/02/2023	211.02	282038	30

The instalments of April to August months were paid on gross amount without deducting TDS @10%, hence the excess amount paid of ₹ 14.92 lacs, ₹ 14.92 lacs was shown as TDS Receivable in BS after deducting the amount refunded by them.

ii) Bank Name : Indiabulls Housing Finance Limited (₹ 5000 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/04/2022	45.83	03/06/2022	45.83	248738	59
05/05/2022	45.83	03/06/2022	45.83	248738	29
05/09/2022	0.69	01/12/2022	0.69	282024	87
05/10/2022	52.71	26/12/2022	52.71	RTGS	82
05/11/2022	52.71	26/12/2022	52.71	RTGS	51
05/12/2022	52.71	26/12/2022	52.71	RTGS	21
05/01/2023	52.71	31/03/2023	52.71	RTGS	85
05/02/2023	52.71	31/03/2023	52.71	RTGS	54
05/03/2023	52.71	31/03/2023	52.71	RTGS	26

iii) Bank Name : Dhani Loan & services (₹ 2500 Lacs)

Due date	Amount due	Issued Date	Amount Paid	Cheque No	Overdue days
05/05/2022	138.19	03/05/2022	138.19	248736	29
05/08/2022	136.28	04/09/2022	136.28	282023	30
05/11/2022	134.38	26/12/2022	134.38	RTGS	51



25.1 Details of Securities and Terms of Repayments

Terms of Preference Shares

1)Preference Shares - SMS AABS India Tollways Pvt Ltd.

* The company has only one class of Preference shares having par value of ₹10 per share , issued at a premium of ₹ 60/- each. These are 2.5% Optionally Convertible Non-Cumulative Redeemable Preference Shares. The Preference shares shall be redeemable at the option of the company on or before 19th year from the date of issue. The shares shall be convertible at the option of the shareholder as well as the issuer on or before the 19th year from the date of allotment into one fully paid Equity share of ₹ 10 each of the Company at par with one month's notice from Shareholder.

* In case the Proposed Allottee does not choose to exercise the conversion option, the DCNCRPS will be redeemable at ₹ 230 per share at the end of 19th year from date of issue or the price prevailing at the time of redemption based on the other factors whichever is lower.

* The Preference Shares shall carry the preferential right to receive a dividend at the rate of 25% per annum in which the Company declares a dividend.

* Preference Shares shall carry preferential rights for the redemption of the capital on the winding up of the Company.

* The voting rights on such Preference Shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013, whenever applicable.

VII.SMS Hazardous Waste Management Pvt Ltd.

Loan taken from SMS limited is unsecured & is interest bearing with interest @ 13%. The terms of repayment are not stipulated and accordingly considered as non-current borrowings. CY ₹ 0 Lacs (PY ₹ 41.33 Lacs)

VIII. SMS Taxicabs Pvt Ltd.

The Term Loan from Shri Gurudatta Sugars Limited is availed for 24 months, which is renewable for 24 months and is repayable at the end of the period alongwith interest @ 14%. CY ₹ 229.93 Lacs (PY ₹ 204.20 Lacs)

The Term Loan from Adeshwar Gems Pvt Ltd is availed for 24 months, which is renewable for 24 months and is repayable at the end of the period alongwith interest @ 9%. CY ₹ 376.75 Lacs (PY ₹ 348.52 Lacs)

The Term Loan from Jinendra Diamonds Private Ltd. is availed for 24 months, which is renewable for 24 months and is repayable at the end of the period alongwith interest @ 10%. CY ₹ 84.97 Lacs (PY ₹ 77.95 Lacs)



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
25A Lease Liabilities (Non-Current)		
Lease Liabilities as per Ind AS 116	9,620.67	2,765.60
	<u>9,620.67</u>	<u>2,765.60</u>
26 Other Non- Current Financial Liabilities		
Membership Deposits	4,846.94	4,337.18
Retention Money from sub contractor	3,681.91	2,336.97
Security Deposit	4,877.28	2,582.08
Advances from customer	518.97	543.08
Deposits from outsiders	344.72	297.27
Other Paybles	35.00	35.00
	<u>14,304.82</u>	<u>10,131.57</u>



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in lacs)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
27 Provisions				
Provision for Employee benefits				
Provision for Gratuity	1,453.49	1,516.67	176.49	173.52
Provision for Leave benefit	241.45	286.10	113.95	136.53
Other Provisions				
Landfill cover charges payable	14.44	1,662.77	1,707.07	112.55
Provision for Toll Rights	-	5,499.56	-	-
Provision for Installment Payable to NHAI	-	-	898.32	816.66
Provision for Expenses Payable	-	-	175.89	685.60
Provision for Incineration charges	-	-	1,105.38	1,320.91
Provision for Post Monitoring Charges	3,181.76	3,075.07	-	-
Provision for Bad Debts	-	-	-	-
	4,891.14	12,040.17	4,177.10	3,245.78



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
28 Other Non-current liabilities		
a Advances		
Mobilisation Advance from customers	390.01	677.20
Secured Advance from customers	1,761.21	2,589.31
b Others		
Deferred -Govt grant	179.48	351.15
Security Deposit	14.72	18.51
Tender Security Deposit From Suppliers	-	22.08
Security Deposit from Tenant against Rent	169.09	167.64
	2,514.50	3,825.89



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
29 Current Borrowings		
Loans repayable on demand		
Secured		
Cash credit from banks*	23,236.77	29,542.40
Current maturities of Long term borrowings		
From Banks		
Axis Bank	1,988.87	1,784.56
Union Bank of India	-	1,720.05
State Bank of India (GECL)	725.00	604.17
Punjab National Bank (GECL)	568.40	500.00
ICICI Bank	288.57	450.44
HDFC Bank	358.21	321.55
Kotak Mahindra Bank	100.90	97.74
IndusInd Bank	10.40	63.08
Bank of India (GECL)	74.75	62.29
Canara Bank (GECL)	49.06	44.97
State Bank of India	-	1,416.47
Buyers Credit - BOI Tokyo	551.46	-
From Financial Institution		
Indiabulls Housing Finance Ltd.#	20,617.50	15,679.77
SREI Equipment Finance Ltd.	3,074.38	3,677.77
Dhani Loan & Services Ltd.	-	377.47
Tata Capital Financial Services Ltd.	261.00	239.25
Toyota Financial Services India Ltd.	33.69	31.49
Diamler Financial Services India Ltd.	11.24	9.54
Sundaram Finance Ltd.	290.10	-
Badjate Stock & Shares Pvt Ltd.	500.00	-
From Other		
RVNL	214.05	989.82
Unsecured		
Loans from related parties**	12,696.26	10,623.27
From others***	4,480.34	3,922.22
	70,130.96	72,158.31



* Cash credit from banks

I SMS Limited

1) 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 Lacs for fund based and non-fund based limits. After repayment of loan during F Y 22-23, the outstanding sanctioned limit as on 31.03.2023 has come down to ₹ 1,34,525.24 Lacs.

c) The cash credit is repayable on demand and is carries interest within the range of 8.50% to 9.60% per annum.

d) Shares of following promoters are pledged against the Cash Credit and Non Fund limit.

Name of Shareholder	No. of Shares
Shri. Ajay Shaktikumar Sancheti	461861
Shri. Anand Shaktikumar Sancheti	461861
Shri. Paramveer Abhay Sancheti	308000
Shri. Akshay Abhay Sancheti	308000

2) The company has not defaulted in repayment of unsecured loans and interest thereon during the year and 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 from 12% to 15% per annum.

II Maharashtra Enviro Power Ltd.

Cash credit from banks & current maturities of long term borrowings

1) The loan is secured by way of Hypothecation of entire current assets and movable fixed assets of the company both present and future. Further the loan is secured by Personal Guarantee of Mr. Paramveer Sancheti and Mr. Anand Sancheti. Also having charge over the fixed deposit ₹ 120 Lacs and following investments of the company:

- Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular
- Aditya Birla Sun Life Credit Risk Fund Growth - 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
- ICICI Prudential Multicap Fund- Growth
- Edelweiss Balanced Advantage Fund - Growth

2) The company has made early repayment of Indiabulls Loan to the extent of ₹ 5800 Lacs in the month of April-23 same has been included in Current Maturities of Long term Borrowings

** Loans from related parties

I SMS Envoclean Pvt Ltd.

SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

**Interest free Loans received from Mr. Chetan Bora and it does not have specific repayment terms and it is repayable on demand. (CY ₹ 12 lacs PY ₹ 12 lacs)

II Spark Mall and Parking Pvt Ltd.

The loan from related party- SMS Envocare Ltd is interest bearing @ 14% and repayable on demand (CY ₹ 523.07 lacs PY ₹ 290.94 lacs), Veetrag exploration and minerals @ 10 % (CY ₹ 407.26 lacs PY ₹ 0 lacs), SMS Waluj CEPT Pvt Ltd @ 8 % (CY ₹ 324.73 lacs PY ₹ 0 lacs) ,

III SMS Vidhyut Pvt Ltd.

The loan from following related parties are interest bearing and repayable on demand.

1) SMS Envocare Ltd @ 8% (CY ₹ 1130.89 lacs PY ₹ 0 lacs)

2) Veetrag Exploration & Minerals Pvt Ltd @ 14% (CY ₹ 358.09 lacs PY ₹ 290.99 lacs)

IV SMS Infolink Pvt Ltd.

The unsecured loan from Envotech waste management Ltd does not have a specific repayment term and is non interest bearing. (CY ₹ 5.20 lacs PY ₹ 5.20 lacs)

*** Loans from others

I SMS Ltd.

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 SMS Vidhyut Pvt Ltd.

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.

Loans from Financial Institution

I Spark Mall and Parking Pvt Ltd.

Indiabulls Loan of ₹ 8920 Lacs: Secured Loan of IndiaBulls in current borrowing amount of ₹ 8920 Lacs is Rollover Facility.



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
29A Lease Liabilities (Current)		
Lease Liabilities as per Ind AS 116	2,554.93	166.85
	<u>2,554.93</u>	<u>166.85</u>



	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
30 Trade Payable (Current)		
a Letter of Credit Issued and Outstanding	3,368.76	978.71
b Dues to Micro and small enterprises	867.39	1,409.45
c Trade Payables other than (a) & (b) above	18,457.59	17,812.92
	22,693.74	20,201.09

Note - Trade Payables

Dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and the disclosure pursuant to the said MSMED Act are as follows:

	As at 31 March 2023	As at 31 March 2022
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	867.39	1,409.37
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		
(d) The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	0.08
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	25.10	23.74
(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 2023

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	1,300.36	3.52	31.57	-	1,335.44
(ii) Others	17,784.40	763.43	758.87	818.49	20,125.19
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) others	-	-	-	-	1,233.11
(vi) Intercompany transaction eliminations	-	-	-	-	-
Total					22,693.74

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	1,375.34	33.81	0.29	-	1,409.45
(ii) Others	14,701.49	1,588.09	242.21	858.99	17,390.79
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) others	-	-	-	-	1,400.86
(vi) Intercompany transaction eliminations	-	-	-	-	-
Total					20,201.09

* 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.



SMS Limited**Notes to Consolidated Financial Statements for the year ended 31st March,2023**

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
31 Other Current Financial Liabilities		
Expenses payable	6,325.63	5,020.99
Credit balance in current account due to reconciliation	4,201.97	2,770.37
Consideration payable against Slump Sale	-	2,499.72
Salary & consultancy payable	1,033.93	1,052.06
Withheld amount	2,031.49	2,647.07
Amount payable for capital goods	3,673.87	2,030.73
Interest accrued	144.74	86.13
Interest payable to others	2.31	-
Retention money	198.31	229.20
Amount due from partners of jointly controlled entities	233.00	445.30
Other payable	350.01	110.39
Security deposit	612.00	431.65
Gratuity payable	22.68	174.27
MIDC & other charges payable	344.84	168.92
Mobilisation advance from (NHAI)	213.96	107.44
Bonus payable	53.00	71.36
Audit fees payable	22.96	6.29
Credit card dues	0.62	0.57
Payables to related party	0.60	-
Tender security deposit from suppliers	3.00	-
Payable as per full & final settlement of tenant	-	15.28
	19,468.93	17,867.76



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	As at 31 March 2023	(₹ in lacs) As at 31 March 2022
32 Other Current Liabilities		
Advances Received		
Advance from customers	926.70	1,975.73
Advance from tenants	10.70	-
Advance fees received CPS	42.00	-
Statutory Dues payable		
Goods & Service Tax payable	864.30	978.13
Tax deducted & collected at source Payable	846.73	639.90
Value Added Tax payable	-	579.10
Withholding tax	-	152.24
Provident Fund Payable	161.39	145.78
Service Tax payable	136.50	140.24
Employee State Insurance Corporation Payable	16.29	61.26
Profession Tax Payable	3.88	3.10
Workers Cess Payable	-	0.22
Labour welfare fund payable	0.03	0.03
Other Payables		
Other Payables	68.34	91.09
Deferred Government grant	23.07	71.12
Security Deposits	0.60	12.16
	3,100.52	4,850.10



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
33 Revenue from operations		
Sale of Services-		
Contract Receipts	1,37,432.53	1,01,688.28
Toll Receipt	45,275.29	51,660.97
Waste Disposal Charges	17,761.49	15,990.40
Logistic Revenue	2,012.72	1,685.34
Healthcare Services Receipt	865.60	371.73
Rent Income (Operational)	374.56	249.94
Construction Revenue	188.64	35.58
Parking Collection	167.64	148.24
Fees from Courses	129.26	-
Common Area Maintenance Charges Shops	83.47	69.56
Laboratory Income	76.61	40.65
Revenue from DBO Subscriptions	22.06	18.96
Revenue from Rent a Cab & Operating Taxi cabs	4.06	9.28
Other Operating Revenue	1,805.80	767.01
Sale of Goods-		
Trading of Goods- Pharmacy	7,008.65	3,010.85
Sale of Bags	351.41	420.75
Sale of Scraps (Operational)	204.99	262.46
Sale of Electricity	372.66	242.71
	2,14,137.42	1,76,672.70

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2023 by Nature.

Mining	59,784.00	46,270.00
Hazardous	20,407.22	18,399.60
EPC, Toll & Other	1,33,946.20	1,12,003.10
	2,14,137.42	1,76,672.70



(₹ in lacs)

Year ended	Year ended
31 March 2023	31 March 2022

34 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from		
Interest income on loans given	790.10	731.46
Interest income on refundable deposits	804.00	833.84
Interest income others	780.98	271.65
Interest on fixed deposit (FDR)	569.42	477.32
Interest on Income tax refunds	30.79	28.69
Interest income from Investments	26.70	16.99
Interest on Sales tax/VAT refunds	-	10.40
Interest on security deposit created as per IND-AS 116	0.98	-
Interest on Mobilization advance	58.71	-
Profit on sale of Fixed Assets	1,219.54	655.60
Compensation towards Civil work	-	613.98
Grant/Subsidy Received/amortised	219.73	357.37
Balances written back	2,272.51	149.78
Net Profit on Currency Flactuation	354.92	113.20
Miscellaneous income	375.29	65.84
Income from Redemption of Liquid Investments	43.21	33.07
Insurance claim received	90.38	28.93
Profit on Futures/Options	9.64	22.93
Commission Received	23.36	21.58
Other Incomes	26.17	13.55
Fair Value Gain on Equity Instrument*	14.84	3.49
Rent Received	14.24	10.81
Profit on sale of Investments	21.65	1.34
Dividend Income	0.80	2.52
Scrap Sales	0.45	10.72
Discount Received - Pharmacy	-	18.49
Contract Claim	-	10.00
Profit on sale of listed equity shares	-	6.33
Damages & claims	-	1.18
	7,748.38	4,511.08

* 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.



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2023

(₹ in lacs)

	Year ended 31 March 2023	Year ended 31 March 2022
35 Cost of raw/project material consumed		
Inventory at the beginning of the year	11,155.64	10,142.29
Add: Purchases	25,500.99	19,950.89
Less : Inventory at the end of the year	(10,797.71)	(11,078.23)
	25,858.92	19,014.95
36 Direct Expenses		
Works contract expenses	79,161.80	52,428.35
Fees to NHAI	13,693.05	8,405.91
Maintenance Charges	2,620.49	3,055.97
Power and fuel	2,379.44	1,677.44
Transportation, logistic and freight Charges	1,450.25	1,241.12
Waste Disposal Expenses	1,099.81	1,206.52
Royalty	1,954.82	1,213.44
Chemical, stores, spares & other consumption	1,395.82	1,117.57
Repairs and maintenance- Machineries	1,955.73	942.14
Machine Hire Charges	868.63	1,068.75
Toll and Plant Operation Maintenance Expenses	921.81	964.01
Insurance Expenses	445.39	392.63
Additional fee For Non fasting Vehicles	58.00	253.44
Legal, technical and professional consultancy fees	270.18	236.63
Safety & Security Expenses	126.62	176.87
MIDC Charges	175.93	168.92
Site work expenses	179.62	144.45
Landfill charges	19.47	130.01
Repairs and maintenance- Vehicles	116.06	124.71
GST expenses*	30.36	104.25
Project facility maintenances	40.40	88.81
Labour & Manpower expenses	207.04	162.21
Water charges	65.20	63.52
Medical Expenses	13.28	37.68
Change of Scope	101.60	27.63
R.T.O taxes	11.64	22.94
Other direct Expenses	44.65	33.46
Rates and taxes	39.73	10.03
AMC Charge	38.93	-
Custom Duty	34.49	3.37
Testing and certification expenses	21.07	10.39
	1,09,541.28	75,513.17



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

	Year ended 31 March 2023	Year ended 31 March 2022
37 Purchase of Stock in trade	5,262.34	2,866.64
	<u>5,262.34</u>	<u>2,866.64</u>
38 Change in Inventories of Stock in trade & Work in Progress		
Work in Progress		
Opening WIP	22,502.21	22,529.47
Closing WIP	(28,752.90)	(22,670.34)
	<u>(6,250.68)</u>	<u>(140.87)</u>
Stock in Trade		
Opening Stock in Trade	547.65	71.02
Closing Stock in trade	(71.90)	(541.33)
	<u>475.76</u>	<u>(470.31)</u>
	<u>(5,774.93)</u>	<u>(611.17)</u>



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
39 Employee Benefit Expense		
Salaries & wages		
Salaries, Wages, Ex-gratia and Bonus	14,925.86	14,139.05
Leave encashment	(19.17)	61.27
Gratuity expenses	362.31	470.29
Incentive	1.39	6.69
Stipend paid to students	17.13	-
Job Work & Labour Expense	10.78	-
Contribution to Provident and other funds		
Contribution to Provident and other funds	887.58	850.22
Contribution to Employees State Insurance Corporation	44.54	49.37
Staff welfare expenses	241.96	254.28
	16,472.38	15,831.18
<p>*Spark Mall And Parking Pvt Ltd, Maharashtra Enviro Power Limited, Sms Envoclean Pvt Ltd & Sms Water Grace BMW Private Limited :-Since, the Gratuity Is unfunded the same is clubed under the head salaries & wages as per the Guidance Note on Division-II Indas of Schedule III to the Companies Act, 2013.</p>		
40 Finance Costs		
Interest cost		
To Bank & Financial Institutions	12,954.76	15,131.58
To Others	1,499.34	324.07
To Related Parties	65.53	19.90
On Gratuity	10.12	8.71
On Mobilisation Advance	327.47	78.80
On Statutory dues	86.05	389.43
On Lease as per Ind AS 116	2,594.29	577.17
On Concession Fees	37.03	136.34
Charges for bank finance/bank guarantee/ letter of credit	1,560.69	1,715.57
Other Charges	95.85	-
	19,231.14	18,381.57
41 Depreciation and amortization expense		
Depreciation of property, plant & equipment	6,680.69	5,345.53
Depreciation of Investment Property	5.95	6.60
Amortization of Intangible assets	6,785.37	17,375.76
Amortization of Intangible assets under development	2,990.80	3,198.35
	16,462.81	25,926.24



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

(₹ in lacs)

	Year ended 31 March 2023	Year ended 31 March 2022
42 Other Expenses		
Loss on fair valuation on equity instrument	505.12	1,492.07
Legal, consultancy and professional fees	1,763.78	1,514.35
Share of loss from joint venture & partnership firm (which are not consolidated)	257.82	654.81
Repairs and maintenance expenses	433.19	445.31
Security charges	463.00	447.07
Corporate social responsibility	436.92	388.97
Office expenses	492.17	309.98
Rent expenses	254.10	240.11
Travelling and conveyance	287.48	210.60
Rates and taxes	131.74	190.04
Power and fuel	180.34	155.35
Balances written off	488.04	517.20
Advertising and sales promotion	190.28	118.71
Insurance Expenses	102.45	115.12
Lodging & Boarding Charges	69.15	81.76
Postage, Telephone & Internet Cost	75.92	76.58
Payment to Internal Auditor	75.25	72.21
Brokerage & commission	99.84	64.05
GST expenses	29.73	58.03
Miscellaneous expenses	55.52	59.73
Guest House Expenses	53.59	56.77
Pre- Operative Expenses written off	50.30	-
Payment to Statutory Auditor	65.28	45.28
Fooding Expenses	41.58	39.68
Printing and stationary	37.68	31.74
Bank Charges	37.35	23.93
Vehicle hire charges	22.76	24.22
Pantry & Housekeeping Expenses	7.02	16.56
Membership & Subscription fees	11.30	10.24
Donation	32.95	6.93
Tender expenses	28.00	6.82
Payment to stock Auditors	11.06	6.44
Payment to Cost Auditor	5.25	5.25
Director sitting fees	2.00	1.50
Lease Rent	91.50	-
Other Expenses	71.28	57.09
Company incorporation Expenses	29.07	-
Educational Supplies	17.51	-
Loss on Sale of Property, Plant and Equipment including derecognition thereof	5.32	-



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

	(₹ in lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Share Issuing Charges	3.00	-
Investment written off	-	500.00
Preference share allotment Expenses	-	1.16
Net loss on foreign currency fluctuations	-	0.02
	7,015.63	8,045.71
43 Share of profit / (loss) of associate companies		
SPANV Medisearch Life Science Private Limited	(824.12)	(213.28)
ARCOR Infraventures Private Limited	10.64	-
	(813.48)	(213.28)
43A Exceptional items		
Share of Profit/(Loss) in joint venture		
SMS Infrastructure Ltd. & D. Thakkar Constructional Pvt Ltd (JV)	-	1,761.43
Provision for diminution in value of Loan		
SREI Equipment Finance Ltd. (Refer note no 61)	7,900.04	-
Pt. SMS Mineral International (Refer note no 62)	(4,660.85)	-
SMS-AAMW Tollways Pvt. Ltd. (Refer note no 63)	(1,038.89)	-
Provision for diminution in value of debtor		
Pt. SMS Mineral International (Refer note no 62)	(2,345.68)	-
Goodwill Written off (Pharmacy Business) (Refer note no 67)	(2,890.89)	-
	(3,036.26)	1,761.43
44 Tax Expenses		
Adjustment of tax relating to earlier periods	(1,451.19)	104.54
Current Tax	4,855.07	3,835.81
Deferred Tax	(330.99)	(806.87)
MAT Credit Available	48.86	(174.75)
	3,121.75	2,958.73



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.

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current Borrowings	53,912.69	79,571.52
Current Borrowing	72,685.89	72,325.15
Total Debt	1,26,598.58	1,51,896.67
Less : Cash & Cash Equivalent	5,443.40	9,694.24
Net debt	1,21,155.18	1,42,202.44
Equity	1,09,780.18	93,246.80
Unsecured borrowings from the Director*	3,800.00	2,740.00
Total capital	1,13,580.18	95,986.80
Capital and net debt	2,34,735.36	2,38,189.24
Gearing Ratio	51.61%	59.70%

*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 and accordingly considered as a part of total capital .

46 Earnings Per Share (EPS)	As at 31 March 2023	As at 31 March 2022
Net profit after tax and exceptional items for calculation of basic EPS	13,238.02	9,338.91
Effect of dilution	-	-
Net profit after tax and exceptional items for calculation of diluted EPS	13,238.02	9,338.91
Net profit after tax but before exceptional items & tax thereon for calculation of basic EPS	16,274.29	7,577.48
Effect of dilution	-	-
Net profit after tax but before exceptional items & tax thereon for calculation of diluted EPS	16,274.29	7,577.48
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	129.01	91.01
Diluted	129.01	91.01
Earnings per equity share before exception item		
Basic	158.60	73.84
Diluted	158.60	73.84



47 A Contingent Liabilities and Guarantees

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent Liability		
Claims against the company not acknowledged as debts		
Income Tax Act #	1,704.04	1,481.39
Service Tax including Penalty of ₹ 18798.58 Lacs (₹ 18801.08 Lacs) *	45,868.70	45,897.79
Sales Tax/VAT	4,662.18	4,827.53
Life Time road transport tax	721.79	721.79
Legal Cases against company	225.50	130.77
Custom Duty	90.00	90.00
Claims from clients**	1,476.08	1,948.72
Employee related dues- Disputed salary / Full & Final	4.52	4.52
Property Tax ##	-	42.12
Goods & Service Tax	107.11	-
Claims against Company not acknowledge by client	169.90	-
Other	-	1.04
Guarantees excluding Financial Guarantees		
Performance Bank Guarantees issued to Subsidiaries & Associates Co's.	5,569.38	5,577.55
Disputed arbitration award (refer note 61)	11,288.74	-
	<u>71,887.95</u>	<u>60,723.22</u>



SMS Limited

Note :-

- 1 * Out of this, one matter is related to eligible Service Tax credit of Rs `104 Lacs denied by the department and in place they had alleged the liability of ₹ 17496.87 Lacs (and penalty of ₹ 14505.44 Lacs) against our such eligible avallment . SMSL has appealed against this unjustified stance of department and the appeal is pending before CESTAT, Mumbai. This case is for the period from 2011-12 to 2015-16.. While alleging this huge liability department had applied the the unreasonable formula with wrong allegation that project wise bifurcation of accounts was missing. Thus it can be seen that the reversal of credit asked by the department was no way comparable to the actual availed credit.

In the background of this case, it is worth noting that Service tax department observed that the turnover of SMSL had two part i.e. regular works contract and trading activity. These two parts would have been occupied in the same show cause notice but department preferred two separate notices for these two parts. Then SMSL had to approach two different cases and both the cases were filed before The Commissioner (Appeal). In the case of common credit related to trading turnover in Order No. NGP/EXCUS/000/APPL/412/18-19/141 dated 09.01.2019 the Commissioner (Appeal), has accepted the computation made by the Company and had dropped the entire demand and also accepted the project wise books of accounts.

Considering the aforesaid order passed by Commissioner (Appeal) for the trading part, the outcome for Contractual turnover part will also be in line with the trading part with no liability to the Company. At the most the total demand which may arise as outcome should not exceed INR 142.31 Lacs i.e., actual amount of common credit availed by SMSL with interest. This is also as per the opinion by our expert consultant on this matter. Due to long pending queue before CESTAT, Mumbai the hearings are getting delayed. With the above background, SMSL is confident that once the matter comes up for the hearing the result shall be in the favour of company.

* Also include ₹ 7486.25 Lacs (and penalty of ₹ 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 Ore. SMSL had paid service tax for the development part, at 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 service tax on development part under normal rates as against service tax paid under composition scheme. 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 experts on this matter, who had opined that the stand of SMSL is prudent and defensible.

**The compnay has already paid to ONGC ₹ 1476.08 Lacs and is contested under arbitration. Even in case of unfavourable order at arbitration level no cash flow expected. For ₹ 449.02 Lacs 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. In this case, the company is assured that, this amount will be release.



- 1 # The Income Tax Department demanded an amount of ₹ 452 Lacs against Income Tax Assessment for the AY 2015-16. Similarly, for the AY 2016-17 Income Tax Department made an addition to return income and demanded an amount of ₹ 0/-. The company has filed appeals with CIT(Appeals) for both the A.Y.
- 2 The Income Tax Department demanded an amount of ₹ 94.82 Lacs against AY 2021-22. The Company is in process of filing Rectification of the same. The same has been communicated to the Income Tax Department vide letter dated 03/08/2023.
- 3 Show cause cum Demand Notice was issued by GST Intelligence Department and an amount of ₹ 1739.03 Lacs was demanded against Service Tax, Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess and Krishi Kalyan Cess for period from October 2013 till June 2017. Against the same the company filed its reply mentioning that the said notice and demand is not applicable as Toll Collection Services are part of the Negative List of Service Tax.

.@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 along with penalty of ₹ 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 and 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 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 .
 - 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 filled representations to State Government of Uttar Pradesh on the above grounds.
 - 5 In case the stamp authorities recovered the interest and penalty from the Company in future, then the said amount will be recovered from 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. Also, Performance Bank Guarantee issued by the Company to NHAI has been released on 19.05.2023, showing no liability as on date of the Company towards NHAI.
- ## The company has already paid to ONGC ₹ 1476.08 Lacs and is contested under arbitration. Even in case of unfavorable order at arbitration level, no cash outflow is expected. For ₹ 449.02 Lacs demand for Banwas project matter is already taken up with concern authority & against which the amount was already withheld by the department hence no cash outflow is expected. In this case, the company is assured that, this amount will be released.



B Contingent Assets	As at 31 March 2023	As at 31 March 2022
Claim raised to the client not acknowledged as receivable*	2,667.04	2,667.04
	<u>2,667.04</u>	<u>2,667.04</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 tribunal allowed claim of ₹ 2667.04 Lacs along with interest @ 7% from the date of publishing of 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.

C Commitments	As at 31 March 2023	As at 31 March 2022
Capital Commitment	25,508.58	13,831.50
Revenue Commitment	1,04,900.27	46,676.13
	<u>1,30,408.85</u>	<u>60,507.63</u>

48 Payment to Auditors (Excluding Taxes)

As Auditor:	As at 31 March 2023	As at 31 March 2022
Audit fee	36.50	31.86
Tax audit fee	8.03	5.25
Cost Audit fee	5.25	5.25
In other capacity:		
Other services (Certification Fees & ROC expenses)	15.50	2.93
	<u>65.28</u>	<u>45.29</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 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 ₹ 8,62,406 lacs out of which 17.25% 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	2022-23	2021-22
A Contracts with customers		
i Revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue	Yes	Yes
ii Any impairment losses recognised (in accordance with Ind AS 109) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts	NA	NA
B Contract balances		
i Opening Balances		
Contract Receivable	31,248.89	29,812.08
Contract Assets	17,764.01	19,119.18
Contract Liability	4,730.16	3,070.85
ii Closing Balance		
Contract Receivable	14,694.96	31,248.89
Contract Assets	19,219.19	17,764.01
Contract Liability	2,524.29	4,730.16
C		
i Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,801.42	2,266.90
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 time 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
D Significant judgement in the application of standard		
i An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following	Yes	Yes
The timing of satisfaction of performance obligations	Yes	Yes
The transaction price and the amounts allocated to performance obligations.	Yes	Yes
E Determining the timing of satisfaction of performance obligations		
i The methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied)	Yes	Yes
ii An explanation of why the methods used provide a faithful depiction of the transfer of goods or services.	Yes	Yes



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

Particulars	2022-23	2021-22
i Depreciation charge for right-of-use assets	666.62	176.79
ii Interest expenses on lease liabilities	2,589.59	577.03
iii Expenses relating to short term assets accounted on straight line or other systematic basis over	1,043.26	1,220.19
iv Total cash outflow for Leases other than Sale and Leaseback transactions		-
v Total cash outflow for Sale and Leaseback transactions leases	3,119.31	811.65
vi Interest Income recognised on security deposit given under lease arrangements	56.02	25.99
vii Additions of right-of use assets	12,837.22	4,089.88
viii Carrying value of right-of use assets at the end of the reporting period	16,117.98	3,947.38
ix Gain/(loss) arising from sale and lease back transactions	40.29	52.06
x Maturity analysis of lease liability as at the end of the reporting period		
Financial Year:		
22-23	-	166.73
23-24	2,524.47	227.22
24-25	3,712.20	1,654.41
25-26	2,351.05	50.98
26-27	1,559.00	74.59
27-28	283.83	109.16
28-29	861.00	641.78
	847.42	
Total amount of lease liabilities as at end of the reporting period	12,138.97	2,924.87

- xi **Sale and Leaseback Transactions:**

During the FY 22-23, the company has acquired the assets under sale and leaseback transaction to the tune of ₹ 12854.88 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 ₹ 40.29 Lacs.

- xii **Key terms and conditions of individual sale and leaseback**

(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.



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
BHARATI 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
J M 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 march 22 & 10.88 April22 onwards	Monthly	NO	267.09
J M COTSPIN PRIVATE LIMITED	48 Months	01/05/2022	30/04/2026	27.00	Monthly	NO	530.26
INVATO SALES & SERVICES PRIVATE LIMITED	48 Months	01/05/2022	30/04/2026	16.64	Monthly	NO	336.18
ARS INFO CONCEPT PVT LTD	48 Months	01/05/2022	30/04/2026	22.50	Monthly	NO	440.51
SMS TOLLS AND DEVELOPERS PVT. LTD.	84 Months	01/12/2022	30/11/2029	24.22	Monthly	NO	425.64
SMS TOLLS AND DEVELOPERS PVT. LTD.	84 Months	01/02/2023	31/01/2030	11.36	Monthly	NO	207.70
SMS TOLLS AND DEVELOPERS PVT. LTD.	84 Months	01/01/2023	31/12/2029	1.23	Monthly	NO	22.55

Lease 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
RENT ALPHA PRIVATE LIMITED	16 Quarter	15/04/2022	15/01/2026	4.43	Quarterly	NO	5.66
RENT ALPHA PRIVATE LIMITED	16 Quarter	15/01/2022	31/05/2028	57.85	Quarterly	NO	-
RENT ALPHA PRIVATE LIMITED	16 Quarter	15/01/2022	31/05/2028	5.23	Quarterly	NO	-
SMG REALITIES PRIVATE LIMITED	36 Months	01/12/2022	30/11/2025	249.05	Monthly	NO	5,213.51



SMS Vidhyut Private Limited

Operating Lease Disclosures as per IND AS 116

(a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

i. Not later than one year - ₹ 0.13 Lacs (Twelve Thousand Five Hundred and Fifty One.)

ii. Later than one year and not later than five years - ₹ 0.57 Lacs (Rupees Fifty Six Thousand Eight Hundred & Three)

iii. Later than five years - ₹ 2.01 Lacs (Rupees Two Lakhs One Thousand Four Hundred and Eighty Five 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, 2023, with separate amounts for minimum lease payments and contingent rents.

i. Lease Payment - ₹ 11,954

ii. Contingent Rent - Nil.

(d) Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year ended 31st March, 2023 - 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.

1) The term of the lease shall be same as that of Hydro Power Development Agreement dated 22nd October,2008. 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.

2) 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.

3) 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.

4) 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.

5) 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.

6) 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.

7) 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.



SMS Envoclean Pvt Ltd

Disclosures for some of the key disclosure requirement for lessee involves disclosing amounts relating to the reporting period for the following items :

Particular	FY 2022-23	FY 2021-22
i. Depreciation charge for right-of-use assets	61.56	-
ii. Interest expense on lease liabilities	4.56	-
iii. Expense related to short term assets accounted on WDV or other systematic basis	-	-
iv. Total cash outflow for lease other than sale and leaseback transaction	28.30	-
v. Total cash outflow for sale and leaseback transaction	-	-
vi. Interest income recongined on SD given under lease	0.98	-
vii. Addition of right-of-use assets	61.74	-
viii. Carrying value of right-of-use assets at the end of the reporting period	0.18	-
ix. Gain/(Loss) arising from sale and leaseback transaction	-	-



52 Employees Benefit**A Define Contribution Plan**

(₹ In lacs)

Ayodhya Gorakhpur SMS tolls Pvt. Ltd.

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, 2023	31st March, 2022
Employer's contribution to Provident Fund	34.12	52.83
Employer's contribution to Employee state Insurance Corporation	1.51	2.37
Total	35.63	55.20

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.

Table I: Assumptions

Assumptions	Gratuity plan		Leave encashment plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount Rate	7.51% per annum	7.36% per annum	7.36% per annum	7.29% per annum
Rate of increase in Compensation levels	8% per annum	8% per annum	8% per annum	7.00% per annum
Rate of Return on Plan Assets	7.29% per annum	6.81% per annum	NA	NA
Average future service (In years)	26.89 Years	24.43 Years	24.43 Years	24.43 Years
Mortality Rate	100 % of IALM (2012-14)	100 % of IALM (2012-14)		
Withdrawal rate	For Services 4 years & Below 14.73% P.A and for Services 5 years and above 14.73% P.A.	For Services 4 years & Below 10% P.A and for Services 5 years and above 2% P.A.		

Table II: Service Cost

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	225.48	264.32	94.53	119.33
Past Service Cost (including curtailment)	-	17.14	-	-
Gains or losses on Non Routine settlements	-	-	-	-
Total	225.48	281.46	94.53	119.33

Table III: Net Interest Cost

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest Cost on Defined Benefit Obligation	87.80	82.63	21.78	18.37
Interest Income on Plan Assets	13.79	12.06	-	-
Net Interest Cost (Income)	74.02	70.57	21.78	18.37

Table IV: Change in Present Value of Obligations

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening of defined benefit obligations	1,712.39	1,658.21	298.81	269.78
Liability Transferred IN	-	117.91	-	-
Service cost	263.41	341.12	94.53	119.33
Interest Cost	110.31	117.33	21.78	18.37
Benefit Paid	(380.75)	(85.97)	(27.09)	(3.37)
Actuarial (Gain)/Loss on total liabilities:	(45.44)	(119.21)	(154.47)	(105.31)
- due to change in financial assumptions	-45.28	-21.23	(2.19)	(6.51)
- due to change in demographic assumptions	0.49	(39.89)	-	-
- due to experience variance	(0.65)	(58.09)	(152.28)	(98.80)
Closing of defined benefit obligation	1,659.92	2,029.39	233.57	298.81

Table V: Change in Fair Value of Plan Assets

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening fair value of plan assets	189.12	177.10	-	-
Actual Return on Plan Assets	12.96	12.02	-	-
Employer Contribution	219.45	76.70	27.09	3.37
Benefit Paid	(215.42)	(76.70)	(27.09)	(3.37)
Closing fair value of plan assets	206.10	189.12	-	-

Table VI: Actuarial (Gain)/Loss on Plan Asset

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Expected Interest Income	13.79	12.06	-	-
Actual Income on Plan Asset	12.96	12.02	-	-
Actuarial gain / (loss) on Assets	(0.83)	(0.04)	-	-

Table VII: Other Comprehensive Income

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening amount recognized in OCI outside P&L account	-	-	-	-
Actuarial (gain) / loss on liabilities	(59.10)	(119.21)	-	-
Actuarial (gain) / loss on assets	0.83	0.04	-	-
Closing amount recognized in OCI outside P&L account	(58.27)	(119.17)	-	-

Table VIII: The amount to be recognized in Balance Sheet Statement

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligations	1,661.19	1,982.80	233.57	298.81
Fair value of plan assets	206.10	189.12	-	-
Net Obligations	1,455.09	1,793.68	233.57	298.81
Amount not recognized due to asset limit	-	-	-	-
Net defined benefit liability / (assets) recognized in	1,455.09	1,793.68	233.57	298.81

Table IX: Expense Recognized in Statement of Profit and Loss

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Service cost	263.59	373.89	94.53	119.33
Net Interest Cost	96.66	105.39	21.78	18.37
Net actuarial (gain)/loss	(0.55)	(0.55)	(154.47)	(105.31)
Expenses Recognized in the statement of Profit & Loss	360.25	479.29	(38.15)	32.39

Table X: Change in Net Defined Obligations

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening of Net defined benefit liability	1,191.12	1,165.68	298.81	269.78
Liability Transferred IN	-	117.90	-	-
Service cost	225.66	265.43	94.53	119.33
Net Interest Cost	74.15	79.43	21.78	18.37
Re-measurements	(28.36)	(121.72)	(154.47)	(105.31)
Employer Contribution	(371.04)	(79.32)	(27.09)	(3.37)
Closing of Net defined benefit liability	1,091.53	1,427.40	233.57	298.81

Table XI: Major categories of plan assets (as percentage of total plan assets)

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Government of India Securities	0%	0%	0%	0%
State Government Securities	0%	0%	0%	0%
High Quality Corporate Bonds	0%	0%	0%	0%
Equity Shares of Listed Companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Special Deposit Scheme	0%	0%	0%	0%
Fund Managed by Insurer	100%	100%	0%	0%
Bank Balance	0%	0%	0%	0%
Other Investments	0%	0%	0%	0%
Total	100%	100%	0%	0%



(X) Sensitivity Analysis

For Spark Mall and Parking Pvt. Ltd.

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	March 31, 2023	Impact (Absolute)	Impact %
Base liability	29.86		
Increase Discount Rate by 0.50%	27.80	-205%	-6.87%
Decrease Discount Rate by 0.50%	32.13	228%	7.63%
Increase Salary Inflation by 1.00%	34.64	478%	16.02%
Decrease Salary Inflation by 1.00%	25.90	-396%	-13.25%
Increase Withdrawal Rate by 5.00%	29.92	6%	0.21%
Decrease Withdrawal Rate by 5.00%	29.54	-32%	-1.07%

Note :-

- 1) The base liability is calculated at discount rate of 7.48% 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, 2023	Impact (Absolute)	Impact %
Base liability	11.78	-	
Increase Discount Rate by 0.50%	11.09	(0.68)	-5.81%
Decrease Discount Rate by 0.50%	12.52	0.75	6.33%
Increase Salary Inflation by 1.00%	13.31	1.54	13.04%
Decrease Salary Inflation by 1.00%	10.46	(1.32)	-11.19%
Increase Withdrawal Rate by 5.00%	11.51	(0.27)	-2.27%
Decrease Withdrawal Rate by 5.00%	11.96	0.18	1.57%

Note :-

- 1) The base liability is calculated at discounted rate of 7.51% 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.

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, 2023	Impact (Absolute)	Impact %
Base liability	26.95		
Increase Discount Rate by 0.50%	26.20	(0.75)	-2.79%
Decrease Discount Rate by 0.50%	27.75	0.80	2.95%
Increase Salary Inflation by 1.00%	28.57	1.61	5.99%
Decrease Salary Inflation by 1.00%	25.48	(1.47)	-5.45%
Increase Withdrawal Rate by 5.00%	25.69	(1.27)	-4.70%
Decrease Withdrawal Rate by 5.00%	28.54	1.58	5.87%

Note :-

- 1) The base liability is calculated at discount rate of 7.35% 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.



For SMS Envoclean Pvt. Ltd.

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2023	Impact (Absolute)	Impact %
Base Liability	48.76		
Increase Discount Rate by 0.50%	47.57	(1.19)	-2.45%
Decrease Discount Rate by 0.50%	50.02	1.26	2.58%
Increase Salary inflation by 1%	51.31	2.54	5.22%
Decrease Salary inflation by 1%	46.43	(2.33)	-4.79%
Increase Withdrawal Rate by 1%	47.47	(1.29)	-2.64%
Decrease Withdrawal Rate by 1%	50.42	1.66	3.41%

Note :-

- 1) The base liability is calculated at discount rate of 7.36 % 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.

For Maharashtra Enviro Power Ltd.

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Projected Benefit Obligation on Current Assumptions	(246.22)	227.71
Increase Discount Rate by 0.50%	(5.77)	(5.65)
Decrease Discount Rate by 0.50%	6.08	5.98
Increase Salary Inflation by 1.00%	12.30	12.02
Decrease Salary Inflation by 1.00%	(11.28)	(10.98)
Increase Withdrawal Rate by 1.00%	(0.56)	(1.16)
Decrease Withdrawal Rate by 1.00%	0.61	1.27

Note:

- 1) The base liability is calculated at discount rate of 7.36 % 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.

(XI) The defined benefit obligations shall mature after year ended 31st March, 2023 as follows:

For Spark Mall and Parking Private Limited

Projected Benefit Obligation Payable in future Years from the date of reporting	March 31, 2023	March 31, 2022
1st Following Year	0.55	0.46
2nd Following Year	0.65	0.54
3rd Following Year	0.71	0.65
4th Following Year	1.02	0.70
5th Following Year	0.90	0.88
After 5th Year	111.99	101.68
Total	115.82	104.91

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, 2023	As at 31st March, 2022
1st Following Year	2.96	2.93
2nd Following Year	2.78	2.70
3rd Following Year	2.56	2.52
4th Following Year	3.42	2.32
5th Following Year	3.16	2.67
After 5th Year	30.82	26.12



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, 2023	As at 31st March, 2022
1st Following Year	0.68	0.54
2nd Following Year	0.26	0.29
3rd Following Year	0.27	0.63
4th Following Year	0.81	0.31
5th Following Year	0.32	0.72
After 5th Year	33.02	25.70

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, 2023	As at 31st March, 2022
1st Following Year	6.27	5.64
2nd Following Year	5.80	5.46
3rd Following Year	5.83	5.21
4th Following Year	7.00	5.21
5th Following Year	6.91	5.91
After 5th Year	45.79	44.85

For Maharashtra Enviro Power Limited

Projected Benefit Obligation Payable in future Years from the date of reporting	As at 31st March, 2023	As at 31st March, 2022
1st Following Year	45.89	37.32
2nd Following Year	30.95	27.93
3rd Following Year	28.57	27.67
4th Following Year	27.52	23.69
5th Following Year	24.49	22.78
After 5th Year	227.87	206.56

Note:- While preparing consolidated disclosure of Employee benefit, we have considered only financial of those subsidiaries in which these disclosures are available.



53 Segment Reporting

(₹ in lacs)

- a The company's primary business segments comprises of EPC,Toll, Hazardous and Mining. The business segments have been identified in line with IND AS 108 on Segment Reporting.
b Segment Revenue Results & Other Information

Particulars	2022-23				2021-22			
	Mining	Hazardous	EPC, TOLL & OTHER	Total	Mining	Hazardous	EPC, TOLL & OTHER	Total
Revenue								
Total Segments Revenue	59,784.00	20,457.61	1,34,689.84	2,14,931.45	46,270.00	18,451.32	1,13,329.09	1,78,050.42
Less: Inter-Segment Revenue	-	50.39	743.64	794.03	-	51.72	1,325.99	1,377.72
Revenue from External Customer	59,784.00	20,407.22	1,33,946.20	2,14,137.42	46,270.00	18,399.60	1,12,003.10	1,76,672.70
Results								
Segment results	28,481.05	15,913.66	34,896.90	79,291.61	20,091.92	13,811.17	47,050.34	80,953.43
Less: Inter-Segment results	-	-	41.82	41.82	-	-	1,064.32	1,064.32
Operating profit	28,481.05	15,913.66	34,855.08	79,249.80	20,091.92	13,811.17	45,986.02	79,889.11
Other Income	981.00	916.16	7,769.49	9,666.65	142.13	621.47	5,313.80	6,077.40
Employee Benefit Expense	9,416.41	1,918.37	5,138.31	16,473.10	8,252.96	1,893.45	5,742.72	15,889.14
Other Expenses	1,729.57	2,084.52	4,033.41	7,847.50	1,459.95	2,297.63	4,590.44	8,348.01
Finance costs	7,254.47	3,714.87	9,060.72	20,030.06	4,657.32	3,671.11	10,793.38	19,121.81
Depreciation / Amortisation	3,780.16	1,833.19	10,849.45	16,462.81	2,822.48	1,443.19	21,660.56	25,926.24
Inter segment	1.20	798.36	(1,086.31)	(286.75)	181.20	264.79	(911.81)	(465.83)
Profit Before Share of profit(loss) of an Associate Companies, Exceptional Items and Tax	7,282.63	8,077.23	12,456.37	27,816.23	3,222.53	5,392.05	7,600.91	16,215.49
Share of profit / (loss) of associate companies	-	-	(543.04)	(543.04)	-	-	(213.28)	(213.28)
Exceptional Items	-	-	(3,036.26)	(3,036.26)	-	-	1,761.43	1,761.43
Profit before tax	7,282.63	8,077.23	8,877.07	24,236.92	3,222.53	5,392.05	9,149.06	17,763.65
Current tax	-	510.68	2,893.21	3,403.88	-	460.52	3,479.83	3,940.35
Deferred Tax	(1.06)	(97.93)	(183.14)	(282.13)	(0.29)	(11.34)	(969.99)	(981.62)
Profit after tax	7,283.69	7,664.48	6,167.00	21,115.18	3,222.82	4,942.87	6,639.22	14,804.91
Assets								
Segment assets	90,453.13	67,505.92	1,82,465.25	3,40,424.30	1,10,764.04	62,036.37	1,76,547.85	3,49,348.26
Intercompany assets	1,107.50	32.36	27,662.39	28,802.25	518.41	46.43	28,441.41	29,006.26
Total assets	89,345.63	67,473.56	1,54,802.86	3,11,622.05	1,10,245.63	61,989.94	1,48,106.44	3,20,342.00
Liabilities								
Segment liabilities	32,348.80	39,926.58	1,58,227.99	2,30,503.38	24,069.19	41,406.39	1,90,400.42	2,55,876.00
Intercompany liabilities	3.08	11.63	28,562.08	28,576.80	6,757.55	419.23	21,604.03	28,780.81
Total liabilities	32,345.72	39,914.95	1,29,665.91	2,01,926.58	17,311.64	40,987.17	1,68,796.39	2,27,095.20



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March,2023

54 Related Party Disclosures as required in terms of "Indian Accounting

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	11	SMSL-SRROPL (J V)
2	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	12	SMSIL-MBPL (JV)
3	SMS Infrastructure Ltd. Shreenath Enterprises J.V.	13	Meghe SMS Health Sciences Consortium (SPV)
4	SRROPL-SMSL-BEKEM-JV	14	AGIPL-SMSIL (JV)
5	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	15	Sanbro Corporation
6	GSJ Ervo Ltd. In consortium with SMS Infrastructure Ltd.	16	Saket - SMSIL (JV)
7	SMSIL KTCO (JV)	17	SRROPL-SMSL (J V)
8	Bhartia SMSIL (JV)	18	SRROPL SMSL (JV)-Mahabubnagar
9	SMSIL-MBPL-BRAPL (JV)	19	SMSL-MBPL JV Durg-package-A
10	GDCL-SMSIL (J.V.)		

B Associates

1	RCCL Infrastructure Ltd.	3	SPANV Medisearch Life Science Private Limited
2	SMS AAMW Tollways Pvt. Ltd.	4	Arcor Infraventures Private Limited

Fellow Associates

C Key Management Personnel

1	Anand S. Sancheti -Managing Director	24	Pradyumna Paranjape
2	Dilip B Surana - Whole Time Director	25	Rajesh Kumar Gupta-CFO
3	Paramveer A Sancheti- Whole Time Director	26	Afzal Sorathiya
4	Nirbhay A Sancheti- Whole Time Director	27	Badrish Nakkak-CFO
5	Akshay A Sancheti- Whole Time Director	28	Ankita hande-CS
6	Ajay Kumar Lakhota-Independent Director	29	Smita Agarkar-CS
7	Ramendra Gupta-Independent Director	30	Manisha Somani
8	Hemant Lodha-Additional Director (Non Executive)	31	Dr. Rajkumar Khandelwal
9	Vijay Kisanlal Sancheti (Resigned on 31st march 2023)	32	Amit Somani
10	Dattatrya Lakshmanrao Kinage (Resigned on 31st march 2023)	33	Dr.Pramod Gandhi
11	Saurabh Gautam	34	Dr. Vasudeo Riddhorkar
12	Chetan Bora	35	Dr. Rajan Prataprao Barokar Dr. Samir Surendra Patil
13	Anup Nilawar	36	Dr. Rajkumar Radheshyam Khandelwa I
14	Rakesh Mishra	37	Dr Prakash Khetan Dr Pramod Gandhi
15	Anita Rao	38	Anju Bhagwani-CS
16	Satish Wate	39	Shallendra Singhal
17	Asif Hussein	40	Navneet Kumar Pandey
18	Prabal Pratap Singh	41	Ayush Agrawal
19	Dilip Ganguly	42	Jagdish Purohit
20	Jayant Padgilwar	43	Arun Kumar Patil
21	Kishor Malviya	44	Pranav Akhileshwar Kumar
22	Aditya Nilawar	45	Manish Bindeshwar Prasad Sinha
23	Chandrashekhar M Singh	46	Sunil Sureshrao Dalthankar



SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2023

54 Related Party Disclosures as required in terms of Indian Accounting

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	46	Usha Agrawal
2	SMS Envocare Ltd.	47	Neha Agrawal
3	SMS Waluj CETP Pvt. Ltd.	48	Neena Singhal
4	SMS Multi Objective Organisation	49	Kamna Pandey
5	Atul Multi Objective Organisation	50	Agroh Infrastructure Developers Private Limited
6	Valencia Constructions Pvt. Ltd.	51	Surya International Pvt. Ltd.
7	Veet Rag Exploration & Minerals Pvt. Ltd.	52	B E Infratech Private Limited
8	Veet Rag Hospitality Pvt. Ltd.	53	Nivan Balaji Venture Private Limited
9	San Commercials Pvt. Ltd.	54	Ayushajay Construction Private Limited
10	Nilawar Water Grace Waste Management Private Limited	55	Precinct Concorde Private Limited
11	Bubbori CETP Pvt Ltd	56	Veetrag Homes Private Limited
12	Grey Mountain Private Limited	57	Veetrag Developers Private Limited
13	San Finance Corporation	58	Rishik (Motors) India Private Limited
14	Sanson Developers	59	Dilip Mohite
15	KPANY Mines and Mineral LLP	60	Rajhuns Hotels Private Limited
16	Best Power Plus Private Limited	61	D & S Engineers & Contractors Private Limited
17	Kingsway Foundation	62	Sharmila Earthmovers Private Limited
18	Pinnacle	63	Shantanu Developers Private Limited
19	BSS Associates	64	Mohite Infrastructure Private Limited
20	SMS Water Grace Enviroprotect Pvt Ltd.	65	Veronica Developers Private Limited
21	SMS Water Grace Mediawaste Management Pvt Ltd	66	Topaz Developers Private Limited
22	Raveena Nirbhay Sancheti	67	Telstar Constructions Private Limited
23	Kavita Paramveer Sancheti	68	Sunbeam Heights Private Limited
24	Bharati Sancheti	69	Samruddhi Earth Movers Private Limited
25	ShrutAnand Sancheti	70	Tulip Earth Movers Private Limited
26	Shreya Akshay Sancheti	71	Sapphire Earth Movers Private Limited
27	Vijaya Sancheti	72	Ritz Con Private Limited
28	Raveena Nirbhay Sancheti	73	Mohite Power Private Limited
29	Trishala Anand Sancheti	74	Mohite INNS Private Limited
30	Karan Anand Sancheti	75	Mohite Energy Private Limited
31	Oracity Life Science LLP	76	Shantanu Power Private Limited
32	Ayushajay Construction Private Limited	77	Shantanu Mines & Minerals Private Limited
33	Divinutty Products Pvt Ltd	78	Westend fashion Private Limited
34	Vishwanath Infrastructure Ltd.	79	Westend Builders Private Limited
35	Amit Nilawar	80	Westend Resorts Private Limited
36	SMS Aanamklean Greentech Pvt. Ltd.	81	Shantanu farms Private Limited
37	SMS Infrastructure PTE Ltd.	82	Gold Museum Jewellers Private Limited
38	Adianubhav Developers Pvt. Ltd.	83	Shantanu Infra-Structure Private Limited
39	Anil H. Sancheti	84	Shantanu Agro Private Limited
40	KPANY Ventures LLP	85	Telstar Agro Private Limited
41	Rachit Khandelwal	86	Sapphire Agro Private Limited
42	Sejal Khandelwal	87	Veronica Agro Private Limited
43	Bio-Waste Management (U) Ltd	88	Precinct Agro Private Limited
44	Ajay Agrawal	89	DM Precifab Private Limited
45	Shakuntala Agrawal	90	Ascend Power 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	
		2023	2022	2023	2022	2023	2022	2023	2022
1	Advance Given/Repaid	-	-	-	-	1.43	0.40	-2.08	152.91
2	Advance Received/ Recovered	-	-	-	-	-	-	-	297.04
3	Am't recd agst services / Goods	-	-	-	-	-	-	11.48	725.36
4	Change in Investment	288.65	1,902.22	-	-	-	-	-	-
5	Commission & Brokerage	-	-	-	-	-	-	94.50	63.75
6	Dividend Paid During the year	-	-	-	-	-	-	2,741.26	2,055.94
7	Donation	-	-	-	-	-	-	1.16	1.00
8	Interest Expenses	87.37	16.03	-	-	-	-	535.60	483.98
9	Interest Income	13.77	-	-	-	-	-	290.90	117.27
10	Investment	-	-	-	-	-	-	-1,527.31	-4,047.69
11	Lease Rent	-	-	-	-	381.60	450.00	-	-
12	Loan Given/ Repaid	783.09	1,341.01	-	-	240.00	1,160.00	61,113.60	45,824.04
13	Loan Received/ Recovered	-157.66	3,006.44	-	-	1,300.00	3,900.00	61,036.38	31,286.16
14	Managerial Remuneration	-	-	-	-	1,520.91	1,472.11	-	81.00
15	Mobilization Advance Received	4.99	14.92	-	-	-	-	-	-
16	Other Services Rendered	56.44	4.30	-	-	-	-	13.45	22.35
17	Other Transactions (Paid)	-	-	-	-	109.22	-	2,442.98	2,689.01
18	Other Transactions (rcd)	-	-	-	-	-	-	685.95	1,572.47
19	Payment made for Services/ goods	-	-	-	-	-	-	27.05	52.22
20	Reimbursement of Expenses	-	-	-	-	-	-	7.32	28.89
21	Rent Expenses	-	-	-	-	-	-	14.40	14.40
22	Rent Income	-	-	-	-	-	-	1.18	1.69
23	Rent Repairs & Maintenance	-	-	-	-	-	-	1,073.98	-
24	Revenue from Operations	16,023.34	9,624.30	-	-	-	-	5,548.61	1,963.51
25	Royalty Expenses	15.29	2.54	-	-	-	-	-	-
26	Sale of Asset	-	-	-	-	2,770.48	2,720.92	1.45	1,951.00
27	Security Deposit	438.45	285.93	-	-	-	-	-	-
28	Services Taken	177.27	74.50	-	-	-	-	433.66	427.19
29	Share Purchase/(sold)	-	-	-	-	-	-	5,971.94	3,718.86
30	Sitting Fees	-	-	-	-	131.00	137.50	-	-
31	Reimbursement of Exp	41.97	-	-	-	-	-	-	-
32	Investment in Shares	-	-	-	-	-	-	2,160.00	2,160.00
33	Security Deposit Taken	-1,056.29	-	-	-	-	-	-	-
34	Purchase of Service / Material	14.50	2.72	-	-	-	-	1,270.48	964.60
35	Consultancy Expenses	-	-	-	-	-	-	28.32	-
36	Refund of Share Application money	-	-	-	-	-	-	500.00	-
37	Investment in Debentures	-	-	-	-	-	-	1,130.00	-
38	Sale of Service/Material	-	-	-	-	1,201.25	-	186.36	187.92
39	Outstanding Balances included in Assets/liabilities	1,415.74	3,692.98	1,038.89	1,038.89	-4,597.80	-3,673.38	44,986.39	54,874.43



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 (a) Fair values of financial assets and liabilities measured at amortised cost The carrying amounts of trade receivables, short term deposits, cash and cash equivalents, trade payables are considered to be the same as their fair values, due to their short-term nature. The Company considers that the Security Deposits does not include a significant financing component. The security deposits coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract. Accordingly, transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost. Significant estimates: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.
- b Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if required allowances are taken to account for the expected losses of these receivables. Accordingly fair value such instrument is not materially different from there carrying amount.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which major inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (Unobservable input data).

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	38,579.32	374.61	9,249.10	48,203.03	48,203.03
Trade receivables	20,791.04	-	-	20,791.04	20,791.04
Loans	20,536.81	-	-	20,536.81	20,536.81
Others financial assets	30,727.76	-	-	30,727.76	30,727.76
Cash and cash equivalents	5,443.40	-	-	5,443.40	5,443.40
Other bank balances	4,485.72	-	-	4,485.72	4,485.72
Liabilities:					
Borrowings	1,30,398.58	-	-	1,30,398.58	1,30,398.58
Trade payables	22,693.74	-	-	22,693.74	22,693.74
Other financial liabilities	33,773.75	-	-	33,773.75	33,773.75



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
Assets:					
Investments	39,433.71	879.72	6,204.47	46,517.90	46,517.90
Trade receivables	35,751.06	-	-	35,751.06	35,751.06
Loans	17,784.90	-	-	17,784.90	17,784.90
Others financial assets	30,236.03	-	-	30,236.03	30,236.03
Cash and cash equivalents	9,694.24	-	-	9,694.24	9,694.24
Other bank balances	5,649.96	-	-	5,649.96	5,649.96
Liabilities:					
Borrowings	1,54,636.67	-	-	1,54,636.67	1,54,636.67
Trade payables	20,201.09	-	-	20,201.09	20,201.09
Other financial liabilities	27,999.33	-	-	27,999.33	27,999.33



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 2023	As at 31 March 2022
Trade receivables	20,791.04	35,751.06
Work in progress	28,758.97	22,586.03
Total	49,550.00	58,337.09

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 2023	As at 31 March 2022
Bank Guarantees	86,804.78	71,506.85
Total	86,804.78	71,506.85

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 2023	As at 31 March 2022
Cash and cash equivalent	5,443.40	9,694.24
Bank balance other cash and cash equivalent	4,485.72	5,649.96
Total	9,929.12	15,344.20



Maturity patterns of borrowings

At 31st March 2023	Up to 1 year	1 to 5 years	Beyond 5 Years	Other	Total
Long term borrowings (including current maturity of long term debt)	9,116.08	15,309.17	6,031.91	17,634.86	48,092.02
Short term borrowings	8,130.89	-	-	62,000.07	70,130.96
Lease Liabilities	-	0.87	-	12,174.73	12,175.60
Total	17,246.97	15,310.04	6,031.91	91,809.66	1,30,398.58
At 31st March 2022	Up to 1 year	1 to 5 years	Beyond 5 Years	Other	Total
Long term borrowings (including current maturity of long term debt)	2,254.95	35,751.74	28,975.26	12,563.97	79,545.92
Short term borrowings	18,102.54	-	-	54,055.77	72,158.31
Lease Liabilities	0.12	0.73	-	2,931.59	2,932.44
Total	20,357.62	35,752.48	28,975.26	69,551.32	1,54,636.67

Maturity patterns of other Financial Liabilities

As at 31st March, 2023	6 months or less	6-12 months	Beyond 12 months	Other	Total
Trade payable	583.76	1.95	0.03	21,938.51	22,524.25
Creditors for Capital goods	169.49	-	-	-	169.49
Other Financial Liability (Current & Non Current)	1,897.63	-	4,950.37	26,925.74	33,773.75
Total	2,650.89	1.95	4,950.40	48,864.25	56,467.49

As at 31st March, 2022	6 months or less	6-12 months	Beyond 12 months	Other	Total
Trade payable	795.73	-	-	18,885.71	19,681.44
Creditors for Capital goods	519.65	-	-	-	519.65
Other Financial Liability (Current & Non Current)	5,869.69	31.15	4,337.18	17,761.32	27,999.33
Total	7,185.07	31.15	4,337.18	36,647.03	48,200.42

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	31.03.2023	31.03.2022
Variable Rate borrowings (Rs in Lakhs)	297.19	833.55

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	31.03.2023	31.03.2022
Investments in Listed Equity Shares	374.61	879.72
	879.72	2,371.80

Sensitivity Analysis

Price Risk Analysis	Impact on profit/loss	
	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Increase or decrease in Share Price by 5%	18.73	43.99

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)



57 Interest in other entities**i Subsidiaries**

The Group's subsidiaries as at 31 March 2023 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 interests (%)		Principal activities
			31-Mar	31-Mar	31-Mar	31-Mar	
			2023	2022	2023	2022	
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.(Not subsidiary w.e.f 09-12-2022)	India	0.00%	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%	100.00%	0.00%	0.00%	Trading of Mineral
15	SMS Mining Limited	India	100%	100.00%	0.00%	0.00%	Mining Contractor
16	SMSL Ketki MDD Project Limited	India	100%	0.00%	0.00%	0.00%	Mining Contractor
17	Medisearch Life Sciences Private Limited	India	100%	0.00%	0.00%	0.00%	provide tertiary and quaternary care hospital and research institute
18	Kingsway Institute of Health Sciences Private Limited	India	62%	0.00%	38.00%	0.00%	provide tertiary and quaternary care hospital and research institute

The subsidiaries had prepared their financial statement in accordance with Indian Accounting Standards (IND-AS). These financial statements are consolidated based on conversion adjustments.

* The Financial statement/financial information have not been considered for the purpose of consolidation due to non-receipt of certified financial statement from the management of respective companies. The management is of the opinion that there will not be any material transactions during current year financial statement of the respective foreign entities and there is no consequential impact on consolidated financial statement.

The financial statement/ financial information of SMS Taxi Cabs Pvt. Ltd is unaudited as on 31 march 2023. The financial figures consider in consolidated financial statement is as per the provisional balance sheet as on 31 march 2023.



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	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022
Non-current assets	462.17	400.04	1,902.94	2,805.83	10,070.32	10,504.82
Current assets	2,287.34	1,892.14	5,111.15	3,040.31	378.34	383.57
Non-current liabilities	29.66	41.08	130.79	156.06	693.59	632.32
Current liabilities	267.52	299.72	572.61	540.64	13,934.30	15,665.20
Net assets	2,452.33	1,951.38	6,310.69	5,149.45	(4,179.23)	(5,409.13)
Net assets attributable to NCI	1,078.29	858.02	2,775.44	2,264.73	3,147.04	2,655.08
Revenue	1,369.68	1,183.13	3,534.62	4,237.13	2,313.47	190.99
Profit for the year	499.45	288.56	1,157.72	1,417.72	1,229.89	(241.96)
Other comprehensive income	1.50	(1.65)	3.53	(2.32)	-	-
Total comprehensive income	500.95	286.90	1,161.25	1,415.40	1,229.89	(241.96)
Profit/(Loss) allocated to NCI	219.61	126.88	509.16	623.51	491.96	(96.78)
OCI allocated to NCI	0.66	(0.73)	1.55	(1.02)	-	-
Total comprehensive income allocated to NCI	220.27	126.15	510.72	622.49	491.96	(96.78)



57 Interest in other entities

ii Non-controlling interests (NCI)

(₹ in lacs)

Non-controlling interests (NCI)	Maharashtra Enviro Power Ltd.		SMS-AABS India Tollways Private Limited		SMS Hazardous Waste Management Pvt. Ltd (Formerly Known as SMS)	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022
Non-current assets	23,321.39	44,022.41	27,217.13	21,131.68	-	-
Current assets	34,330.41	9,790.74	8,596.62	11,572.59	1.38	35.43
Non-current liabilities	26,057.52	33,973.90	638.49	570.17	-	41.33
Current liabilities	12,769.58	6,294.81	1,857.25	1,951.95	0.36	0.84
Net assets	18,824.70	13,544.44	33,318.01	30,182.15	1.02	(6.74)
Net assets attributable to NCI	1,490.92	1,072.72	16,523.38	14,986.81	0.50	(3.30)
Revenue	16,460.47	13,652.53	33,830.99	28,987.13	9.00	-
Profit for the year	5,252.43	3,030.11	12,120.30	9,415.87	7.75	(5.73)
Other comprehensive income	27.82	22.06	(4,988.44)	(4,733.71)	-	-
Total comprehensive income	5,280.25	3,052.17	7,131.86	4,682.16	7.75	(5.73)
Profit/(Loss) allocated to NCI	415.99	239.98	5,938.95	4,613.78	3.80	(2.81)
OCI allocated to NCI	2.20	1.75	(2,444.34)	(2,319.52)	-	-
Total comprehensive income allocated to NCI	418.20	241.73	3,494.61	2,294.26	3.80	(2.81)



57 Interest in other entities

ii Non-controlling Interests (NCI)

(if in lacrs)

Non-controlling Interests (NCI)	KINGSWAY INSTITUTE OF HEALTH SCIENCES PRIVATE LIMITED	
	31-Mar	31-Mar
	2023	2022
Non-current assets	0.76	-
Current assets	93.07	-
Non-current liabilities	-	-
Current liabilities	141.59	-
Net assets	(47.76)	-
Net assets attributable to NCI	(18.15)	-
Revenue	214.75	-
Profit for the year	71.67	-
Other comprehensive income	-	-
Total comprehensive income	71.67	-
Profit/(loss) allocated to NCI	27.23	-
OCI allocated to NCI	-	-
Total comprehensive income allocated to NCI	27.23	-



57 Interest in joint ventures

(₹ in lacs)

iii. The Group's joint ventures as at 31 March 2023 are set out below.

Sr. No.	Name of the entity	Country of Incorporation	Ownership Interest	Carrying amount as at		Principal activities
				31-Mar	31-Mar	
				2023	2022	
1	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	India	70.00%	(135.73)	(354.28)	Infrastructure
2	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. JV	India	51.00%	51.87	51.91	Infrastructure
3	SMS Infrastructure Ltd. Shreenath Enterprises J.V. *	India	36.50%	2.00	2.00	Infrastructure
4	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	India	65.00%	285.32	284.26	Infrastructure
5	GSI Envo Ltd. In consortium with SMS Infrastructure Ltd. (AOP)	India	70.00%	160.36	142.91	Infrastructure
6	SMSIL KTCO (JV)	India	50.00%	3.04	3.35	Infrastructure
7	Bhartia SMSIL (JV)	India	49.00%	11.38	11.38	Infrastructure
8	SMSIL-MBPL-BRAPL (JV)	India	57.00%	(7.31)	28.37	Infrastructure
9	GDCL-SMSIL (J.V.)	India	40.00%	-	-	Infrastructure
10	SMSIL-SRRCIPL (J.V.)	India	60.00%	55.72	(1.65)	Infrastructure
11	SRRCIPL-SMSIL-BEKEM JV	India	20.00%	(2.00)	(2.36)	Infrastructure
12	Sanbro Corporation	India	26.00%	(87.69)	(86.92)	Infrastructure
13	SMSIL-MBPL (JV)	India	63.33%	65.45	146.44	Infrastructure
14	SMSIL-SAKET (JV)	India	40.00%	14.11	74.52	Infrastructure
15	Meghie SMS Health Sciences Consortium (SPV)	India	50.00%	18.80	69.10	Running Medical college & Hospital
16	AGIPL-SMSIL (JV)	India	20.00%	(0.13)	(0.06)	Infrastructure
17	SRRCIPL - SMSIL (JV)	India	30.00%	(0.12)	(0.03)	Infrastructure
18	SMSIL-MBPL JV DURG PACKAGE A	India	60.00%	(0.12)	-	Infrastructure
19	SRRCIPL-SMSIL (JV)-Mahabubnagar	India	20.00%	(0.02)	-	Infrastructure
				435.96	369.32	

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.

The financial statement/ financial information of Bhartia SMSIL (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 statement / financial information.

*The financial statement of the SMS Infrastructure Ltd. Shreenath Enterprises joint venture entity (partnership firm) was not available on record. Due to which, the share in profit / (Loss) is not accounted for in FY 2022-23. The operations of these entities stalled 6-7 years back and the company is expecting receipts of a/s income tax refund, vat refund and security deposits in this entity and hence carried forward balances in books.



57 Interest in other entities

(R in laacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SMS & SNT JV		SMS & DTC JV		SMS & AIPPL JV	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022
Non-current assets	-	-	412.72	351.42	-	-
Current assets						
Cash and cash equivalents	19.18	20.83	21.57	2.00	0.61	0.63
Other assets	1,531.80	1,537.98	381.98	1,132.85	816.29	816.29
Current assets	1,550.98	1,558.81	403.55	1,134.85	816.91	816.93
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	750.00	1,333.33	-	-
Other liabilities	-	-	-	-	-	-
Non-current liabilities	-	-	750.00	1,333.33	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	135.18	128.58	2.42	2.42	568.64	568.58
Other liabilities	968.19	985.79	223.04	696.15	0.52	0.52
Current liabilities	1,103.37	1,114.37	225.47	698.57	569.16	569.10
Net assets	447.61	444.43	(159.20)	(545.64)	247.75	247.83
Group share of net assets	286.32	284.26	(185.73)	(354.28)	51.87	51.93
Revenue	368.75	475.82	4,759.42	205.67	-	-
Works Direct Expenses	363.22	468.68	4,644.43	154.58	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	349.63	6.14	-	-
Other Expense	0.92	0.73	43.58	(2,473.95)	0.08	0.08
Profit/ (Loss) for the year before tax	4.61	6.40	(78.22)	2,518.90	(0.08)	(0.08)
Tax	1.44	2.00	-	-	-	-
Profit/ (Loss) after tax	3.17	4.40	(78.22)	2,518.90	(0.08)	(0.08)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	3.17	4.40	(78.22)	2,518.90	(0.08)	(0.08)
Group share of profit/ (loss)	2.06	2.86	(54.75)	1,763.23	(0.04)	(0.04)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	2.06	2.86	(54.75)	1,763.23	(0.04)	(0.04)

Particulars	SMS-BEKEM JV		SMSL-MBPL JV		SMS & KTCO JV	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022
Non-current assets	1,073.31	946.85	154.81	182.13	4.99	4.99
Current assets						
Cash and cash equivalents	0.09	0.19	7.34	26.03	2.22	1.66
Other assets	342.24	755.87	90.48	47.74	-	0.57
Current assets	342.33	756.06	97.82	73.76	2.22	2.23
Non-current liabilities						
Financial liabilities (excluding trade payables)	0.00	298.78	-	-	-	-
Other liabilities	-	-	-	-	-	-
Non-current liabilities	0.00	298.78	-	-	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	342.18	382.44	115.37	14.39	1.14	0.52
Other liabilities	630.82	580.85	-	-	-	-
Current liabilities	973.01	963.29	115.37	14.39	1.14	0.52
Net assets	442.63	440.84	137.06	241.51	6.07	6.70
Group share of net assets	(2.00)	(2.38)	65.49	146.44	3.04	3.35
Revenue	2.91	98.70	68.71	57.59	-	-
Works Direct Expenses	-	96.80	-	74.50	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	27.32	32.14	-	-
Finance cost	-	-	-	-	-	-
Other expenses	0.31	0.01	5.46	1.89	0.62	0.52
Profit/ (Loss) for the year before tax	2.59	1.89	35.93	(50.94)	(0.62)	(0.52)
Tax	0.81	0.59	-	-	-	-
Profit/ (Loss) after tax	1.78	1.30	35.93	(50.94)	(0.62)	(0.52)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	1.78	1.30	35.93	(50.94)	(0.62)	(0.52)
Group share of profit/ (loss)	0.36	0.26	22.76	(32.26)	(0.31)	(0.26)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	0.36	0.26	22.76	(32.26)	(0.31)	(0.26)



57 Interest in other entities

(₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	GDCL-SMSIL JV		SMSIL & GSJ JV		SMSIL & Bhartiya JV	
	31-Mar 2023	31-Mar 2022	31-Mar 2023	31-Mar 2022	31-Mar 2023	31-Mar 2022
Non-current assets	0.25	0.25	12.05	6.89	-	-
Current assets						
Cash and cash equivalents	354.11	245.54	57.87	63.56	0.22	0.17
Other assets	789.74	642.08	672.12	730.39	10.82	10.82
Current assets	943.86	887.62	730.00	793.95	11.04	10.99
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	543.80	543.80	-	-
Other liabilities	-	-	-	-	-	-
Non-current liabilities	-	-	543.80	543.80	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	71.70	59.24	21.99	21.99	-	-
Other liabilities	872.40	828.63	8.22	91.95	-	-
Current liabilities	944.11	887.87	30.21	113.95	-	-
Net assets	-	-	168.09	149.10	11.04	10.99
Group share of net assets	-	-	160.96	142.91	11.38	11.38
Revenue	6,544.52	7,176.95	171.54	1,740.08	-	-
Works Direct Expenses	6,544.52	7,176.95	152.09	1,576.06	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	1.65	0.96	-	-
Finance cost	-	-	3.05	5.24	-	-
Other expenses	-	-	9.81	8.01	-	-
Profit/ (Loss) for the year before tax	-	-	24.94	149.82	-	-
Tax	-	-	-	-	-	0.01
Profit/ (Loss) after tax	-	-	24.94	149.82	-	(0.01)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	24.94	149.82	-	(0.01)
Group share of profit/ (Loss)	-	-	17.46	104.87	-	(0.01)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-	-	17.46	104.87	-	(0.01)

Particulars	SMSIL-MBPL-BRAPL JV		SMSIL-SRRCPL JV		M/s Saabro Corporation	
	31-Mar 2023	31-Mar 2022	31-Mar 2023	31-Mar 2022	31-Mar 2023	31-Mar 2022
Non-current assets	36.82	43.32	-	406.47	0.20	0.21
Current assets						
Cash and cash equivalents	10.99	68.07	7.88	40.93	0.16	0.14
Other assets	124.50	3,690.93	4,964.07	1,896.90	9.46	11.91
Current assets	135.49	3,759.00	4,971.95	1,937.83	9.62	12.04
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	-	-	221.71	221.17
Other liabilities	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	221.71	221.17
Current liabilities						
Financial liabilities (excluding trade payables)	183.41	686.94	2,728.81	1,881.37	0.15	0.15
Other liabilities	2.47	3,066.37	2,056.28	333.23	-	-
Current liabilities	185.88	3,753.31	4,785.07	2,214.60	0.15	0.15
Net assets	(13.58)	49.01	186.88	129.70	(212.03)	(209.07)
Group share of net assets	(7.31)	28.37	55.72	(1.65)	(87.69)	(86.92)
Revenue	453.17	4,139.55	12,022.04	4,513.74	-	-
Works Direct Expenses	477.49	4,076.28	11,909.96	4,481.37	2.44	-
Administrative Expenses	0.15	4.87	-	-	-	-
Depreciation and amortisation	6.50	7.64	-	-	0.01	0.01
Finance cost	-	-	87.37	-	-	-
Other Expenses	31.62	37.57	25.19	31.47	0.51	0.16
Profit/ (Loss) for the year before tax	(62.59)	13.18	(0.49)	0.90	(2.97)	(0.17)
Tax	-	4.11	-	0.28	-	-
Profit/ (Loss) after tax	(62.59)	9.07	(0.49)	0.62	(2.97)	(0.17)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-62.59	9.07	-0.49	0.62	(2.97)	(0.17)
Group share of profit/ (Loss)	-35.67	5.17	(0.29)	0.37	(0.77)	(0.04)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-35.67	5.17	-0.29	0.37	(0.77)	(0.04)



57 Interest in other entities

(₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-SAKET JV		SMSIL-SHREENATH JV		AGIPL-SMSL JV	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022
Non-current assets	1,049.29	760.21	537.36	537.36	-	-
Current assets						
Cash and cash equivalents	27.02	43.83	68.36	68.36	1.02	1.26
Other assets	513.66	419.95	405.92	405.92	4,034.83	1,685.49
Current assets	540.69	463.78	474.27	474.27	4,035.85	1,686.76
Non-current liabilities						
Financial liabilities (excluding trade payables)	1,049.29	760.21	-	-	-	-
Other liabilities	-	-	537.36	537.36	1,186.49	1,623.59
Non-current liabilities	1,049.29	760.21	537.36	537.36	1,186.49	1,623.59
Current liabilities						
Financial liabilities (excluding trade payables)	294.18	194.53	255.00	255.00	279.57	22.19
Other liabilities	211.24	81.96	146.14	146.14	2,570.01	41.28
Current liabilities	505.40	276.49	401.14	401.14	2,849.58	63.47
Net assets	35.28	187.29	73.13	73.13	(0.44)	(0.30)
Group share of net assets	14.11	74.92	2.00	2.00	(0.13)	(0.06)
Revenue	7,016.76	6,656.01	-	10.93	13,517.29	1,202.71
Works Direct Expenses	6,722.77	6,389.77	-	-	13,517.05	1,202.71
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	0.62	0.18	-	-	-	-
Other Expenses	2.36	0.63	-	6.46	0.56	0.30
Profit/ (Loss) for the year before tax	291.02	265.45	-	4.47	(0.32)	(0.30)
Tax	253.02	-	-	-	-	-
Profit/ (Loss) after tax	38.00	265.45	-	4.47	(0.32)	(0.30)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	38.00	265.45	-	4.47	(0.32)	(0.30)
Group share of profit/ (Loss)	15.20	106.18	-	1.63	(0.06)	(0.06)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	15.20	106.18	-	1.63	(0.06)	(0.06)

Particulars	Meghe SMS Health Sciences Consortium (SPV)		SRRCIPL - SMSL JV		SMSL-MBPL JV DURG-PACKAGE A JV	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022
Non-current assets	-	23.34	-	-	-	-
Current assets						
Cash and cash equivalents	-	-	0.17	0.20	-	-
Other assets	60.34	144.54	636.64	343.47	52.06	-
Current assets	60.34	144.54	636.81	343.67	52.06	-
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	-	-	157.48	6.27	0.20	-
Other liabilities	-	-	479.44	337.50	52.06	-
Current liabilities	-	-	636.92	343.77	52.26	-
Net assets	60.34	167.68	(0.12)	(0.10)	(0.20)	-
Group share of net assets	18.80	69.10	(0.12)	(0.03)	(0.12)	-
Revenue	-	-	6,850.17	280.12	204.50	-
Works Direct Expenses	-	-	6,803.02	280.12	-	-
Administrative Expenses	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	47.15	-	-	-
Other Expenses	167.68	-	0.31	0.10	204.70	-
Profit/ (Loss) for the year before tax	(167.68)	-	(0.31)	(0.10)	(0.20)	-
Tax	-	-	-	-	-	-
Profit/ (Loss) after tax	(167.68)	-	(0.31)	(0.10)	(0.20)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(167.68)	-	(0.31)	(0.10)	(0.20)	-
Group share of profit/ (Loss)	(50.30)	-	(0.09)	(0.03)	(0.12)	-
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	(50.30)	-	(0.09)	(0.03)	(0.12)	-



57 Interest in other entities

(₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SRRCIPL - SMSL Mahabubnagar JV	
	31-Mar	31-Mar
	2023	2022
Non-current assets	-	-
Current assets		
Cash and cash equivalents	0.09	-
Other assets	1,694.07	-
Current assets	1,694.16	-
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	-	-
Non-current liabilities		
Current liabilities		
Financial liabilities (excluding trade payables)	35.47	-
Other liabilities	1,657.70	-
Current liabilities	1,694.17	-
Net assets	(0.01)	-
Group share of net assets	(0.02)	-
Revenue	-	-
Works Direct Expenses	-	-
Administrative Expenses	-	-
Depreciation and amortisation	-	-
Finance cost	-	-
Other Expenses	0.11	-
Profit/ (Loss) for the year before tax	(0.11)	-
Tax	-	-
Profit/ (Loss) after tax	(0.11)	-
Other comprehensive income	-	-
Total comprehensive income	(0.11)	-
Group share of profit/ (Loss)	(0.02)	-
Group share of OCI	-	-
Group share of total comprehensive income	(0.02)	-



57 Interest in other entities

v Table below provide summarised financial information for Associates

(` in lacs)

The Group's associates as at 31 March 2023 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 2023	31-Mar 2022	
RCCL Infrastructure Pvt. Ltd.*	India	34%	-	-	Infrastructure
SMS-AAMW Tollways Pvt. Ltd.*	India	26%	-	-	Toll
SPANV Medisearch Lifesciences Pvt Ltd	India	20.02%	4,107.35	4,719.31	Healthcare services
Arcor Infraventures Pvt Ltd	India	49%	282.06	-	consultancy services
			4,389.41	4,719.31	

Note:- The two Associates company RCCL Infrastructure Pvt. Ltd and SMS-AAMW Tollways Pvt. Ltd. had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP) and Two Associates company SPANV Medisearch Lifesciences Pvt Ltd. and Arcor Infraventures Pvt. Ltd. had prepared their financial statement in accordance with Indian Accounting Standards (IND-AS). These financial statements are consolidated based on conversion adjustments.

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.

*Refer Notes to account No.8 #



57 Interest in other entities

(₹ in lacs)

vi Table below provide summarised financial information for Associates

Particulars	ARCOR INFRAVENTURES PRIVATE LIMITED		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	31-Mar	31-Mar
	2023	2022	2023	2022	2023	2022	2023	2022
Non-current assets	561.91	-	35,106.30	36,355.60	-	-	4.25	4.25
Current assets								
Cash and cash equivalents	452.52	-	28.80	154.20	-	-	69.26	70.55
Other assets	6,972.92	-	2,428.60	2,079.50	-	-	131.25	131.25
Current assets	7,425.44		2,457.40	2,243.70	-	-	200.51	201.81
Non-current liabilities	3,935.44		17,353.00	15,894.30	-	-	3,473.25	3,388.25
Current liabilities	3,476.28		3,524.60	11,621.90	-	-	3.97	3.97
Revenue	1,199.07	-	14,688.60	17,325.90	-	-	-	-
Profit/ (Loss) for the year before tax	(32.03)		(4,106.60)	(3,578.00)	-	-	(86.12)	(68.21)
Other comprehensive income	-	-	8.60	15.00	-	-	-	-
Total comprehensive income	(32.03)		(4,107.90)	(3,563.40)	-	-	(86.12)	(68.21)



58 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

SMS Limited

	As at 31st March 2023	As at 31st March 2022
(i) Amount required to be spent by the company during the year	403.59	389.08
(ii) Last year Unspent amount	(2.15)	(13.63)
(iii) Amount of expenditure incurred	436.48	385.68
(iv) (Shortfall)/excess at the end of the year	0.76	2.15
(v) Total of previous years (Shortfall)/excess as at the end of the	NIL	NIL
(vi) Reason for shortfall	NIL	NIL
(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	8.82	25.00
B) Contribution to fight against COVID-19 pandemic	-	1.76
C) Contribution to Eradicating hunger, poverty and malnutrition	0.20	-
D) Contribution to promoting education	101.33	78.76
E) Contribution to Prime Minister National Relief Fund	-	0.71
F) Water supply, health care ,Environment sustainability	77.69	38.92
G) Welfare activities through charitable trust.	248.44	240.53
	436.48	385.68

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 Hazardous Waste Management Pvt. Ltd (Formerly Known as SMS Mine Developers Pvt. Ltd)
- iv Pt. SMS Mines Indonesia
- v SMS Tolls And Developers Ltd.(Not subsidiary w.e.f 09-12-2022)
- 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
- xi SMSL Ketki MDO Project Limited

59 **For SMS Limited:-**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 **For SMS Limited** - The inclusive taxes contract had VAT, Service tax, entry tax etc. as the taxes included in it. These taxes were subsumed in the GST. But those contract continued with the same contract conditions. The base value of the contract in GST regime started sharing the increased tax burden of increased GST. The tax value under GST had increased due to the material and services embodied in the contracts had different tax treatments in pre GST regime. GST Impact was the exercise meant for that purpose which entailed us to arrive at the correct base value of the contract for applying the GST rate on it, say @18% . For SMSL most of the GST impacts of all such inclusive tax contracts are approved and we have revised value of the contracts accordingly with us.

Few GST impact under Civil construction contracts are getting allowed simultaneously alongside bill passing. Few contracts as in Electrical vertical are to be challenged in the court for the reduced reimbursements. Under a mining contract the scrutiny of GST impact by the customer is underway.

- 61 Accounting of Arbitration Award in relation to credit facilities availed from SREI: Despite reaching an understanding of reduction in loan liability, the same was disputed and referred to Arbitration by SREI. Arbitration Award was passed by the learned Sole Arbitrator on 25th August, 2022, wherein the view of the Company was upheld by the Arbitrator and the Company was directed to pay Rs. 4904 Lacs along with interest @ 8% PA. Subsequently out of Rs. 4904 lacs, Rs.2250 Lacs has been paid by company in March 2023 to SREI (via DBS Bank as SREI assigned one loan contract to DBS Bank) and balance to be paid is only Rs. 3074 Lacs (including interest).

The said Award was challenged by SREI u/s 34 of The Arbitration and Conciliation Act before the Hon'ble High Court at Calcutta. On 27th July, 2023, the Hon'ble High Court dismissed the application filed by SREI while holding that SREI has not been able to establish any grounds for interfering with or setting aside the Award. Subsequently, on 28th August, 2023 SREI has filed an appeal under Section 37 of The Arbitration and Conciliation Act, which is pending for adjudication before the Hon'ble High Court at Calcutta.

In view of the expert legal opinion and facts above, the management has written back the excess liability comprising of principal amount of Rs. 7900.04 Lacs and interest liability of Rs.1315.43 Lacs thereon in the finance cost. The amount of written back of principal amount is in the nature of capital receipt and considered as an exceptional item in accordance with Ind AS 109 read with schedule III - Division II of Companies Act 2013.

- 62 **For SMS Limited** -The Company had invested an amount of Rs. 637.19 Lacs in Pt. SMS Mines Indonesia and Rs.161.56 Lacs in Pt. SMS Minerals International towards equity, apart from this the Company has given interest bearing loan of Rs.4660.85 Lacs and have trade receivable of Rs.2345.67 Lacs in later JV. These companies are in the business of coal mining in the province of Sumatra. These foreign JV's have huge reserves of coal and in the past a substantial portion of the same was mined which resulted in profit in past years. However, subsequently due to diversion of river and certain other issues, the mining of balance reserves could not be undertaken as coal reserves was stuck beneath the river and over the past few years there has been no/negligible business in foreign JV. The application for river diversion had already been put up with the concerned authorities in Indonesia, but no approval has been received so far.

In the meanwhile, SMS Ltd. was also exploring to sell and transfer the business interest. In the current year an understanding has arrived at to said effect whereby the company has entered into a term sheet dated 15th March, 2023 with a prospective buyer to sell off the investment in above foreign JV's.

However, looking at the past performance of the business; regulatory challenges, distant chances of revival of business operations, huge losses etc. no clear deadline of recovery of loan & book debt in the term sheet the possibility to recover the amount from said foreign JV is uncertain. As such on a prudent basis, it has been proposed to make a provision for doubtful loans and debt in the books totaling to Rs.7006.52 Lacs. However, this action does not impact the right of SMS Ltd to recover the said amount in future from foreign entities.



- 63 As per the terms of the agreement with MCD Delhi, the collection of toll was to be made at Rajokari Toll but during the period of contract the toll was closed as per the Court orders. Since there was reduction in revenue for the company, so a claim had be raised on the MCD of 80.46 Crores but MCD has not agreed with the Claim and had deducted the same from performance security furnished by the company. The matter is pending for adjudication before Court.
- 64 **FOR MAHARASHTRA ENVIRO POWER LIMITED,** During the year the company has derecognised the Plant & Equipment amd Vehicles at Ranjangaon amounting to Net Block Rs. 23.91 Lacs (Gross Carrying Value Rs. 7583.59 Lacs & Accumulated depreciation Rs.7555.40 Lakhs.)
- 65 **FOR SMS VIDHYUT PRIVATE LIMITED** Outstanding balance of 33 KVA transmissions Line for Hydro Power plant at Right Bank Canal and at Left Bank Canal
The company is having Hydro power plant at Right bank canal(RBC) and at Left Bank canal (LBC) near reservoir on Pench river. The evacuation/ transmission of power from power plant to nearby relay station have to be done through a 33 KVA transmission line. The company has erected this facility for Maharashtra State Electricity Distribution Company Ltd. for evacuation/ transmission of power from RBC power plant and handed over to Maharashtra State Electricity Distribution Company Ltd. For this 33 KVA transmission line the company has incurred and claimed expense of Rs 230 Lacs. Against this claim the Maharashtra State Electricity Distribution Company Ltd has approved and paid a total due of Rs. 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 Rs 50 Lacs for this LBC transmission line and management is hopeful of its Recovery.
- 66 **For SMS Limited** -The Company has applied for merger of wholly owned subsidiary company- Ayodhya Gorakhpur SMS Tolls Private Limited with SMS Limited. The appointed date of merger as per merger petition filed with National Company Law Tribunal (NCLT) is 01.10.2022. However, final order / approval for merger from NCLT is in process.
Consequent to propose merger, SMS financials will improve as, there will be increase in general reserve by Rs.10523.82 Lacs, total assets will increase by Rs.14564.20 Lacs (including MAT credit 1669.30 Lacs) and total liability will only increase by Rs.4040.38 Lacs. Due to this the networth of SMS Limited post merger will increase by Rs. 10523.82 Lacs and company will also save tax cash outflow of Rs. 1669.30 Lacs on account of MAT credit.
- 67 **For Spark Mall and Parking Private Limited**
Closure of Pharmacy Division :
Discountinuance of services of operating pharmacy/chemist shop, operating medical Testing unit i.e. Laboratory as per mutual discussions and consensus between Spark Mall & parking Pvt Ltd and Datta Meghe Institute of Higher education and Research we have decided to discontinue the service agreement executed between us on 01st August 2021 for a tenure of 6 years on 31st March 2023.
- 68 **For Spark Mall and Parking Private Limited**
Sale of Fixed asset of Pharmacy Division :

Sr No.	Nature of Asset sold	Buyer's Name		
		Cotex laxmi	AVBR	Scrap Sale
		Amount	Amount	Amount
1	Building Shed	0.97	-	-
2	Computer Equipment And Audio Visual	23.52	-	-

3	Equipments	96.46	15.30	-
4	Furniture And Fixtures	55.52	-	-
5	Software	11.70	-	-
6	Vehicle	5.08	-	0.13
7	Inventory	489.53	-	-
TOTAL		682.78	15.30	0.13

69 A Reconciliation of total comprehensive income and other equity consequent to restatement of prior period
(` in lacs)

Reconciliation of comprehensive income	As on 31 March 2022	As on 31 March 2021
Total comprehensive income as per the last audited financial	9182.02	9,737.42
Prior Period item	(17.20)	(629.99)
Total comprehensive income as per the current year financial	9,164.82	9,107.43

Reconciliation of other equity	As on 31 March 2022	As on 31 March 2021
Total amount of other equity as per the last audited financial	71150.42	66,654.67
Prior period item	(83.57)	(371.24)
Total amount of other equity as per the current year financial	71,066.85	66,283.43

- 70 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.
- 71 Any other accounting policy not specifically referred to are consistent with Indian GAAP.
- 72 Previous Years figures are regrouped and rearranged wherever necessary.

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



CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : **28 SEP 2023**
UDIN : **23043414861XCTE2165**

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



ANAND S. SANCHETI
Managing Director
DIN: 00953362



DILIP B. SURANA
Director
DIN: 00953495



SMITA P. AGARKAR
Company Secretary



RAJESH KUMAR GUPTA
Chief Financial Officer



Notice to the 26TH Annual General Meeting

NOTICE is hereby given that the **Twenty Sixth** Annual General Meeting (26th AGM) of the Members of SMS Limited will be held at Shorter Notice on **Saturday the 30th day of September 2023** at 2.30 P.M. at IT Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, to transact the following business:-

A ORDINARY BUSINESS:

Item no. 1

To receive, consider and adopt:

- a. The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2023 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 2023 together with the Report of the Auditors thereon.

Item no.2

To appoint a Director in place of Mr Anand Sancheti, Director (DIN: [00953362](#)) who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 3

To appoint a Director in place of Mr Dilip Surana, (DIN: [00953495](#)) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

Item no. 4

To ratify the remuneration of the Cost Auditor for the financial year ended 31.03.2024:

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 31st March 2024.

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."

**By Order of the Board
FOR SMS LIMITED**

Sd/-

PLACE: NAGPUR

DATE: 28.09.2023

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 129(3) OF THE COMPANIES ACT, 2013, (THE ACT) THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY INCLUDE THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ALL ITS SUBSIDIARIES AS DEFINED IN THE ACT FOR CONSIDERATION AND ADOPTION BY THE MEMBERS OF THE COMPANY.
8. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT") RELATING TO THE SPECIAL BUSINESS (IF ANY) TO BE TRANSACTED AT THE ENSUING ANNUAL GENERAL MEETING IS ANNEXED HERETO AND FORMS PART OF THIS NOTICE.
9. MEMBERS MAY ALSO NOTE THAT THE NOTICE OF ANNUAL GENERAL MEETING AND THE ANNUAL REPORT 2022-23 WILL ALSO BE AVAILABLE ON THE COMPANY'S WEBSITE: WWW.SMSL.CO.IN FOR DOWNLOAD.
10. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2022-23 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 2022-23 ARE BEING SENT TO THEM IN THE PERMITTED MODE.
11. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE SHALL BE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY BETWEEN 11.00 AM AND 1 PM ON ALL WORKING DAYS EXCEPT SATURDAYS, UP TO AND INCLUDING THE DATE OF THE ANNUAL GENERAL MEETING OF THE COMPANY.

**By Order of the Board
FOR SMS LIMITED**

Sd/-

**PLACE: NAGPUR
DATE: 28.09.2023**

**Anand Sancheti,
Managing Director
DIN: 00953362
Add: 10, Hindustan Colony,
Amaravati Road, Bharat Nagar,
Nagpur- 440033 [M.S.]**

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-11

SMS Limited

CIN: U80100MH1997PLC107906

Registered Office: IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022

Name of the member (s):

.....

Registered address

:

E-mail Id

:

Folio No

:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name.....E-mail
Id:.....

Address:.....Signature:.....
..... or failing him

2. Name..... E-mail
Id:.....

Address:.....Signature:.....
.....

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 30th day of September 2023 At 2.30 p.m. at “IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote optional see note 2 (Please mention no. of shares)		
		For	Against	Abstain
1.	To receive, consider and adopt: a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2023 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 2023 together with the Report of the Auditors thereon.			
2.	To appoint a Director in place of Mr Anand Sancheti, Director (DIN: 00953362) who retires by rotation and being eligible offers themselves for re-appointment.			
4.	To appoint a Director in place of Mr Dilip Surana, (DIN: 00953495) who retires by rotation and being eligible offers themselves for re-appointment.			
5.	To ratify the remuneration of the Cost Auditor for the financial year ended 31.03.2024:			

Signed thisday of.....2022

Affix
Revenue
Stamp of
not less than
₹ 1

Signature of shareholder(s):

Signature of Proxy holder(s):

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to indicate your preference. If you leave the 'For, Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he may deem appropriate.

S M S

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 mentioned under Item No. 4 of the accompanying Notice.

For Item No. 4:

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 31st 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 31st March 2024.

The Board recommends the said resolution, as an Ordinary Resolution for the approval of the members of the Company.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**By Order of the Board
FOR SMS LIMITED**

Sd/-

**PLACE: NAGPUR
DATE: 28.09.2023**

**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



<https://www.google.com/maps/place/SMS+Limited/@21.1189133,79.0437016,16.25z/data=!4m1!1m3!4m2!1m4!2m2!1d79.0447306!2d21.1157472!4e1!1m6!1m2!1s0x3bd4c075e39441d3:0xeaf5a6495f896aec!2sSMS+Limited!2m2!1d79.0472903!2d21.1198234!3m4!1s0x3bd4c075e39441d3:0xeaf5a6495f896aec!8m2!3d21.1198234!4d79.0472903>

SMS