SMS LIMITED

ANNUAL REPORT FOR THE FINANCIAL YEAR 2019 – 20.

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

Company
Overview

A LEGACY OF EXCELLENCE
SINCE 1963

Founded by Late Shri Shaktikumar M. Sancheti, SMS Group has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. The group is known not only in its work but also in its ethics, the magnitude of operations is no longer restricted to the country alone with a keen eye on the global infrastructure requirements, SMS boasts of large and experienced employee base with a 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, and Urban & Rural Development. SMS has been recognized as one of the most trusted and preferred partner of choice by all our valued customers.

Group
Overview

Business History: Incorporated in 1963 and headquartered in Nagpur, SMS Limited is promoted by 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 8348.67 crore as on 31st March, 2020 majority of which is Mining (79.16%), Road and Railways (11.80%), Electrical (1.84%), Irrigation (2.74%) and environment (4.46%) .

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

Resources: Manpower of full time 3854 employees and net asset block of ` 144.32 Crore on March 20.

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

Key Clients:

National Highways Authority of India

IRCON International Limited

RITES Limited

Vidarbha Patbandhare Vikas Maha Mandal

Hindustan Copper Limited

Hindustan Zinc Limited

South Bihar Power Distribution Company Limited

Career highlights and top moments:

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

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

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

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

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

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

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

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

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

2016- ILC Power Brand Awards 2016.

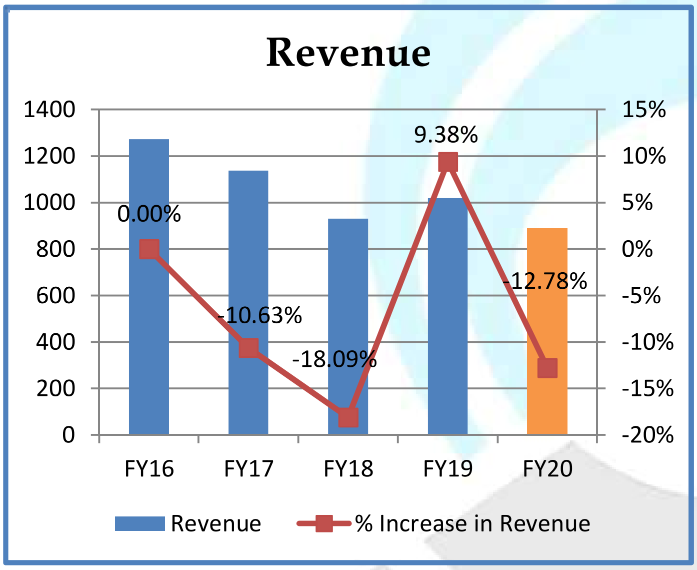
Consistent Growth Strong Order Book.

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

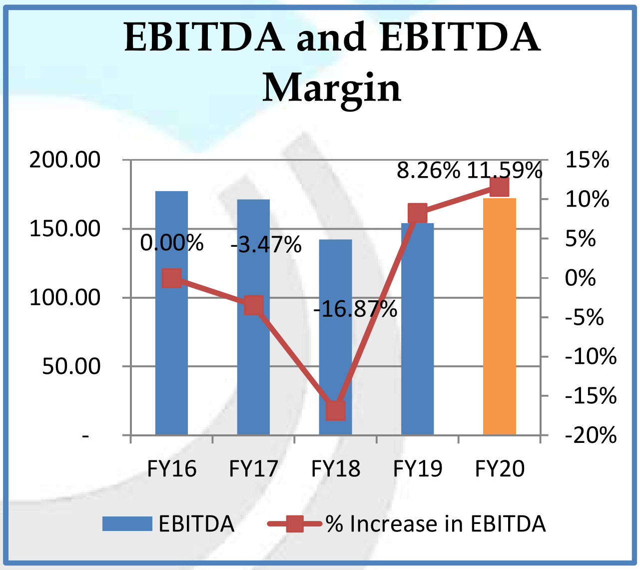
Contents

Key Performance Indicators (Standalone)

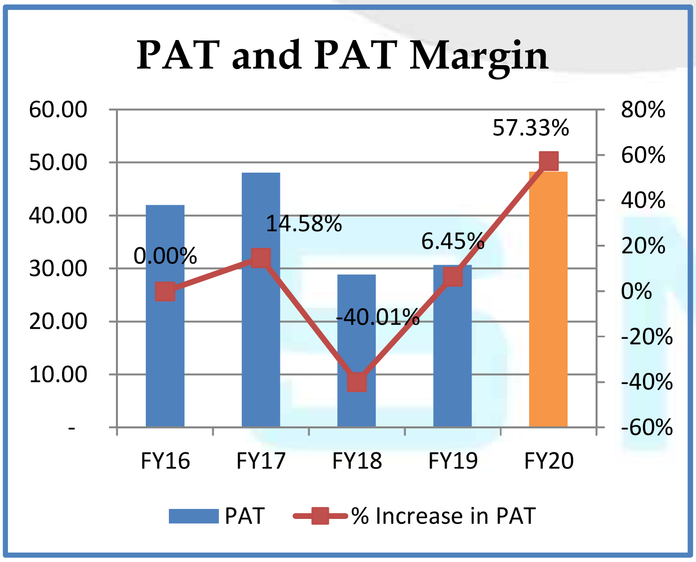
Increase/ Decrease in Revenue YOY



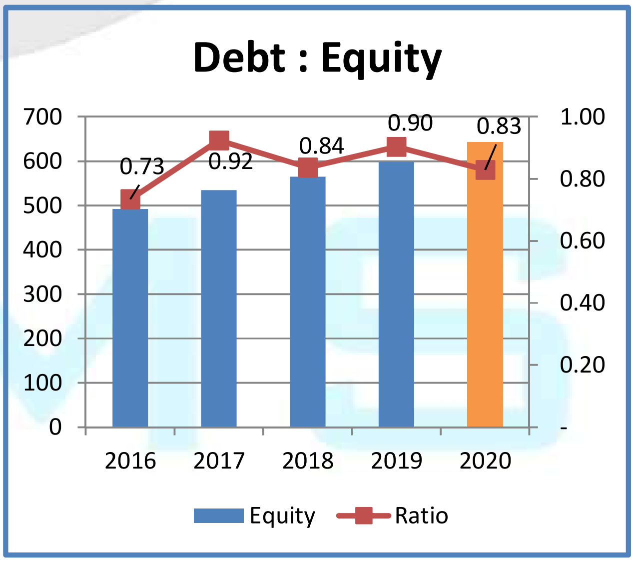
Increase/ Decrease in EBITDA Margin



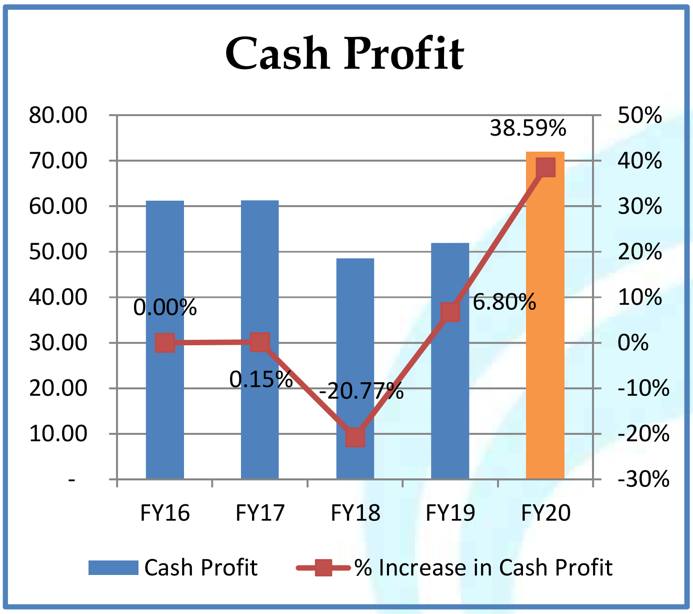
Increase/ Decrease in PAT Margin



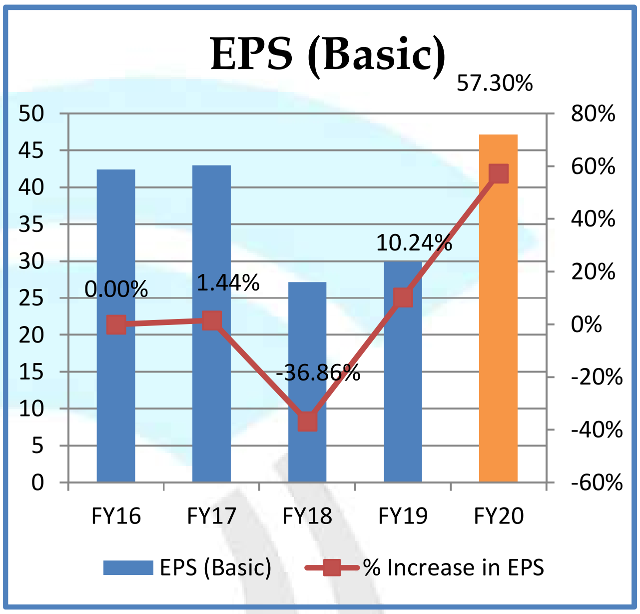
Increase/ Decrease in Debt



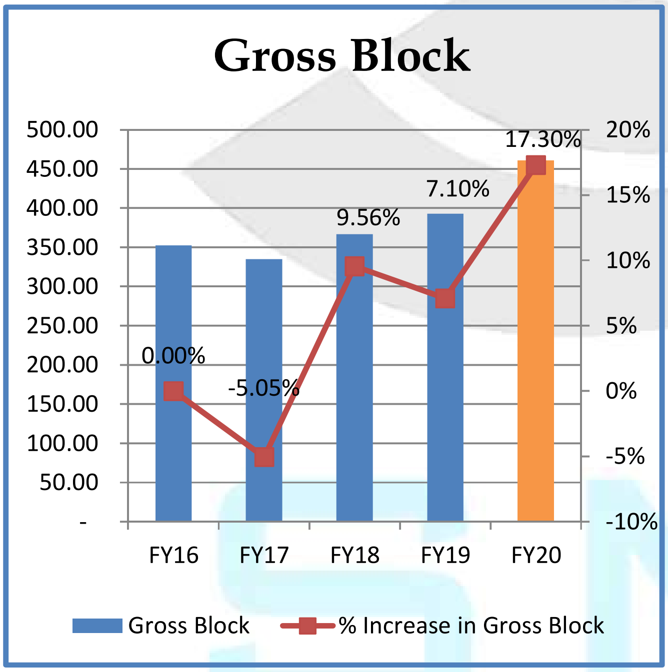
Increase/ Decrease in Cash Profit



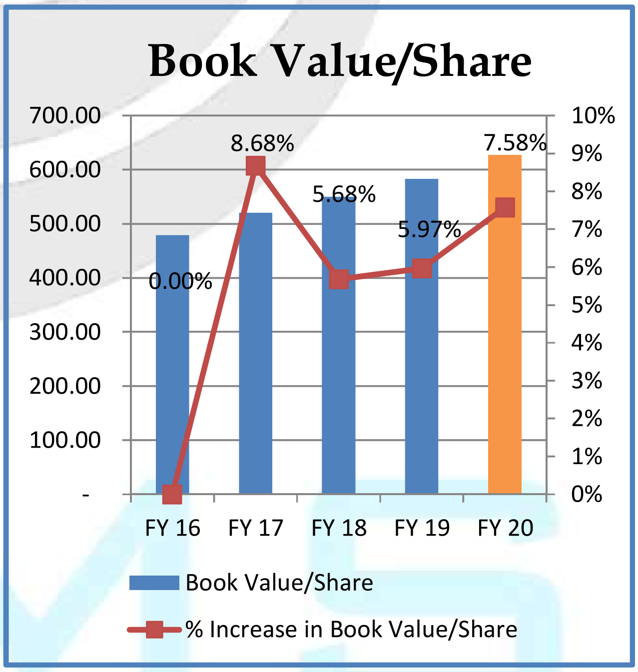
Increase/ Decrease in EPS (Basic)



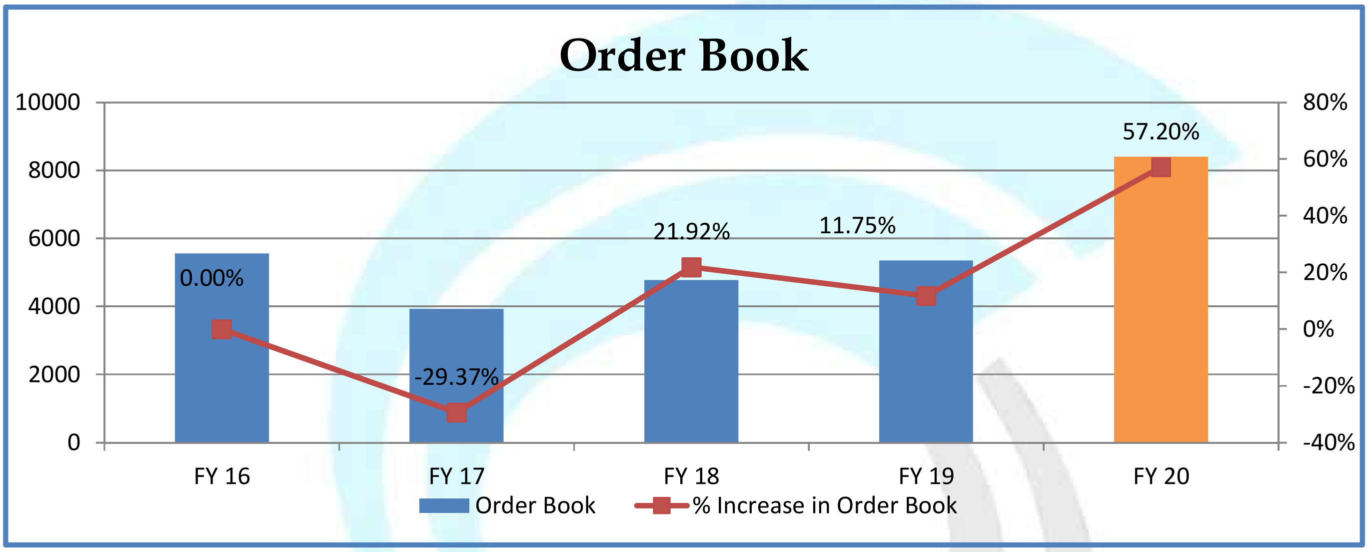
Increase/ Decrease in Gross Block



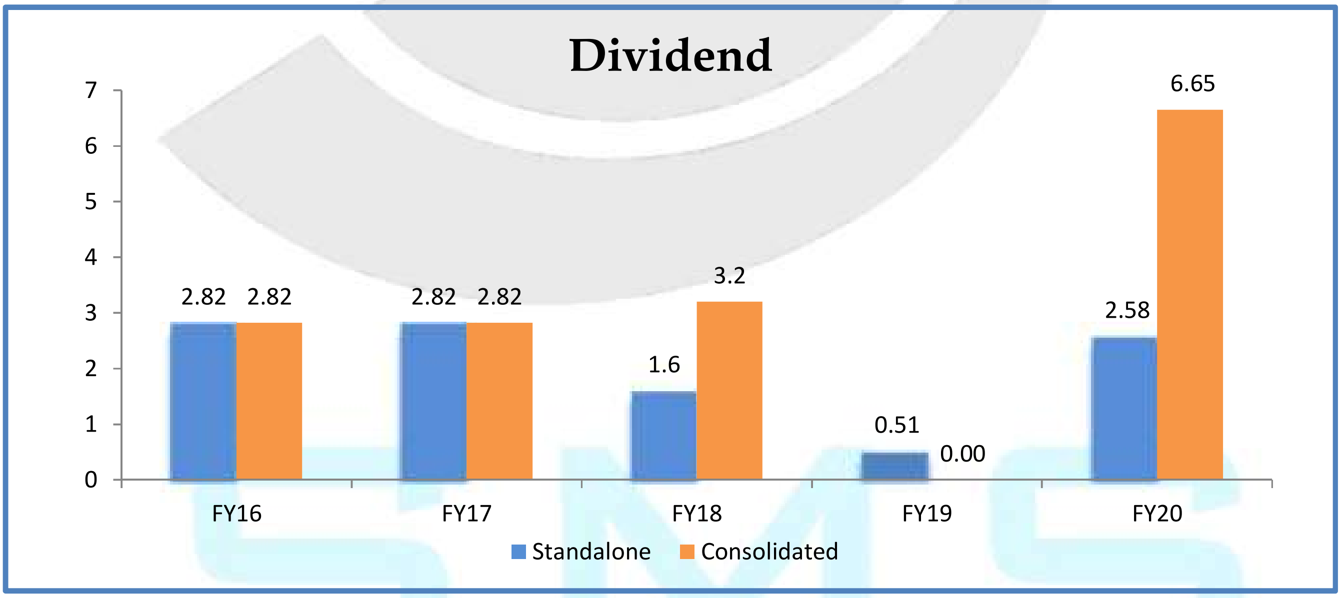
Increase/ Decrease in Book Value



Order Book Position



Dividend



SMSL
Board of Directors

Anand Sancheti
Managing Director

Dilip Surana
Whole Time Director

Ajay Kumar Lakhotia
Independent Director

Ramendra Gupta
Independent Director

Paramveer Sancheti
Whole Time Director

Akshay Sancheti
Whole Time Director

Nirbhay Sancheti
Whole Time Director

Hemant Kumar Lodha
Non-Executive Director

Company Information

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

SMS Limited

Board & Committees –

The Board of Directors

Anand Sancheti
Managing Director

Dilip Surana
Whole Time Director

Ramendra Gupta
Independent Director

Ajay Kumar Lakhotia
Independent Director

Paramveer Abhay Sancheti
Whole Time Director

Akshay Sancheti
Whole Time Director

Nirbhay Ajay Sancheti
Whole Time Director

Hemant Kumar Lodha
Non-Executive Director

Executive Committee

Anand Sancheti
Member

Dilip Surana
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Audit Committee

Ajay Kumar Lakhotia
Chairman Audit

Ramendra Gupta
Member

Anand Sancheti
Member

Nomination & Remuneration Committee

Ramendra Gupta
Member

Ajay Kumar Lakhotia
Member

Hemant Kumar Lodha
Member

Share Transfer Committee

Anand Sancheti
Member

Ajay Kumar Lakhotia
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Corporate Social Responsibility Committee

Ajay Lakhotia
Member

Ramendra Gupta
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Risk Management Committee

Anand Sancheti
Member

Dilip Surana
Member

Paramveer Abhay Sancheti
Member

Akshay Sancheti
Member

Nirbhay Ajay Sancheti
Member

Hemant Kumar Lodha
Member

BOARDS' REPORT

To

The Members,
SMS Limited

The Board of Directors hereby submits their Twenty Third Report on the business and operations of the Company ('the Company' or 'SMS LIMITED'), along with the audited financial statements, for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred wherever required.

1. COMPANY SPECIFIC INFORMATION:

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

1.1 Financial Highlights:

The financial performance of the Company for the year 2019-2020 ended on 31st March 2020 is summarized below:

(` In Crore)

	Standalone		**Consolidated**	
Particulars	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Revenue from Operations	888.68	1018.84	1621.28	1784.31
Other income	19.01	14.73	38.58	31.71
Profit Before Depreciation, Finance Costs, Exceptional items and Tax Expenses	145.06	156.46	543.78	547.28
Less: Depreciation/ Amortisation/ Impairment	23.60	21.18	226.18	232.25
Profit Before Finance Costs, Exceptional items and Tax Expenses	121.46	135.27	317.60	315.02
Less: Finance Costs	86.87	86.90	194.70	186.58

Profit Before Exceptional items and Tax Expenses	34.58	48.37	122.89	128.44
Add/Less: Exceptional items	26.78	NIL	NIL	0.69
Profit Before Tax Expenses	61.36	48.37	122.89	127.52
Less: Tax Expenses (Current & Deferred)	13.06	18.10	30.41	43.23
Profit for the year (1)	48.30	30.27	92.48	84.28
Total Comprehensive income (2)	48.84	30.09	69.82	65.01
Balance of profit/loss for earlier years	470.86	436.68	485.70	426.76
Less: Transfer to Debenture Redemption Reserve	NIL	NIL	NIL	NIL
Less: Transfer to Reserves	NIL	NIL	NIL	NIL
Less: Dividend paid on Equity Shares including DDT	2.57	NIL	-66.53	0.00
Less: Dividend paid on Preference Shares	NA	NA	NA	NA
Less: Dividend Distribution Tax	NIL	NIL	NIL	NIL
Balance carried forward	**516.08**	**470.86**	526.53	485.70

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

A. Standalone

The Revenue from Operations of the Company for the Financial Year ended 2019-20 amounted to ` 888.68 crore as against ` 1018.84 crore in FY-2018-19 and earned a Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT including exceptional item) for the FY 2019-20 `121.46 crore as against ` 135.27 crore in the previous year. After deducting financial charges of ` 86.87 crore, providing a sum of ` 23.60 crore towards depreciation and amortisation and ` 13.06 crore for income tax and the operations of the Company resulted in a net profit of ` 48.30 crore for the FY 2019-20 as against ` 30.09crore in FY 2018-19.

B. Consolidated

During the year under review, the Revenue from Operations of the Company on a consolidated basis amounted to ` 1621.28 crore as against ` 1784.31 crore in the previous fiscal. Your Company has earned a PBIDT of ` 122.89crore for the FY 2019-20 as against ` 127.52 crore in the previous Financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ` 92.48crore as against ` 84.28 crore in the previous Financial year. During the year the Company, on a consolidated basis, bagged new orders valued around ` 536.83 and the order Book of the company as on March 31, 2020, stood at ` 8348.67/- crore.

The outbreak of the Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting the business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown initially for 21 days and which was subsequently extended in phases till 31st May 2020 to prevent community spread of COVID-19 in India resulting in a significant reduction in economic activities. The Company has taken necessary measures to contain the spread of the virus in the project sites and in the various offices from where the employees are functioning.

1.2. **<u>Amount, if any, which the Board proposes to carry to any reserves:</u>**

In accordance to 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 2019-20.

1.3. **<u>Dividend:</u>**

The Board vide its meeting dated 25th July 2019 recommended a final dividend of ` 0.50/- per equity shares of the face value of ` 10/- each @ of 5% on the paid-up Equity Share Capital of the Company amounting to ` 51,30691/- for the year ended 31.03.2019. The Member vides its 22nd Annual General Meeting dated the 28th day of September 2019 approved and declared the payment of final dividend as recommended by the Board.

Pursuant to the approval of the Board on March 31, 2020, the Company paid an interim dividend of ` 2.51/- per equity share of the face value of ` 10/- each, @ of 25.10 % on the paid-up Equity Share Capital of the Company amounting to ` 2,57,56,069/- (Rupees Two Crore Fifty-Seven Lac Fifty Six Thousand Sixty Nine only) to shareholders who were on the register of members as on March 31, 2020. The Board did not recommend a final dividend and the interim dividend of ` 2.51/- per equity share declared by the Board in March 2020 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains ` 2.51/- per equity share.

1.4 Major events occurred during the year:

a) The State of The Company's Affairs:

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

The Company is engaged in providing infrastructural services with diversification into all the major sectors of infrastructure including Mining, Railways, Irrigation, Highways Construction, Power, Environment, Urban and Rural Development. The Order Book position as on March 31, 2020, stood at ` 8348.67/- crore.

A separate reportable segment forms part of note no. 46 to the Consolidated Balance Sheet as on 31st March 2020.

(ii) Change in status of the Company –

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

(iii) Key business development –

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

MINING SECTOR:

Pinoura-Vindhya Underground Mine:

Introduction of CM Package on Hiring Basis at Pinoura & Vindhya UG Mines of Johilla Area. Madhya Pradesh. This is a 7 APPs Project awarded by South Eastern Coal Fields, with the total project cost of 318.41 core only, it was started on 20.08.2011, and during the year the work is completed in September 2019 and final bill under review.

Tummalapalle Project Underground Mine:

The work of Development stopping, Ventilation Shaft Sinking & 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 the total project cost of ` 798.24 crore only, the work started on 25.04.2008 and during the year the work is completed on 6th March 2020 and final bill 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 the total project cost of ` 136.81 core only, it was started on 17.04.2017 and have completed 33% of the work during the year and final bill under review.

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 the total project cost of ` 314.98 core only, it was started on 17.05.2017 and have completed 19% of the work during 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 the total cost of ` 123.00 crore only it was started on 29.05.2017, 28% of the work is completed till the end of the Financial year 31.03.2020.

Rajpura Dariba Underground Mine:

Comprehensive Mining services for Underground Ore Production, Development and associated activities at Rajpura Dariba Mine through operational KPIs as per the given targets. The project was awarded by Hindustan Zinc Limited (Vedanta), Udaipur started on 25.10.2017 with the total project cost of ` 541 crore only and 29 % of the work were completed till the year ended on 31.03.2020.

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 was started on 20.11.2019 with the total project cost of `1573.81 crore only.

Tummalapalle Existing Underground Mine (Part-2):

Mine Development, Stoping, Ventilation Shaft Sinking, Stowing, Transportation of waste & other rocks in the underground, excavation of Crusher Chamber & other related excavation for production of 3000 TPD of Uranium Ore at Tummalapalle Existing Underground Mine (Part-2). The project was awarded by Uranium Corporation of India Ltd. and was started on 07.03.2020 with the total project cost of `3188.38 crore only.

Kondapuram Underground Mine:

Extraction of coal on cost per ton basis by deploying Continuous Miners including the drivage of tunnels at Kondapuram UG Mine, Manuguru area. Awarded by The Singareni Collieries Company Limited., with the total project cost of ` 1010.78 crore, work was not started due to Geo-mining condition change, and shall be started after drivage coal seam exposed.

Kondapuram UG Mine, MNG Area:

Drivage of 2 Nos. of Inclined tunnels at Kondapuram UG Mine, MNG Area. Awarded by The Singareni Collieries Company Limited., with the total project cost of ` 11.24 crore only and was started on 16.03.2019.

The in-hand Mining projects after the end of the Financial year but before the date of the Report are listed hereunder and the total project cost amounting to ` 6359 crore only.

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. (5 Years).

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. (7 Years).

iii 14,045 meters Mine Development Along with Long Hole (57 mm) Drilling at Khetri Copper Mine, Rajasthan, India. (5 Years).

iv Mine Development, Production Drilling and Ore Production from MCP Underground Mine, Madhya Pradesh. (5 Years).

v Mine Development, Stoping, Ventilation Shaft Sinking, Stowing, Transportation of waste & other rocks in the underground, excavation of Crusher Chamber & other related excavation for production of 3000 TPD of Uranium Ore at Tummalapalle Existing Underground Mine (Part-2). (8 Years).

vi Extraction of coal on cost per ton basis by deploying Continuous Miners including the drivage of tunnels at Kondapuram UG Mine, Manuguru area. (10 Years).

vii Drivage of 2 Nos. of Inclined tunnels at Kondapuram UG Mine, MNG Area (6+6) Months.

ROAD RAIL & IRRIGATION SECTOR:

IRRIGATION SECTOR:

Following works of irrigation sector were completed during FY 2019-20:

1. Renovation of Asolamendha Existing Main Canal Km 1 To 41.37 Including Earth Work Structure And Lining. – During the year the work was completed, however, the final bill is under process.

New works started during FY 2019-20:

1. The Company has started with 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 during the year under review.

RAIL AND ROAD SECTOR:

Following works of rail and road sector were completed during FY 2019-20:

1. Construction of new BG line between Bidar - Gulbarga stations - proposed construction of bg single line railway tunnel (4.925 x 7.70m approx clear dimensions, ‘d’ shaped) from km: 58,400.00 m to 60,200.00 m (approximate total length 1800.0 rm (tunnel proper: approx. 1500.0 rm)) including the construction of portals (2 x 25.0 m) on both ends, false portals (25.0 m on bidar end and 100.0 m on Gulbarga end), shotcreting, steel fiber reinforced shotcrete, retaining walls, construction of side drains etc., between

marugutti (h) and kamalapur stations, near Marugutti reserve forest in Karnataka state.3– During the year the work was completed, the final bill is under process.

2. Earthwork in formation, construction of bridges from km. 12/000 to 25/500 (outside plant) in connection with the construction of railway siding for MUNPL, Meja tpp (2x660 MW), Meja, district: Allahabad, state: Uttar Pradesh, package- 2.- work completed, final bill under process.

3. The long halted work of Yearli Bridge Approaches was restarted as the client agreed to commence the work with a revised contract value.

New works were started during FY 2019-20:

1. Construction of Roadbed, Major and Minor Bridges, Service Buildings including Miscellaneous works & 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."

Following new works got awarded during FY 2019-20:

1. Widening, Strengthening and Up-gradation of Shilphata to Bhiwandi Road from Four-laning to Six-laning from Chainage 0/000 to 16/180 and 16/880 to 21/058 in the state of Maharashtra on EPC mode for `198.81 crore in which 40% share is of SMS Limited.

2. Demolution and Reconstruction of existing Gopal Krishna Ghokale Bridge at Andheri (municipal Corporation) for ` 107.51 crore.

3. 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 for ` 77.63 crore.

4. 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 for ` 272.17 crore.

ENVIRONMENT SECTOR:

Chandigarh Smart City Legacy Waste clearance Project:

1. During the year Company was Awarded Project for Mining of Legacy Waste and Recovery of Land at The Daddu Majra Dumping Ground, Chandigarh On Build Operate and Transfer Basis by Chandigarh Smart City Limited. The agreement was signed on 21st October 2019 and the rate agreed was ` 576/tonne of waste cleared. Construction (Capex) was completed in March 2020 and Commercial operation commenced from June 2020.

MEPL Ranjangaon landfill:

1. Work of SLF -5 and the liquid incinerator is completed during the year.

Additional Butibori CETP:

2. The company was awarded the contract for Design-Build Commissioning of Additional Butibori CETP on Design-Build Basis with operation Maintenance in Additional Butibori Indl. the area by MIDC on 04.09.20. the total value of Contract including 1-year Maintenance was ` 41.09 Crore. The company has started work on the same from October 2020.

STP Raipur:

Construction of 3 Nos 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 17/07/2018. Company has completed about 35% of the work till date.

ONGC Nada Gujrat:

The entire work of the project is completed and billing for the same is also done. O & M agreement is yet to sign, however, the work of O & M is started during the year.

MEPL Butibori:

Work order for Construction of SFL-3 is received from Maharasthra Enviro Power Limited. The capacity of the landfill will ` 1.90 lakh MT.

Ponda Envocare Limted:

Construction of Common Hazardous Waste Transport Storage and Disposal Facility at Pissurelem Industrial Area, Tah-Sattari, North Goa 403530. 20% of the work completed till the date of this Report.

iv) Change in Financial Year :

No changes have been made in the financial year of the company during the F.Y. 2019-20.

v) Capital Expenditure Programme:

The Company has not conducted any Capital Expenditure programme during the F.Y. 2019-20.

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.

The Board of Directors of the Company vide its meeting held on 29th March 2019 approved the scheme of the merger of the Company with its Wholly Owned Subsidiary (WOS) Patwardhan Infrastructure Pvt. Ltd. viz., M/s. Patwardhan Infrastructure Pvt. Ltd. in its Board Meeting held in 29th March 2019 subject to requisite approvals including that of NCLT, approved the Scheme of Amalgamation/Merger of said WOS with SMS Limited with the appointed dated as 1st April 2019 (Holding Company).

However, the Board of Directors of the Company vides its meeting dated 18th January 2020 cancelled the process of the merger due to certain administrative issue and will be considered in future till the issue is been sorted.

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

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

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

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

b) **Change in Nature of Business:**

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

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

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

The amalgamation of SMS Limited and its Wholly Owned Subsidiary (WOS) Patwardhan Infrastructure Pvt. Ltd. viz., M/s. Patwardhan Infrastructure Pvt. Ltd. in its Board Meeting held in 29th March 2019 subject to requisite approvals including that of NCLT, approved the Scheme of Amalgamation of said WOS with SMS Limited with the appointed dated as 1st April 2019 (Holding Company).

The Board of holding Company vides its meeting dated 18th January 2020 cancelled the process of the merger due to certain administrative issue and will be considered in future till the issue is been sorted.

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

Disclosure for Voluntary Revision of Financial Statement pursuant to section 131(1) during the financial year is not required, as the Company has not revised its financial statement or Boards' Report in the relevant financial year.

2. GENERAL INFORMATION:

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

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

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

Construction halt, revocation of toll collection, labour crunch and severe working capital pressure – these nightmares for any infrastructure company have now become a reality. The infrastructure sector is one of the worst-hit on account of COVID-19. The Infrastructure Sector recovery in FY21 will be slow and is expected to be visible from Q3 onwards. While calculating earnings, the downgrade of COVID-19 remains challenging, but FY21 revenue estimates to (-)10 % year on year (YoY) revenue decline for all companies and a 100-150bps YoY fall in margins for all in FY21. The more imminent challenge for the construction players remains working capital management. In the wake of COVID-19 pandemic, the focus of state and central Govt has shifted to the welfare of citizens and health care measures, hence infrastructure activity has taken a backseat. Infrastructure players are facing a severe liquidity crunch and as bills and dues from Govt are not being honoured in time on one hand and on the other hand companies are striving to maintain steady salary flows to contract labour and employees. The same has resulted in a stark mismatch in fund inflow and outflow, putting pressure on balance sheets. The banking system has come to support the corporate sector with COVID-19 loans up to 10% of the “Fund Based Limits” enjoyed by Corporates, as directed by RBI. This is a big relief for Corporates.

2.2 External environment and economic outlook:

The world has changed dramatically due to COVID-19 pandemic. Tragically, many human lives are being lost and the virus continues to spread rapidly across the globe. Despite the clear danger that the global economy is in, there are also reasons to be hopeful that this worst-case scenario can be avoided. Governments have learned from previous crises that the effects of a demand-driven recession can be countered with government spending. Consequently, many governments are increasing their provision of monetary welfare to keep their economies move forward. But there are some reasons to think that, with the right mix of appropriate government responses and luck, some of the more apocalyptic predictions may not come to pass. The Covid-19 outbreak came at a time when the Indian economy was already slowing, due to persistent financial sector weaknesses and the coronavirus outbreak has severely disrupted the Indian economy, magnifying the pre-existing risks. The World Bank estimated the Indian economy to decelerate to 5 per cent in 2020 and projected a sharp growth deceleration in fiscal 2021 to 2.8 per cent in a baseline scenario, adding that the services sector will be particularly impacted. "Growth is expected to rebound to 5.0 per cent in fiscal 2022 as the impact of Covid-19 dissipates, and fiscal and monetary policy support pays off with a lag," the report said.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the economy. The Government has suggested investment of ` 5,000,000 crore (US$ 750 billion) for railways infrastructure between 2018 and 2030. India and Japan have joined hands for infrastructure development in India's Northeastern states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

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 2019-20, there is no change in the Capital structure of the Company. Accordingly, the issued, subscribed and paid-up capital of the Company stands at `102613820/- divided into 10261382 Equity Shares of `10/- each. The Authorised Share Capital o the Company is `150000000/- divided into 15000000 Equity Shares of `10/- each as on 31st March 2020.

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

Depository System:

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

As on March 31, 2020, 100% of the Company's paid-up capital representing 1,02,61,382 shares are in dematerialized form.

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

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

(b) <u>reclassification or sub-division of the authorised share capital;</u>

During the financial year 2019-20, the Company has not reclassified or sub-divided its authorised share capital.

(c) <u>reduction of share capital or buyback of shares;</u>

During the financial year 2019-20, there was no reduction of share capital or buyback of shares in the Company.

(d) <u>change in the capital structure resulting from restructuring;</u>

During the financial year 2019-20, there were no restructuring carried out in the Company and consequently, the Capital Structure of the Company remained unchanged.

(e) <u>change in voting rights:</u>

The voting rights of the Company remained unchanged during the F.Y. 2019-20.

3.1 <u>Issue of shares or other convertible securities:</u>

During the financial year 2019-20, there is no change in the Capital structure of the Company. Accordingly, the issued, subscribed and paid-up capital of the Company stands at `102613820/- divided into 10261382 Equity Shares of `10/- each as on 31st March 2020.

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

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

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

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

3.4 Details of Employees Stock Options:

The Company has not issued any shares under 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, Cash Credit, Stand by line of credit (SLOC), Non-Fund Based, Bank Guarantee, LC interchangeability with BG (Sub-limit of BG) and Letter of Credit (LC).

(b) name of the credit rating agency;

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

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

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

The Credit rating was obtained on 17th November 2020, Brickwork Ratings had reaffirmed the ratings at BWR A/Stable/A2+ for the bank loan facilities of Rs.1370.00 Crore of SMS Limited.

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

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

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

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

5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

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

6. MANAGEMENT:

6.1 Directors And Key Managerial Personnel:

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

Executive Directors:

Mr Anand Sancheti, Managing Director DIN: 00953362)

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

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

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

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

Non-Executive Independent Directors:

Mr Ajay Kumar Lakhotia, (DIN: 00634602)

Mr Ramendra Gupta (DIN: 00306663)

Non-Executive Directors:

Mr Hemant Lodha, (01654145).

INDUCTIONS, RETIREMENT, RESIGNATIONS AND CASEATION:

During the year, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr Hemant Lodha (01654145) as an Additional Non-Executive Director with effect from March 1, 2020, to hold office up to the date of the forthcoming Annual General Meeting.

During the year, on the recommendation of Nomination and Remuneration Committee, the Board appointed Mr Paramveer Sancheti (DIN:05326947) and Mr Nirbhay Sancheti (DIN: 08338308) as a Whole-time Director of the Company, designated as an Executive Director, for a period of 3 (Three) years with effect from March 1, 2020, and appointed Mr Akshay Sancheti (DIN: 07564977) as a Whole-time Director, designated as an Executive Director for the period of Eight Months commencing from March 1, 2020, to October 30, 2020, to fill the casual vacancy caused due to demise of Mr Abhay Sancheti, vacating his office as Director of the Company before the expiry of his term of office dated October 30, 2020, liable to retire by rotation and the appointment of Mr Paramveer Sancheti, Mr Nirbhay Sancheti and Mr Akshay Sancheti have been approved by the Shareholders of the Company by at Extra-Ordinary General Meeting dated March 30, 2020, through a special resolution.

In pursuance of section 152 of the Companies Act, 2013 and the rules framed thereunder and the Articles of Association of the Company, MR. Dilip Surana, Director (DIN - 00953495), and Mr Anand Sancheti, Managing Director (DIN:00953362) are liable to retire by rotation at the ensuing Annual General

Meeting ("AGM") and being eligible, offers themself for re-appointment. The Board of Directors recommends their re-appointment.

Mr Abhay Sancheti, Chairman and Whole Time Director of the Company had expired on January 22, 2020. The Board expressed their heartfelt condolences to his family and record its deep sense of gratitude and appreciation for Mr Abhay Sancheti's immense contribution and strategic guidance towards the progress of the Company.

Mr Ajay Sancheti, demitted office as Vice Chairman and Non-Executive Director of the Company effective February 29, 2020, to devote time to his other commitments.

On March 30, 2020, Mrs Renu Challu decided to step down as an Independent Director from the Board of the Company due to completion of her tenure of five years.

The Board places on record its appreciation for valuable contributions and guidance made by Mr Ajay Sancheti and Mrs Renu Challu to the growth of the Company during their long association with the Company as Vice Chairman and Non-Executive Director and Independent Director.

Key Manangerial Personnel:

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

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

6.2 Independent Directors:

Mr Ajay Kumar Lakhotia, (DIN: 00634602) and Mr Ramendra Gupta (DIN: 00306663) were appointed as Independent Directors of the Company at the Board Meetings held on 31st March 2015 for a period of five years. Subject to the approval of the members the Board of Directors vide its meeting dated 28th February 2020 proposed to re-appoint the aforesaid Independent Directors for another term of 5 (five) years with effect from 31st March 2020. Under the provisions of the Companies Act, 2013 (as amended) re-appointment of Independent Directors for a second term requires prior approval of Members of the Company by way of Special Resolution. Accordingly, the approval of the Members by way of Special Resolution(s) was sought at the Extra Ordinary General Meeting of the Company held on 30th March 2020 for the re-appointment of Mr Ajay Kumar Lakhotia, (DIN: 00634602) and Mr Ramendra Gupta (DIN: 00306663) for a period of five(5) years as Independent Directors of the Company from the end of their respective terms.

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

Pursuant to the requirement of the provision of sub-section (3) of 134 of the Companies Act,2013. The Independent Directors have submitted the declaration of

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

6.4 Disqualification of Directors

During the financial year 2019-2020 under review, an intimation pursuant to the provision of Section 164 of the Companies Act, 2013 was received from the Directors of the Company. The Board noted the same and confirmed that none of the Directors is disqualified to hold office as director.

6.5 Board Meeting:

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

The Board of Directors met five times during the financial year 2019-20; on July 25, 2019, September 26, 2019, January 18, 2020, February 29, 2020, and March 31, 2020.

Annual General Meeting for FY 2018-19 was held on September 28, 2019. The details of the meetings of the Board of Directors are given in Table 1 held during FY 2019-20.

Mr Hemant Lodha, Mr Nirbhay Sancheti, Mr Paramveer Sancheti, Mr Akshay Sancheti were appointed as Director w.e.f. 01.03.2020.

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

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

Name of the Directors	*Attendance at last AGM held on September 28, 2019	No. of Board Meeting held and attended 1	2	3	4	5	% of attendance including video conferencing
Abhay Sancheti	Absent	Absent	Absent	Absent	Ceased	Ceased	0 %
Ajay Sancheti	Attended	Absent	Absent	Attended	Absent	Ceased	20%
Anand Sancheti	Attended	Attended	Attended	Attended	Attended	Attended	100%
Dilip Surana	Attended	Attended	Attended	Attended	Attended	Attended	100%
Renu Challu	Absent	Attended	Attended	Attended	Attended	Ceased	80%
Ramendra Gupta	Absent	Attended	Attended	Attended	Attended	Absent	80%
Ajay Kumar Lakhotia	Attended	Attended	Attended	Attended	Attended	Absent	80%
Akshay Sancheti	Absent	Absent	Attended	Absent		Appointed	40%
Paramveer Sancheti						Appointed	20%
Nirbhay Sancheti						Appointed	20%
Hemant Lodha						Appointed	20%

Attendance in person or Through Video Conferencin — *Absent- Nil*

Ceased as Director — *Appointed as Directors w.e.f 1.03.2020*

6.6 <u>Committees</u>:

Currently, the Board has six committees:

1) the Executive Committee,
2) the audit committee,
3) the corporate social responsibility committee,
4) the nomination and remuneration committee,
5) the share transfer committee,
6) the risk management committee.

Table: Details of the Board and its Committees:

Board and Committee Composition as on March 31, 2020							
Name	Board	Executive Committee	Audit Committee	CSR Committee	Nomination & Remuneration Committee	Risk Management Committee	Share Transfer Committee
Anand Sancheti	Member	Member	Member	Member		Member	Member
Dilip Surana	Member	Member				Member	
Ramendra Gupta	Member		Member	Member	Member		
Ajay Kumar Lakhotia	Member		Chairman	Member	Member		Member
Paramveer Sancheti	Member	Member		Member		Member	Member
Nirbhay Sancheti	Member	Member		Member		Member	Member
Akshay Sancheti	Member	Member		Member		Member	Member
Hemant Lodha	Member				Member		

Chairman *Member*

A. **<u>Executive Committee</u>:**

The Committee comprises of Mr Abhay Sancheti, Mr Anand Sancheti and Mr Dilip Surana. Mr Abhay Sancheti is the Chairman of the Committee.

As a consequence of the demise of Mr Abhay Sancheti, Chairman and Director of the Company and Chairman and member of the Executive Committee of the board on 22nd January 2020. The Executive Committee of the Board was reconstituted and accordingly, the Executive Committee of the Board now comprises of following members:

1. Mr Anand Sancheti - Member
2. Mr Dilip Surana - Member
3. Mr Paramveer Abhay Sancheti - Member
4. Mr Akshay Abhay Sancheti - Member
5. Mr Nirbhay Ajay Sancheti - Member

During FY 2019–20, Fifty-Six Meetings of the Executive Committee were held. The composition of the Executive Committee and the attendance of its Members at its Meetings held during FY 2019-20 are, detailed in Table 2:

Table 2: Details of the Executive Committee

Name of the Member	Nature of Membership	Category	No. of Meeting held	No. of Meeting Attended	% of Attendance
Abhay Sancheti	Chairman	Whole Time Director	45	0	00.00
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	5	5	100.00%
Nirbhay Sancheti	Member	Whole Time Director	5	5	100.00%
Akshay Sancheti	Member	Whole Time Director	5	5	100.00%

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

The Committee comprises of Mr Abhay Sancheti, Mr Anand Sancheti, Mr Ramendra Gupta and Mr Ajay Kumar Lakhotia. Mr Abhay Sancheti was the Chairman of the Committee.

As a consequence of the demise of Mr Abhay Sancheti, Chairman and Director of the Company and Chairman and member of the CSR Committee of the board on 22nd January 2020. The Corporate Social Responsibility Committee of the Board was reconstituted and accordingly, the Corporate Social Responsibility Committee of the Board now comprises of following members:

1. Mr Anand Sancheti - Member
2. Mr Ajay Kumar Lakhotia - Member
3. Mr Ramendra Gupta - Member
4. Mr Paramveer Abhay Sancheti - Member
5. Mr Akshay Abhay Sancheti - Member
6. Mr Nirbhay Ajay Sancheti - Member

During FY 2019–20, two Meetings of the Corporate Social Responsibility Committee were held on July 25, 2020, and January 18, 2020. The composition of the Corporate Social Responsibility Committee and the attendance of its Members at its Meetings held during FY 2019-20 detailed in Table 3:

Table 3: Details of the CSR Committee:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended 1	2	% of Attendance
Abhay Sancheti	Chairman	Whole Time Director			0 .00%
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	NA	NA	0 .00%
*Nirbhay Sancheti	Member	Whole Time Director	NA	NA	0 .00%
*Akshay Sancheti	Member	Whole Time Director	NA	NA	0 .00%

*Appointed as Director w.e.f.01.03.2020

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

C. **Audit Committee**:

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

During FY 2019-20, four meetings of the Audit Committee were held i.e. on July 25, 2019, September 26, 2019, January 18, 2020, and February 29, 2020. The details of the composition of the Audit Committee and its attendance at the Meetings are given in Table 4:

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

Table 4: Details of the Audit Committee Meeting:

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

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

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

The Committee comprises of three Independent Directors viz. Mr Ajay Kumar Lakhotia, Mr Ramendra Gupta and Mrs Renu Challu.

As a consequence of the retirement of Mrs Renu Challu due to Completion of her first term of five consecutive years on 30.03.2020 the Nomination Remuneration Committee of the Board was reconstituted and accordingly, the Nomination Remuneration Committee of the Board now comprises of following members:

1. Mr Ajay Kumar Lakhotia - Member
2. Mr Ramendra Gupta - Member
3. Mr Hemant Lodha - Member

During FY 2019-20, two meetings of the Nomination Remuneration Committee were held i.e. on July 25, 2019, and February 29, 2020. The details of the composition of the Audit Committee and its attendance at the Meetings are given in Table 5:

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

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

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended		% of Attendance
			1	2	
Ajay Kumar Lakhotia	Member	Independent Director			100.00
Ramendra Gupta	Member	Independent Director			100.00
Renu Challu	Member	Independent Director			100.00
*Hemant Lodha	Member	Non-Executive		NA	0.00

** Appointed w.e.f. 01.03.2020*

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

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

E. Stakeholders Relationship Committee:

During the Financial Year 2019-20 the Company was not required to constitute Stakeholders Relationship Committee, as prescribed under section 178(5) of the Companies Act, 2013.

F. Risk Management Committee:

The Risk Management Committee has been constituted in conformity with the provisions of Companies Act, 2013 and The Committee comprises of three Members viz. Mr Abhay Sancheti, Chairman, Mr Anand Sancheti, Managing Director and Mr Dilip Surana, Whole Time Director as members of the Committee.

As a consequence of the demise of Mr Abhay Sancheti, Chairman and Director of the Company and Chairman and member of the Risk Management Committee of the board on 22nd January 2020. The Risk Management Committee of the Board was reconstituted and accordingly, the Risk Management Committee of the Board now comprises of following members:

1. Mr Anand Sancheti - Member
2. Mr Dilip Surana - Member
3. Mr Paramveer Abhay Sancheti - Member
4. Mr Akshay Abhay Sancheti - Member
5. Mr Nirbhay Ajay Sancheti - Member

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

Two Committee meetings were held during the financial year i.e. on July 25, 2019, and February 29, 2020.

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

Table 6: Details of the Risk Management Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended		% of Attendance
			1	2	
Abhay Sancheti	Chairman	Whole Time Director			000.00
Anand Sancheti	Member	Managing Director			100.00
Dilip Surana	Member	Whole Time Director			100.00
*Paramveer Sancheti	Member	Whole Time Director	NA	NA	0 .00%
*Nirbhay Sancheti	Member	Whole Time Director	NA	NA	0 .00%
*Akshay Sancheti	Member	Whole Time Director	NA	NA	0 .00%

*Appointed as Director w.e.f.01.03.2020

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

G. <u>**Share Transfer Committee**</u>:

The Share Transfer Committee comprised of three directors viz Mr Abhay Sancheti, Chairman, Mr Anand Sancheti, Managing Director and Mr Ajay Kumar Lakhotia, Independent Director.

As a consequence of the demise of Mr Abhay Sancheti, Chairman and Director of the Company and Chairman and member of the Share Transfer Committee of the board on 22nd January 2020. The Share Transfer Committee of the Board was reconstituted and accordingly, the Share Transfer Committee of the Board now comprises of following members:

1. Mr Anand Sancheti - Member
2. Mr Ajay Kumar Lakhoti - Member
3. Mr Paramveer Abhay Sancheti - Member
4. Mr Akshay Abhay Sancheti - Member
5. Mr Nirbhay Ajay Sancheti - Member

There being no requirement, no meeting was held during the financial year 2019-20.

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

Table 7: Details of the Share Transfer Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended	% of Attendance
Abhay Sancheti	Chairman	Whole Time Director	No Meeting held in 2019-20	NA
Anand Sancheti	Member	Managing Director	No Meeting held in 2019-20	NA
Ajay Kumar Lakhotia	Member	Independent Director	No Meeting held in 2019-20	NA
*Paramveer Sancheti	Member	Whole Time Director	No Meeting held in 2019-20	NA
*Nirbhay Sancheti	Member	Whole Time Director	No Meeting held in 2019-20	NA
*Akshay Sancheti	Member	Whole Time Director	No Meeting held in 2019-20	NA

*Appointed as Director w.e.f.01.03.2020

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

H **Independent Directors Meeting:**

The year under review, the Independent Directors of the Company met on February 29, 2020, without the presence of other Directors or Management representatives to:

i. review the performance of Non-Independent Directors and Board of Directors of the Company as a whole:

ii. review the performance of the Chairperson of the Company taking into account the view of the Executive and Non-Executive Directors

iii. assess the quality, quantity and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

6.7 **Recommendations of Audit Committee:**

There is no occasion wherein the Board of Directors of the Company has not accepted any recommendation/s of the Audit Committee of the Company during FY 2019-20. As such, no specific details are required to be given or provided.

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

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

6.9 Board Evaluation:

Performance Annual Evaluation of Board and Committees Thereof:

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

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

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

The outcome of the Evaluation:

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

6.10 Remuneration of Director and Employees of Listed Companies:

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

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

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

However, before the date of this report, the Board of Ayodhya Gorakhpur SMS Tolls Private Limited (100% subsidiary company) after considering the extraordinary performance and efforts of Mr Dilip Surana, in ensuring and achievement of performance target in the Company's' project and subject to all the terms of appointment of Mr Dilip Surana as Whole-time Director with SMS Limited (the "Holding Company") the Company awarded performance-based commission/bonus of ` 2,00,00,000/- (Rupees Two Crore only) in addition to the overall managerial remuneration including allowances drawn from the Holding Company.

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

6.12 DIRECTOR'S RESPONSIBILITY STATEMENT:

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

a. In the preparation of the annual accounts for the financial year 2019-20, the applicable accounting standards have been followed along with proper explanation and there are no material departures;

b. that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and of the profit of the Company for the year ended on that date.

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

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

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

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

6.13 Internal Financial Control And Its Adequacy:

The Company has in all material respects, adequate internal financial control commensurate with the nature of its business, size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act, 2013.

6.14 Details of Fraud Report By Auditor:

There have been no instances of fraud reported by the 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 of the Company or the Central Government except the Statutory Auditor, during the year informed a fraud/misappropriation of funds of Rs 57 lac by an employee which was identified by the company on 02/09/2019 through its vigil mechanism. The company has lodged the FIR and matter is under verification by the Police Department. The Company is taking necessary action against the employee for recovery of the amount.

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, 2 Associate and 16 Joint Ventures as of March 31, 2020. There was no material change in the nature of the business carried on by the subsidiaries.

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

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

In compliance with Section 134 of the Companies Act, 2013 read with the rules framed there under and the Financial Statements for the F.Y 2019-20 have been prepared in compliance with the applicable Indian Accounting Standards. Consolidated financial statements in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards.

SUBSIDIARIES:

Highlights of Performance and financial positions of subsidiaries:

i. SMS-AABS India Tollways Private Limited:

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

Net Revenue from operations during the year stood at ` 2,58,57. 86 /- lac and the Net Profit at ` 9930.49/- lac as against ` 7584.14 lac/- in the preceding year.

ii SMS Water Grace BMW Private Limited:

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

The company is responsible for the collection, storage, treatment & disposal of bio-medical waste generated in the city of Delhi and has 28.8 TPD treatment and disposal capacity. The facility has Incinerator, Autoclave and Shredding operations for the treatment of biomedical waste.

The Company has the expertise of providing total solutions for scientific treatment & disposal of various type of biomedical waste by the latest eco-friendly technologies. Its plant is located at Nilothi, Delhi.

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

Net Revenue from operations during the year for the subsidiary stood at ` 927.12/- lac and the Net Profit at ` 342.30/- lac as against ` 249.61/- lac in the preceding year.

iii SMS Vidhyut Private Limited:

SMS Vidhyut Private Limited is a wholly-owned subsidiary (WOS) Company, engaged in generation and transmission of power from Hydro Power generation project.

The WOS has two operational hydropower generation plants situated at Rights bank canal (RBC) and Left Bank Canal (LBC) of the Wainganga river at Navegaon Bandh, having operational life of 30 years from the date of commercial operations.

Both the plants are operating at lower capacity due to non-availability of water in dams area and allocation of water run through both the canals resulting in an overall decrease in operation as well as revenue

The concessions 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 in 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. Though Company is expected to have better growth in future.

During the year with Net Revenue from operations of ` 78.96 lac/- and the Net Loss of ` 847.66 lac/- as against ` 635.85 lac/- in the preceding financial year.

iv SMS Tolls And Developers Limited:

SMS Tolls And Developers Limited is wholly-owned Subsidiary (WOS), domiciled in India and incorporated on 6th August 2007, under the provision of the Companies Act, 1956.

The Company is a wholly-owned subsidiary (WOS) of SMS Limited, was established with the object to carry out construction activities on built, own, operate and transfer [BOOT] basis or to Build, Own Operate [BOO] basis or Built, Operate and Transfer [BOT] Basis and to carry on the business of collection of tolls and infrastructure management and to conduct research, design and develop technologies and to carry the business of repairs and maintenance and leasing commodities of all kinds and other movable and immovable properties, rights, claims and other interests therein.

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

Revenue from Operation is 1054.64 lac and the net profit at ` 13.76/- lac as against ` 0.38/- lac in the preceding year.

v Patwardhan Infrastructure Private Limited:

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

The Subsidiary Company vide its Board Meeting dated 29th March 2019 subject to requisite approvals including that of NCLT, approved the Scheme of Amalgamation with SMS Limited (holding Company) with the appointed dated as 1st April 2019 (Holding Company).

The Board of Company vide its meeting dated 18th January 2020 cancelled the process of the merger due to certain administrative issue and will be considered in future till the issue is been sorted.

During the year under review, there was no activity resulting in nil revenue and the net loss stood at ` 1.06/- lac as against a net profit of ` 9.24/- lac in the preceding year.

vi Ayodhya-Gorakhpur SMS Tolls Private Limited:

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

The subsidiary during the financial year 2019-20 has been allotted a new Change of Scope (COS) works-order to provide signboard and railing at various location on National Highway-28 amounting to ` 4,17,28,270 Crore proposed or being developed by National Highway Authority of India (NHAI). The subsidiary has commenced execution of the above-mentioned work-order and has the target to get the same completed by next financial year i.e. F.Y. 2020-21. During the F.Y.2019-20 the Company has incurred an expense of ` 1,38,24,964.88 towards the above mentioned COS work-order.

Revenue from operations during the year stood at ` 20657.62/- Lac and the Net Loss stood at ` 98.40/- Lac as against the net profit of ` 946.01/- Lac in the preceding year.

vii SMS Envoclean Private Limited:

The Company is a subsidiary of SMS Limited. It is engaged in providing biomedical waste management & disposal service having a plant located at Mumbai, and sale of disposable medical and hospital equipment.

The Company has the expertise of providing total solutions for scientific treatment & disposal of various type of biomedical waste by the latest eco-friendly technologies with Incinerator, Autoclave, Chemical Disinfection and Shredding Facilities.

The company continues to provide biomedical waste management & disposal service to hospitals, clinics and doctors., it has vehicles for BMW collection, each vehicle has its assigned routes and ensures regular biomedical waste collection as per required frequency. It also provides bar-coded bags to customers as per the categories of Biomedical Waste Rules 2016.

As per CPCB guidelines It has also Implemented barcode scanning & data uploading services related to bio-medical waste received from health care facilities (HCF) helps in controlling the pilferage of recyclable biomedical waste.

The future outlook of the company looks good. The company is planning to set-up a new facility near the Mumbai city with increased capacity & with new technology and for which the company is in the process to apply for EC and finalization of land.

During the year the subsidiary has generated ` 2036.78/- lac as Net Revenue from operations and the Net Profit at ` 527.57/- lac as against ` 609.20/- lac in the preceding year.

viii Solar Bhatgaon Extension Mines Private Limited:

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

In the year 2012-13 the function of the subsidiary were been stopped as the Bhatgaon (II) Extension coal block has been de-allocated by Government of India, Ministry of coal.

During the Financial Year, the Board of Directors of the subsidiary Company vide its meeting dated 16th March 2020 proposed to close the Company taking into consideration the non-operation activity since the operation and express their intention to carry no further business activity made an application for closure of/Striking off the name of the Company from Registrar of Companies pursuant to the provision of section 248 (2) of the Companies Act, 2013 subject to the approval of the shareholders. The Shareholders vide its Extra-Ordinary General Meeting dated 19th March 2020 accorded their consent for aforesaid purpose and moved an application via filing the E-form STK-2 to the Registrar of Companies (ROC). The current status of said form is pending for approval from ROC, Mumbai.

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

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

In the year 2012-13 the function of the subsidiary were been stopped as the Bhatgaon (II) Extension coal block has been de-allocated by Government of India, Ministry of coal.

During the Financial Year, the Board of Directors of the subsidiary Company vide its meeting dated 16th March 2020 proposed to close the Company taking into consideration the non-operation activity since the operation and express their intention to carry no further business activity made an application for closure of/Striking off the name of the Company from Registrar of Companies pursuant to the provision of section 248 (2) of the Companies Act, 2013 subject to the approval of the shareholders. The Shareholders vide its Extra-Ordinary General Meeting dated 19th March 2020 accorded their consent for aforesaid purpose and moved an application via filing the E-form STK-2 to the Registrar of Companies (ROC). The current status of said form is pending for approval from ROC, Mumbai.

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

Maharashtra Enviro Power Limited (MEPL) is an SPV of SMS Limited developed the Common Hazardous Waste Treatment Storage Disposal Facility (CHWTSDF) at MIDC Ranjangaon Pune and Butibori Nagpur.

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

Maharashtra Enviro Power Limited is an ISO 9001, ISO 14001 & ISO 45001 certified company. MEPL has an inhouse laboratory for carrying out all the Hazardous waste sample analysis, water and wastewater analysis. This project is for scientific disposal of Industrial Hazardous waste in the region.

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

Butibori, Nagpur Plant.

Butibori CHWTSDF facility has 2 Secured Landfills completed & operation as of now and 3rd Landfill is under process. The unit also has a storage facility of hazardous waste and developed Storage Shed as per the CPCB norms the unit also has GPS Enabled Transportation Facility for transportation of Hazardous Waste throughout Vidarbha region.

The unit has NABL accredited & MoEF approved Scientific Laboratory for analysis of Hazardous Waste as per the guidelines given by CPCB. MEPL Butibori Project provide its waste management services to over 900 industries

Ranjangaon, Pune Plant

Ranjangaon Plant has 5 Landfills, 5^{th} Landfill is in operation. Landfills are designed and constructed as a secured facility to contain the waste material and any leachate generated during the process. The landfill is constructed as per the guidelines given by MoEF and CPCB (CPCB documents: Guidelines for Setting up of Operating Facility -Hazardous Waste Management, HAZWAMS/11/98- 99, and Criteria for Hazardous Waste Landfills, HAZWAMS/17/2000-01).

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

Project Up-Gradation In FY-2019-2020.

Rotary Incinerator of 1T/Hr is proposed to set up at Butibori erection work is in process.

Considering the expected quantum of waste the company is in process of setting up new incineration plant facility at Ranjangaon and Butibori which will help to increase the existing incineration capacity of the company as well as to take more incineration waste for disposal lead to increase in revenue of the company and also help to cater future increase industrialisation in the allocated area.

Transportation of waste:

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

Zero Liquid Discharge System (ZLD)

MEPL, Ranjangaon Pune has Installed Zero Liquid Discharge based Effluent Treatment Plant for treatment of wastewater generated from the facility and recycle back treated wastewater with in-plant premises for use in the process.

Green Belt Development:

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

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

During the year the subsidiary has generated Net Revenue from operations of ` 11681.74/- lac and the net profit of ` 857.07/- lac as against ` 1436.01/- lac in the preceding year.

xi Spark Mall And Parking Private Limited (Formerly Known as SMS Parking Solutions Private Limited):

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

The Subsidiary has received a "Substantial Completion Certificate" from Municipal Corporation of Delhi (MCD) dated 2nd September 2013.

The Company began its commercial operations of multilevel car parking and leasing commercial Space from 09th May 2014. The name of the subsidiary company is changed from SMS Parking Solutions Private Limited to "Spark Malls and Parking Private Limited" w.e.f 9th August, 2018.

This was due to the recession in the retail sales of the malls across India the subsidiary since its inception suffers the downturn. However, to overcome the said situation, 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. The company is also in an advanced stage of starting two 40 seater miniplexes. The management is hopeful of the revival of the economy and boost to the property market and consequently will be able to generate revenue.

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

Net Revenue of subsidiary from operations during the year stood at ` 664.30/- lac and the Net Loss at ` 1379.76/- lac as against ` 1322.88/- lac in the preceding year.

xii SMS Mines Developers Private Limited:

SMS Mines Developers Private Limited is a subsidiary of the Company. The Company was incorporated under the Companies Act, 1956 with the main object to carry out mining activity. The Company has not started commercial activities.

However, during the year there was Net Loss of ` 42.86/- lac as against ` 20.98/- lac in the preceding year.

xiii SMS Taxicabs Private Limited:

SMS Taxicabs Private Limited was floated to run a fleet of Radiocabs in the city of Mumbai taxis. The subsidiary owns licenses to run 2800 taxis and the same are perpetual in nature. Though the subsidiary was making good profits in the initial years, is into losses due to severe competition from large corporates. However, the licenses owned by the company are of perpetual in nature and will be able to recoup substantial revenue by sale of these licenses.

During the year the subsidiary has generated Net Revenue from operations during the year stood at ` 186.25/- lac and the Net Loss at ` 1603.84/- lac as against ` 3,087.16/- lac in the preceding year.

xiv Pt. SMS Minerals International:

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

The subsidiary is in the business of trading coal in the province of Sumatra. In the past, this JV company had huge reserves of coal and a substantial portion of the same has been mined and sold with good returns.

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

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

During the year the subsidiary has generated revenue from Sales and other income which stood at ` 36.07 lac and 36.31 lac respectively and the Net Loss at ` 516.06/- lac as against ` 193.23/- lac in the preceding year.

xv Pt. SMS Mines Indonesia:

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

During the year the subsidiary has generated Revenue from other income for the Financial Year stood at ` 1.76 /- lac and the Net Loss at ` 62.09 /- lac as against Net Loss of ` 97.04/- lac in the preceding year.

xvi SMS Infolink Private Limited:

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

The company is in the business of Information Technology but has not commenced any commercial activities to date. The company is yet to commence its commercial operation.
During the Financial year, the subsidiary has generated Revenue from other income of ` 0.9 /- lac and the Net Loss at ` 1.15/- lac as against Net Loss of ` 0.51/- lac in the preceding year.

xvii SMS Waste Management Private Limited:

SMS Waste Management Private Limited is a subsidiary of SMS Limited. The subsidiary is established with the object of providing Common effluent treatment plant including operation & maintenance of common effluent treatment plant, to collect treatment process and dispose of any type of waste material. However, the subsidiary is yet to commence its business.

During the Financial year, the subsidiary has not generated any revenue However, the Net loss stood at ` 1.23/- lac as against ` 0.88/- lac in the preceding year.

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

ASSOCIATES:

i RCCL Infrastructure Limited:

Revenue from operations during the financial year stood at ` NIL.

ii SMS-AAMW Tollways Private Limited:

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

Revenue from operations during the year stood at NIL and Net Loss at ` 1.76/- lac as against Net Loss of ` 0.24/- lac in the preceding year.

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

JOINT VENTURES:

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

Shakti Kumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd is Joint Venture partners entered into JV for the purpose of Construction of Earthern Dam of Lower pedhi project Tq. Bhatkuli, District Amravati.

The Value of work done by JV during the year stood at ` 349.52 /- lac and the Net Profit at ` 2.58 /- lac as against ` 10.36/- lac in the preceding year.

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

SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. are Joint Venture partners entered into JV for the work of Construction of Purna Barrage No. 2 (Ner-Dhamana).

During the year, the entity made the provision of ` 39, 60, 67,355/- for bad and doubtful debt for the balance receivable from the D Thakkar Construction Private Limited. The reason behind that the company is under insolvency proceeding in NCLT (National Company Law Tribunal).

The Value of work done by JV during the year stood at ` 3301.66/- lac and the Net Loss stood at ` 3853.34/- lac as against the Net profit of ` 96.60/- lac in the preceding year out of the total loss 2724.21 lac apportioned to SMSL (JV partner).

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

SMS Infrastructure Ltd. & Shree Nath Enterprises are Joint Venture partners entered into JV for the work of Revocation of Asolamendha

Existing Main Canal Km 1.00 to 41.37 including Earthwork Structures & Lining.

Gross Receipt (GRBC Div Bramhapuri) of JV during the year stood at ` Nil.

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

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

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

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

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

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

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

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

During the financial year 2019-20, there was no activity in JV. However, the Net Loss for the year under review is ` 0.07/- lac and out of the total loss of 0.03 lac apportioned to SMSL (JV partner).

vii SMSIL-KTCO(JV):

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

During the year under review, there were no activities in JV, however, interest on an income tax return is ` 0.03/- lac and the net loss is ` 0.70/- lac as against a Net profit of ` 1.94/- lac in the preceding year and out of the total loss 35.15 lac apportioned to SMSL (JV partner).

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

GSJ Envo Limited in consortium with SMS Infrastructure Ltd. (AOP) an association of person entity entered into Joint Venture for the work of 130MLD Sewage Water reuse project as EPC Contract including complete Design, Engineer, procurement Supply, Installation, Construction, Testing and commissioning of all civil electrical, mechanical and instrumentation works consisting of intake works, Sewage Treatment Plant, Pumping Station, Pipeline and Tertiary Treatment plant with Comprehensive operation and maintenance of the entire plant for a period of ten years for water supply to 3x660MW Koradi Expn. Project, dist. Nagpur (MS.).

GSJ Envo Limited vide Memorandum of Understanding dated 22.03.2018, has sold their entire shares of 30% in "GSJ Envo Limited in consortium with SMS Infrastructure Ltd. (AOP)" to Mr Paramveer Sancheti along with all the rights, obligations, benefits and interest in the said consortium under the contract in relation to 30% of Share contract work belonging to GSJ including the rights to received the contract value in relation their to and GSJ shall cease to be entitled to any rights or be subject to any obligations their under in relation to the GSJ shares in the consortium.

The Value of work done during the year stood at ` 387.28/- lac and the total Net Profit of `10.16/- lac as against Net Loss of ` 129.81/- lac in the preceding year. whereas out of the total profit ` 7.11/- lac apportioned to SMS Limited (JV partner).

ix BHARTIA SMSIL (JV):

SMS Infrastructure Limited and Bhartia Infra Projects Limited are Joint Venture partners namely BHARTIA SMSIL (JV) entered into JV for the work of Construction of single line BG Tunnel No.7 (App. Total length 1780 RM) at KM. 36.640 to KM. 38.420 in between station Kambiron Road and Thingou in connection with the construction of New Railway line project Jiriba-Tupul (Imphal) of N.F. Railway Construction.

During the year under the JV earns the total Net Profit of ` 14.27/- lac whereas out of the total profit ` 6.99 lac apportioned to SMS Limited (JV partner).

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

SMS Infrastructure Limited and Gannon Dunkerley & Co. Limited are Joint Venture partners namely GDCL-SMSIL (JV) entered into JV for the work of Construction of Flyover at KM 544/650, including ROB in lieu of L.C. No. 72 including services Roads, Footpath for RCC drains on the Urban link to Nagpur-Raipur road NH-6 (Pardi Octroi Naka to Sant Tukaram Square to APMC Market) through EPC contract.

Value of work bill receipt during the year stood at ` 7155.50 /- lac

xi SMSIL-MBPL-BRAPL (JV):

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

The Value of work done during the year stood at ` 11482.03/- lac and the total Net Profit of `6.27/- lac as against ` 22.23/- lac in the preceding year. Whereas out of the total profit ` 3.57/- lac apportioned to SMS Limited (JV partner).

xii SMSL-SRRCIPL(JV):

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

During the year under the JV in receipt of gross bill value of ` 790.22/- lac and the Net Loss at ` 0.09/- lac and out of the total loss ` 0.07 lac apportioned to SMSL (JV partner).

xiii SRRCIPL-SMSL-BEKEM:

SRRCIPL-SMSL-BEKEM (JV) is a joint venture entity formed on 10-11-2016 for the execution of IFFSC project construction of Spillway Block 1 to 15 of Mid Manair Reservoir. The constituent parties are M/s Sri Raja Rajeshwari Construction India Pvt. Ltd. SMS Limited (Formerly SMS Infrastructure Limited) and Bekem Infra Projects Pvt. Ltd.

The JV was awarded the execution of contract work 'IFFC project: SE/IFFC-IITS/T1/903/SE, dated 22-11-2016 (Project at Balance Work for Earthwork excavation and formation of Embankment from km 2.000 to L/s End Pier, Construction of Spillway and Spillway Blocks 1 to 15, L/s NOFs' 1 To 4 up to road bridge level including Supply, fabrication & erection, commissioning & testing of Spillway Gates, L/s Guide bank, Infall regulator, R/s Off-Take Sluice, etc., of Mid Manair Reservoir near Manwada (V), Boinpally(M), Rajanna Sircilla District awarded by Government of Telangana, Irrigation & CAD Department.

During the year under review, the JV in receipt of gross bill value of ` 8,849.01/- lac and the Net profit for the JV stood at ` 0.07/- lac out of the total profit ` 0.13 lacs apportioned to SMSL (JV partner).

xiv SMSL-MBPL (JV):

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

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

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

During the year under review, the JV had the total income of ` 68.68/- lac and the Net Profit is NIL /-

xv Meghe SMS Health Science Consortium (AOP):

The Company vide Consortium Agreement dated 20th March 2020 entered into Joint Venture along with:

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

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

M/s. Shri Sainath Textiles Pvt. Ltd. (SSTPL), a Company registered under Companies Act, 2013.

formed the Consortium under the name and style 'Meghe SMS Health Science' with four partners with the common object of setting up Medical College and Hospital in terms of provisions of Establishment of Medical College Regulations (Amendment) 2019 notified on 13th May 2019 in the Gazette of India.

Since the JV was formed at the end of the financial year 19-20 the balance sheet of said joint venture reflects the pre-operative expenses of ` 936024/- only.

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

i) Companies which have ceased to be subsidiaries:

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

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

The Shareholders of both the subsidiary companies vide their Extra-Ordinary General Meeting dated 19th March 2020 accorded their consent for aforesaid purpose and moved an application via filing the E-form STK-2 to the Registrar of Companies (ROC).

The current status of said e-form is pending for approval from ROC, Mumbai.

ii) Companies which have become joint ventures:

Meghe SMS Health Science Consortium (AOP):

The Company vide Consortium Agreement dated 20th March 2020 entered into Joint Venture along with:

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

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

M/s. Shri Sainath Textiles Pvt. Ltd. (SSTPL), a Company registered under Companies Act, 2013.

formed the Consortium under the name and style 'Meghe SMS Health Science' with four partners with the common object of setting up Medical College and Hospital in terms of provisions of Establishment of Medical College Regulations (Amendment) 2019 notified on 13th May 2019 in the Gazette of India.

Since the JV was formed at the end of the financial year 19-20 the balance sheet of said joint venture reflects the pre-operative expenses of ` 936024/- only.

8. DETAILS OF DEPOSIT:

During the financial year2019-20 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014. As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2014 (As amended) are required to be given or provided.

9. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:

Particulars of Loans, Guarantees or Investments, if any, are given in Note 6 and 13 to the Audited Financial Statements.

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

10. 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 which may have a potential conflict with the interest of the Company.

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

There are no material contracts or arrangements or transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014. Further, the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards are given in note no. 44 to the Balance Sheet as on 31st March 2020.

Basis of Materiality term for dealing with Related Party Transaction of the Company is as under:

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

11. CORPORATE SOCIAL RESPONSIBILITY:

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

The Company has contributed the entire CSR expenditure of ` 2,89,05,000 which remained unspent for F.Y. 2017-18 and F.Y. 2018-19 to Shraman Arogyam, a project initiated by Jain International Trade Organisation (JITO), the Trust, formed and registered with an object to provide Medical Care called "Vaiyavachch" to all Shraman Bhagwants, irrespective of sects resulting in Medical relief from various disease, ill-health and other health-related problems amounting ` 1,50,00,000/- (Rupees One Crore Fifty Lac only). He also added that the Company had contributed in excess an amount of ` 18,33,000/- over and above the requirement specified under the act, till the F.Y. 2018-19.

As per the provisions of the Companies Act, 2013 and the Rules framed thereunder during the F.Y 2019-20, the Company was required to spend an amount of ` 99,51,000/- (Rupees Ninety Nine Lac Fifty One Thousand only) towards CSR activities towards Eradicating hunger, poverty and malnutrition and promotion of education. During the F.Y 2019-20, the Company had contributed an amount of ` 50,000/- (Rupees Fifty Thousand only) to Gramin Adiwasi Samaj Vikas Sansthan (GASVS) for organising a Suicide Prevention Workshop at Nagpur for farmers and their families along with School and College children's on the occasion of World Mental Health Day on 10th October, in collaboration with Chief Minister Medical Relief Fund, Nagpur towards CSR expenditure up to 31st March 2020. The shortfall in the expenditure was mainly on account of the inability of the Company to proceed with the activities in the ongoing projects for which the Board and the CSR Committee had accorded approval and due to COVID-19.

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 Infrastructure facility which is not power intensive. However, the Company consciously makes all efforts to the conservation of energy and usage of power.

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

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

iii. Capital investment on energy conservation equipment:

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

(B) Technology Absorption:

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

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

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

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

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

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

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

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

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

(C) Foreign Exchange Earnings and Outgo:

During the Financial Year 2019-20 total Foreign Exchange earned and used:

Foreign Exchange Inflow ` NIL

Foreign Exchange outflow:

Towards import of spares:	5357.25 in USD
	2.7266 in AUD

13. RISK MANAGEMENT POLICY:

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

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

14. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM:

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

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

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

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

16. AUDITORS:

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

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

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

17. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BA & ASSOCIATES, Practising Company Secretary to conduct Secretarial Audit of the records and documents of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31st March 2020 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, 2020, does not contain any qualification(s), reservation or adverse remarks or disclaimer.

18. EXPLANATIONS IN RESPONSE TO AUDITORS QUALIFICATIONS:

There are no qualification(s), reservation 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. 6(C & D) and note no. 59 which are reproduced as under:-

The emphasis of Matter:

1. We draw attention to Note No. 6 (C & D) of the standalone financial statements regarding – Investment in Partnership Firm (Joint Venture), wherein due to non-availability of financial statement as on the date of signing of financial statement, the share in profit/(loss) of the few Partnership firms is not accounted for. Our opinion is not modified in respect of these matters.

2. We draw attention to Note No. 62 of the standalone financial statements regarding - 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.

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

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

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of SMS Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year than ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statement of subsidiaries, associates and jointly controlled entities except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2020, their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

The **basis for Qualified Opinion:**

A) The Holding Company has not consolidated the current year financial statement of its one of the Jointly Controlled Entity- SMS Infrastructure & D. Thakkar Construction Pvt. Ltd. as the partner- D. Thakkar Construction Pvt. Ltd. had gone into National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Proceedings (CIRP). Due to non-submission of required documents/information by said partner the books of accounts of the entity is not yet finalized.

Due to this the previous figures of assets and liabilities only have been considered in the Consolidated Financial Statement without incorporating current year transactions of Assets, Liabilities, Incomes and Expenses which may be of the material amount.

Refer Note No.8 to the Consolidated Financial Statements.

B) SMS Taxicabs Private Limited – Subsidiary of the Holding Company:

No statement of account was available in respect loan from Abhyudaya Co-Operative Bank & HDFC Bank. Also, no statement of account was available in respect of current account with Abhyudaya Co-Operative Bank, Corporation Bank Malad & Mulund Branch, State Bank of India Fort & Malad Branch and United Bank of India. Also, the above bank loan and current accounts, trade receivables, payables and all employee advances are subject to confirmation and reconciliations if any. In absence of the reconciliation/confirmations, we are unable to determine the effect of these transactions on the financial statements of the subsidiary company.

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

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

The qualification of Statutory Auditors, when read in totality are self-explanatory and do not call for any further comment.

However, the basis for non-consolidation of financial statement of its one of the Jointly Controlled Entity was

A) Due to non-availability of Financial Statements of SMS –DTC JV it has not been consolidated.

B) Due to the decline in the business of the company, the company is going through the cash crunch and have hived off high-cost employees. As a result, the entire accounts team is missing and no one was available to get the documents from respective banks and produce it to the auditors.

Emphasis of Matter

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

2. We draw attention to Note No. 60 of the Consolidated financial statements related to the effect of Covid- 19 on the Consolidated financial statement due to outbreak of Coronavirus (COVID-19) pandemic in India which has significantly impacted the operation of the holding company. The Holding Company expects to sustain and overcome the impact and recover from the present slowdown.

3. Jointly Controlled Entities and associate company not consolidated

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

In the absence of the financial statements of five Jointly Controlled Entities and one associate company, the balances appearing as an investment in the books of accounts of holding company is considered as it is, without consolidating proportionate share in respective assets & liabilities and Income & expenditure of Jointly Controlled Entities.
In the case of associate, holding company's share of profit / (loss) for the financial year 2019-20 (as per equity method) has not been considered.

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

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.

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

1. **As per the protocol suggested by the auditor, we had sent the request letter for the balance confirmation to parties selected by the auditor. Immediately thereafter due to COVID the lockdown was imposed by the government, which resulting the employees to carry on their work from home and for the reason so they are not in a position to respond to our request letter for balance confirmation.**

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

3. **All these financial statements are not material to the group as a business under these entities are almost close. Therefore, the non-consolidation of this financial statement will not have any material impact on the financial position of the group.**

19. COMPLIANCE WITH SECRETARIAL STANDARD:

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 2019-20 under review, no such event occurred by which 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 2019-20, there is no occasion wherein the Company failed to implement any Corporate Action. As such, no specific details are required to be given or provided.

22. ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in the prescribed Form No. MGT 9 was required to be attached.

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

22.1 Weblink of Annual Return:

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

OTHER DISCLOSURES:

23. CONSOLIDATED FINANCIAL STATEMENTS:

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

Further a separate statement containing the salient features of the financial statements of the subsidiary Companies/Associate Companies/Joint Ventures in prescribed Form AOC-1 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 29, 2019, had appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as Cost Auditors of the Company for the financial year 2019-20. In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as recommended by Audit Committee and approved by the Board of Directors of the Company, has to be ratified subsequently by the Shareholders. Accordingly, the necessary resolution was passed at the Extra Ordinary General Meeting held on 28th August 2019 for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a) Internal Control Systems and their Adequacy:

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

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

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

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

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

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

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

b) 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 providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

SMS Group Gratuity Scheme:

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 prevention and redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. These policies have striven to prescribe a code of conduct for the employees and are required to strictly abide by it.

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

During the year 2019-20, the Company has duly complied with the provision relating to the constitution of 'The Internal Complaints Committee' under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Internal Complaints Committee Consist of Following Members:

1. Ms Reena Banerjee, VHR - Presiding officer
2. Ms Kiran Adatkar - Member
3. Ms Tanuja Ganguly - Member
4. Mr Ashok Kumar Shrivastava - Member

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

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

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

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

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

40. ACKNOWLEDGEMENTS:

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

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

FOR AND ON BEHALF OF THE BOARD

	Anand Sancheti	**Dilip Surana**
Dated: 17th December 2020	**Managing Director**	**Director**
Place: Nagpur	DIN: 00953362	DIN: 0953495
	Add 10, Hindustan Colony Amaravati Road Bharat Nagar Nagpur-440033	Add: 301 Mangalam Appt. Plot no.401 Khare Town, Nagpur: 440010

ANNEXURE INDEX

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

Annexure to the Boards' Report

'Annexure I'

'ANNEXURE - A'

To,
The Members,
M/s SMS Limited,
IT Park, 20 S.T.P.I.,
Gayatri Nagar, Parsodi,
Nagpur-440022

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

1. Maintenance of Secretarial records 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 the 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 compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

BA & ASSOCIATES
Company Secretaries

BIJAY AGARWAL
Proprietor
C. P. No.13549
Membership No.F10323
ICSI UDIN:

Place: Kolkata
Date:17/12/2020

Form No. MR-3

Annexure to the Report of the Board of Directors

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
M/s SMS Limited,
IT Park, 20 S.T.P.I.,
Gayatri Nagar, Parsodi,
Nagpur-440022

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by '**M/s SMS Limited' (CIN: U80100MH1997PLC107906)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the '**M/s SMS Limited'**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by '**M/s SMS Limited'** ("the Company") for the financial year ended on 31st March 2020, 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 as the Company is an Unlisted Public Company.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

Not applicable as the Company is an Unlisted Public Company.

(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;

Not applicable as the Company has no 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'):-

(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;and

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

The above Provisions and guidelines of SEBI (Securities and Exchange of India) are not applicable as the company is an Unlisted Public Company.

(vi) I further report that the management has identified and confirmed that it has complied with the laws specially applicable to the Company:-

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

(i) Secretarial Standard-1 and Secretarial Standard-2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement (not applicable to the Company).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1) The Company is the default in filing and delay in filing of certain forms with the Registrar of Companies. As explained by management that the reason for delay in filing

of the aforementioned forms was inadvertent. However, the forms were filed with applicable additional fees.

I further report that:

The Board of Directors of the Company is duly constituted. There are changes in the composition of the Board of Directors during the year under review and the Company has duly complied with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

During the audit period under review all decisions at Board meeting and Committee Meeting were carried out unanimously

I 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.

BA & ASSOCIATES
Company Secretaries

BIJAY AGARWAL
Proprietor
C. P. No.13549
Membership No.F10323
ICSI UDIN:

Place: Kolkata
Date:12/12/2020

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

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. **A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES UNDERTAKEN / PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES.**
   (Web link http://www.smsl.co.in/SMS_Group_CSR_Policy.pdf).

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

2. **COMPOSITION OF CSR COMMITTEE**

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

* Appointed as Director w.e.f. 01.03.2020 # Ceased as Director w.e.f. 22.01.2020 due to demise

3. FINANCIAL DETAILS:

Particulars	Amount (In Lac)
Average Net Profit of the Company for the last three Financial years	` 4975.73/-
Prescribed CSR Expenditure (2% of average net profit as computed above)	` 99.51/-
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year	` 0.50/-
*Amount Unspent if any	` 99.01/-

4. THE MANNER OF THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS DETAILED BELOW:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is covered**	**Projects or Programs (1)Local area or other(2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs. (2) Overheads:**	**Cumulative expenditure up to to the reporting period**	**Amount spent: ~~Direct or~~ through implementing agency ***
1.	Eradicating hunger, poverty and malnutrition and promotion of education	Promotion of Education and health care		` 50,000/-	` 50,000/-	` 50,000/-	Gramin Adiwasi Samaj Vikas Sansthan (GASVS)

The Company has contributed the entire CSR expenditure of ` 2,89,05,000 which remained unspent for F.Y. 2017-18 and F.Y. 2018-19 to Shraman Arogyam, a project initiated by Jain International Trade Organisation (JITO), the Trust, formed and registered with an object to provide Medical Care called "Vaiyavachch" to all Shraman Bhagwants, irrespective of sects resulting in Medical relief from various disease, ill-health and other health-related problems amounting ` 1,50,00,000/- (Rupees One Crore Fifty Lac only). He also added that the

Company had contributed in excess an amount of ` 18,33,000/- over and above the requirement specified under the act, till the F.Y. 2018-19.

As per the provisions of the Companies Act, 2013 and the Rules framed thereunder during the F.Y 2019-20, the Company was required to spend an amount of ` 99,51,000/- (Rupees Ninety Nine Lac Fifty One Thousand only) towards CSR activities towards Eradicating hunger, poverty and malnutrition and promotion of education. During the F.Y 2019-20, the Company had contributed an amount of ` 50,000/- (Rupees Fifty Thousand only) to Gramin Adiwasi Samaj Vikas Sansthan (GASVS) for organising a Suicide Prevention Workshop at Nagpur for farmers and their families along with School and College children's on the occasion of World Mental Health Day on 10th October, in collaboration with Chief Minister Medical Relief Fund, Nagpur towards CSR expenditure up to 31st March 2020. The shortfall in the expenditure was mainly on account of the inability of the Company to proceed with the activities in the ongoing projects for which the Board and the CSR Committee had accorded approval and due to COVID-19.

CSR RESPONSIBILITIES

We hereby affirm that the CSR policy, as approved by the board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

FOR AND ON BEHALF OF THE BOARD

	Anand Sancheti	**Dilip Surana**
Dated: 17th December 2020	**Managing Director**	**Director**
Place: Nagpur	DIN: 00953362	DIN: 0953495
	Add 10, Hindustan Colony Amaravati Road Bharat Nagar Nagpur-440033	Add: 301 Mangalam Appt. Plot no.401 Khare Town, Nagpur: 440010

ANNEXURE - IV

Form AOC-1

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

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

Part "A": Subsidiaries

SL. NO.	1	2	3	4	5
Name of the Subsidiary	**SMS Bhatgaon Mines Extension Pvt. Ltd.**	**SMS Envoclean Pvt. Ltd.**	**SMS Infolink Pvt. Ltd.**	**SMS Mine Developers Pvt. Ltd.**	**Spark Mall and Parking Private Ltd.**
The date since when Subsidiary was acquired	12/09/2008	16/11/2009	09/09/2011	10/11/2008	12/02/2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020
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	INR
Share capital (Paid-up)	--	` 42,210,000	` 1,00,000	` 1,00,000	` 11,92,96,760*
Reserves & surplus	--	`17,50,93,352.95	`(3,84,617.23)	` (-15124.57)	` 8,29,39,608
Total assets	--	`29,51,73,575.25	` 1,24,522.77	`37,20,175.43	` 2,45,86,25,444
Total Liabilities	--	` 7,78,70,221.96	` 4,09,140.00	` 37,35,300	` 2,25,63,89,076
Investments	NIL	NIL	NIL	NIL	NIL
Turnover	NIL	`20,36,77,899.78	NIL	NIL	` 6,64,30,022.22
Profit before taxation	--	` 5,42,69,933.28	` (1,15,178.00)	` (42,859.90)	` (17,92,40,934.71)
Provision for taxation	--	` 17,95,504.78	NIL	NIL	` (4,12,64,817.26)
Profit after taxation	--	` 5,24,74,428.50	` (1,15,178.00)	` (42,859.90)	` (13,79,76,117.45)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	51%	56.02%	100%	51.00%	100%

* Paid up Share Capital consist of 20,000,000 Equity Capital @ of ` 10/- each and 19,50,000 Preference shares @ of ` 10/- each

SL. NO.	6	**7**	**8**	**9**
Name of the Subsidiary	**SMS Taxi Cabs Pvt. Ltd.**	**SMS Vidhyut Pvt. Ltd.**	**SMS Water Grace BMW Pvt. Ltd.**	**Solar Bhatgaon Extension Mines Pvt. Ltd.**
The date since when Subsidiary was acquired	26/07/2011	28/03/ 2007	25/11/2009	12/09/2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2018 To 31/03/2019
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	`100,00,000
Reserves & surplus	`(1,64,92,27,395)	` (29,69,80,592)	`(76,87,276.14)	`(76,87,276.14)
Total assets	` 1,12,20,27,616	` 63,34,24,785	` 11,94,55,098.96	` 11,94,55,098.96
Total Liabilities	` 1,67,68,32,661	` 89,09,05,377	` 2,24,50,695.01	` 2,24,50,695.01
Investments	` 5,00,000	NIL	NIL	NIL
Turnover	` 1,86,24,573	` 78,96,069	` 9,27,11,752.79	NIL
Profit before taxation	` (15,53,19,810)	`(11,39,14,667)	` 4,30,47,497.23	` (93,97,407.10)
Provision for taxation	` 50,63,261	` (2,91,48,345)	` 88,70,974.87	NIL
Profit after taxation	` (16,03,83,072)	` (8,47,66,323)	` 3,41,76,522.36	`(93,97,407.10)
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	60%	100%	56.03%	51%

SL. NO.	**10**	**11**	**12**	**13**
Name of the Subsidiary	**SMS Tolls And Developers Ltd.**	**Patwardhan Infrastructure Pvt. Ltd.**	**Maharashtra Enviro Power Ltd.**	**Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.**
The date since when Subsidiary was acquired	09/09/2009	31/03/2006	23/02/2007	06/02/2013
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020
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	` 49,22,000	` 45,19,85,270	` 16,00,00,000
Reserves & surplus	` 22,60,297.74	` 9,89,90,736.38	` 34,55,86,424.72	` 37,84,68,677
Total assets	` 3,82,25,780.55	` 10,44,71,146.23	` 4,99,35,18,004.13	` 5,87,25,66,698
Total Liabilities	` 3,54,65,484.05	` 5,58,410.00	` 4,19,59,46,309.41	` 5,33,40,98,021
Investments	` 4,99,000.00	` 14,81,850.00	` 3,62,11,58,471.93	` 1,17,24,30,216
Turnover	` 10,54,63,846.28	NIL	` 1,16,81,74,000.01	` 2,06,57,62,465
Profit before taxation	` 1868567.67	` (8,70,35.84)	` 9,70,50,265.36	` (43,29,394)
Provision for taxation	`(1,31,97,405)	` 18618	` 1,14,81,720.26	` 55,10,129
Profit after taxation	` 4,92,719.41	` (1,05,653.84)	` 8,55,68,545.10	` (98,39,523)
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	100%	92.08%	100%

SL. NO.	**14**	**15**	**16**	**17**
Name of the Subsidiary	**SMS Waste Management Pvt. Ltd.**	**SMS-AABS India Tollways Pvt. Ltd.**	**PT. SMS Minerals International**	**PT. SMS Mines Indonesia**
The date since when Subsidiary was acquired	15/12/2014	17/07/2014	04/10/2006	08/10/2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2019 To 31/03/2020	01/04/2018 To 31/03/2019
Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR
Share capital (Paid Up)	` 1,00,000	` 1,00,000	` 1,79,71,884	` 5,72,77,440
Reserves & surplus	` (7,40,769.95)	` 2,17,51,79,722.93	` (26,44,16,695)	` (2,33,48,303)
Total assets	` 62,730.05	` 2,42,35,68,869.27	` 9,74,54,662	` 3,39,29,137
Total Liabilities	` 703500	` 16,92,68,646.34	` 58,77,02,549	` 36,27,331
Investments	NIL	` 21,83,94,500	NIL	NIL
Turnover	NIL	` 2,57,77,93,630.35	` 3,94,83,562	NIL
Profit before taxation	` (1,22,690)	` 1,20,29,87,913.50	` (1,93,22,579)	` (97,03,816)
Provision for taxation	NIL	` 20,99,38,537.00	NIL	NIL
Profit after taxation	` (1,22,690)	` 99,30,49,376.50	` (1,93,22,579)	` (97,03,816))
Proposed Dividend	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	51%	80%	100%

**Bracket indicates Negative Figures.*

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

1. Names of subsidiaries which are yet to commence operations:
SMS Mines Developers Private Limited, SMS Waste Management Private Limited, SMS Infolink Private Limited and SMS Tolls and Developers Limited:

2. Names of subsidiaries which have been liquidated or sold during the year.-None

Part “B”: Associates and Joint Ventures

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

ASSOCIATES

SL. NO.		1	2
Name of Associates/ ~~Joint Ventures~~		**RCCL Infrastructure Ltd.**	**SMS AAMW Tollways Pvt. Ltd.**
Latest audited Balance Sheet Date		2019-20	2019-20
Date on which the Associate or ~~Joint Venture~~ was associated or acquired		31/03/2004	09/05/2011
Shares of Associate/~~Joint Ventures~~ held by the the company on the year-end	No.	15,65,200	2,600
	Amount of Investment in Associates~~/Joint Venture~~	` 1,56,52,000	` 26,000
	Extend of Holding (in Percentage)%	34%	26%
Description of how there is significant influence		Significant influence due to 34% of Share Capital	Significant influence due to 26% of Share Capital
Reason why the associate/~~joint venture~~ is not consolidated		Unavailability of Financial Statement	consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet			` (-31,16,97,620/-)
Profit / Loss for the year	i) Considered in Consolidation		` (1,76,492/-)
	ii) Not Considered in Consolidation	-	-

1. Names of associates or ~~joint ventures~~ which are yet to commence operations-None
2. Names of associates or ~~joint ventures~~ which have been liquidated or sold during the year.

JOINT VENTURES

SL. NO.		1	2	3	4
Name of Associates/ Joint Ventures		**Shaktikumar M. Sancheti Ltd & S.N. Thakkar Construction Pvt .Ltd. (JV)**	**SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd .(JV)**	**SMS Infrastructure Ltd.& Brahamaputra Infrastructure Ltd (JV)**	**SMS Infrastructure Ltd.& Brahamaputra Consortium Ltd (JV)**
Latest audited Balance Sheet Date		2019-2020	2019-2020	2019-2020	2019-2020
Date on which the ~~Associate~~ or Joint Venture was associated or acquired		14/11/2005	04/12/2008	29/02/2012	16/10/2008
Shares of ~~Associate~~/Joint Ventures held by the company on the year-end	No.	-	-	-	-
	Amount of Investment in ~~Associates~~/Joint Venture	` 2,78,47,458.00	` 6,03,43,045.86	` 17,34,289	` 11,58,966
	Extend of Holding (in Percentage)%	65%	70%	51%	51%
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 the economic activity of the entity	Joint control over the the economic activity of the entity
Reason why the associate/joint venture is not consolidated		Consolidated	Consolidated	Unavailability of Financial Statement	Unavailability of Financial Statement
Networth attributable to Shareholding as per latest audited Balance Sheet		` 2,80,15,462.59	` (53552972.05)	NIL	NIL
Profit / Loss for the year	i) Considered in Consolidation	` 2,58,497.20	NIL	NIL	NIL
	ii) Not Considered in Consolidation	` 1,39,190.80	NIL	NIL	NIL

SL. NO.		**5**	**6**	**7**	**8**
Name of Associates/ Joint Ventures		**SMS Infrastructure Ltd.-Aarti infra-Projects Pvt. Ltd(JV)**	**SMS Infrastructure Ltd. Shreenath Enterprises (JV)**	**SMSIL KTCO(JV)**	**GSJ Envo Ltd in Consortium with SMS Infrastructure Ltd.**
Latest audited Balance Sheet Date		2019-20	2019-20	2019-20	2019-20
Date on which the Associate or Joint Venture was associated or acquired		24/07/2010	08/06/2009	06/03/2008	10/07/2012
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in ~~Associates~~/Joint Venture	` 51,98,977.00	` 40,49,513.36	` 4,22,003.30	` 1,93,82,765.99
	Extend of Holding (in Percentage)%	51%	36.50%	50%	70%
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	Unavailability of Financial Statement	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		` 51,98,977.00	NIL	` 3,86,849	` 1,75,16,331
Profit / Loss for the year	i)Considered in Consolidation	` (3,471.06)	NIL	` (35,329)	`(90,86,691,83)
	ii) Not Considered in Consolidation	` (3,334.94)	-	` (35,329)	`(2,01,207.75)

SL. NO.		9	10	11	12
Name of Associates/ Joint Ventures		**Bhartiya - SMSIL**	**Gannon Dunkerley & Co. Ltd. and SMS Infrastructure Ltd (JV)**	**SMSIL-MBPL-BRAPL (JV)**	**SMSIL-Westcoast Engineering Corp. (JV)**
Latest audited Balance Sheet Date		2019-20	2019-20	2019-20	2019-20
Date on which the Associate or Joint Venture was associated or acquired		07/06/2012	03/09/2015	10/05/2016	Not Available
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in ~~Associates~~ /Joint Venture	` 4,27,494.60	NIL	` 18,00,310.89	NIL
	Extend of Holding (in Percentage)%	49%	40%	63.33%	51%
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	Unavailability of Financial Statement	-	Unavailability of Financial Statement
Networth attributable to Shareholding as per latest audited Balance Sheet		` 11,27,003.18	` 0	` 21,57,794.49	` 0
Profit / Loss for the year	i)Considered i Consolidation	` 6,99,508.32	` 0	` 5,19,598.25	` 0
	ii)Not Considered in Consolidation	` 7,28,059.68	-	` 3,91,977.63	-

SL. NO.		13	14	15	16
Name of Associates/ Joint Ventures		**SMSL-SRRCIPL**	**SRRCIPL-SMSL-BEKEM**	**SMSIL-MBPL**	**SMS Infrastructure Ltd. & B.P. Construction Co. Pvt. Ltd. (JV)**
Latest audited Balance Sheet Date		2019-2020	2019-2020	2019-20	2019-20
Date on which the ~~Associate~~ or Joint Venture was associated or acquired		23/01/2016	11/11/2016	08/05/2018	Not Available
Shares of ~~Associate~~/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in ~~Associates~~/Joint Venture	` (2,20,072.70)	` (2,37,238.09)	` 2,26,40,985	NIL
	Extend of Holding (in Percentage)%	60%	20%	63.33%	61%
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	Unavailability of Financial Statement
Networth attributable to Shareholding as per latest audited Balance Sheet		` 0	` 0	` 2,26,40,985.00	` 0
Profit / Loss for the year	i)Considered in Consolidation	` 0	` 13,343.04		` 0
	ii)Not Considered in Consolidation	` 0	` 53,372.17	-	-

1. Names of ~~associates or~~ joint ventures which are yet to commence operations. :
2. Names of associates or joint ventures which have been liquidated or sold during the year.

FOR AND ON BEHALF OF THE BOARD

	Anand Sancheti	**Dilip Surana**
Dated: 17th December 2020	**Managing Director**	**Director**
Place: Nagpur	DIN: 00953362	DIN: 0953495
	Add 10, Hindustan Colony Amaravati Road Bharat Nagar Nagpur-440033	Add: 301 Mangalam Appt. Plot no.401 Khare Town, Nagpur: 440010

ANNEXURE – VI

DISCLOSURE AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AS AMENDED BY THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 (As on 31.03.2020)

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

S. N.	Name of the employee	Designation	Remuneration received gross (`)	Nature Of Employment (whether contractual or otherwise)	Qualifications	Experience (in years)	Date of commencement of employment	Age	Last employment	Percentage equity (if any)	Employee is relative of any director or manager (name of director or manager)
1	Anand Sancheti	Managing Director	` 2,04,05,000 /-	Business	B Com & Diploma in finance	30	08-May-1997	49	Since incorporation	23.50%	NO
2	Dilip Surana	Whole Time Director	` 1,34,96,429/ -	Service	Diploma in Civil	34	24-May-2007	55	Self employed	0	NO
3	Kasaraneni R Rao	VP & Head - Mining	` 1,17,51,608/-	Service	BE Mining/M Tech – Rock Mechanis	36	01-Apr-2007	61	VNIT -Nagpur	0	NO
4	*Abhay Harakchand Sancheti	Chairman & Whole Time Director	` 98,06,774/-	Business	B.E & DBM	37	08-May-1997	60	Since incorporation	31.33%	Akshay Sancheti and Paramveer Sancheti
5	Ram Madan Yadav	GM - Mining	` 46,38,944/-	Service	BE Mining	37	23-May-12	59	HZL	0	NO
6	Gudivada Srinivasarao	AGM - Mining	` 46,32,216/-	Service	M Tech Mining	20	17-Jan-11	44	The Singareni Collieries Company Limited	0	NO
7	Sunil Daithankar	GM – Mining	` 45,62,028 /-	Service	B Tech Mining	31	1-Jan-16	53	Monnet Ispat & Energy Ltd	0	NO

8	Amol Chaudhari	Sr. GM Civil	` 34,08,000/-	Service	BE Civil					0	NO
9	Ashfaque Abdul Razzaque Khan	GM-Civil	` 29,85,672/-	Service	Diploma in Civil	31	28-Mar-89	51	Al-Baha Municipality Saudi Arabia	0	NO
10	Rahul Manohar Thite	GM	` 29,85,672/-	Service	BE (CIVIL) and LLB	25	18-Jan-2006	48	Ashoka Buildcon Ltd	0	NO
11.	S.M.Khaleel	CVO and Head HR and Admin	` 26,85,576/-	Service	BE Electrical	45	21-Jul-2010	71	SCCL	0	NO

*Mr. Abhay Sancheti ceased as Director w.e.f. 22/01/202 due to Demise.
AGM –Assistant General Manager, GM – General Manager VP Vice President

FOR AND ON BEHALF OF THE BOARD

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

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

Dated: 17th December 2020
Place: Nagpur

V. K. SURANA & CO.
CHARTERED ACCOUNTANTS
V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001
Ph. No.: (0712) 6641111, Fax: (0712) 6641122
e-mail:info@vksca.com, Website: www.vksca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SMS Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SMS Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, 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, 2020, 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

Key Audit Matters

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

F.R.No. 110634W

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

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	**Impact of COVID-19 on the Company's operations and standalone financial statement.** On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and restriction on movement of people by the Government of India which has significantly impacted business operation of the Company. We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key event and consideration for Company's Operations on account of: - Short and long term effect on company's business operations and its consequential cascading negative impact on revenue; - Impact of the pandemic on the Revenue and Expenses. Refer Note 59 to the standalone financial statements.	**Our audit procedures included and were not limited to the following:** - Obtained and reviewed the management impact assessment on account of reduction in revenue during current financial year, including judgement and estimates applied in determining the areas of impact. - Assessed the determination of impact on contract receipts on restrictions due to nationwide lockdown consequent to COVID-19. - Assessed the determination of reduction in direct operating expenses during lockdown period consequent to COVID-19. - Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19. - Assessed management's cost reduction measures taken by the company in order to reduce the impact COVID-19. - Assessed and evaluated the possible recovery in other operating segment. - Assessed and evaluated expenditure incurred towards preventive health measures as an additional cost for prevention of COVID-19. - Performed subsequent event procedures upto the date of the audit report - Assessed and tested the disclosure relating to COVID-19 Impact on financial position for FY 19-20 and for the period April'20 to August'20.
2.	**Evaluation of impairment of Non-Current Investments and Current Loans.** Investments and Loans are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such evidence exists.	**Principal Audit Procedures** Our audit procedures in respect of impairment of investment in and Loans given, included the following : • Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models;

F.R.No. 110634W

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	impairment loss is determined and recognised of accounting policies to the standalone financial statements. We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment as a key audit matter because of • The significance of the amount of these investments in the standalone Balance Sheet. • Performance and net worth of these entities and • The degree of management judgement involved in determining the recoverable amount of these investments including: Valuation assumptions, such as discount rates. Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments. Refer Note No.6 and 13 to the Standalone Financial Statements.	• Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models; • Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; • Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products; • Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management; • Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; • Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and • Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.
3.	**Evaluation of Contingent Liabilities** Claims against the company not acknowledged as debts is disclosed in the Note No.- 38(A) to the Standalone Financial Statement. The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of the contingent liabilities. The Company is undergoing legal proceedings on disputed tax demands. The Company's management has assessed that the probability of success of the demand is remote and accordingly not provided for the disputed demands.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the company; • We along with our internal tax experts – a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards; c) Assessed management's estimate of the possible outcome of the disputed cases.

F.R.No. 110634W
CHARTERED ACCOUNTANTS NAGPUR

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	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.	
4.	**Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:** Company is having various works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st july, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the rates prevailing at the time of execution of original contract. This resulted in increased tax liability and reduced margin on the company against which company has raised the claim on concerned Department. Outcome of some claim is still pending with the Department. But on the basis of opinion taken from the legal advisior, the company made the provision for the GST impact turnover in books of account. Management estimation is involved in assessing the outcome of the claim raised by the company, and in considering the probability of a recovery of the claims and accordingly designated this as a key audit matter. Refer Note No. - 51 to the Standalone Financial Statements.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department. • Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not. • Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law. • Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; • Assessed management's estimate of the possible recovery of the claim raised to the Department.
5	**Accuracy of recognition, measurement, presentation and disclosures of Leases and other related balances in view of adoption of Ind AS 116 "Leases" (new Indian accounting standard)**	**Our key audit procedures included and were not limited to the following:** • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);

F.R.No. 110634W

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	With effect from 1st April, 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116, retrospectively with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has lease arrangement with different contractual term. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 3A, 2K and Note 42 to the standalone financial statements.	• Assessed the identification of leases based on the contractual agreements and our knowledge of the business. •Evaluate the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition at 1st April'2019: a) Evaluated the method of transition and related adjustments; b) Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a stastical sample, we performed the following procedures: a) Assessed the key terms and conditions of each lease with the underlying lease contracts; and b) Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and lease terms. • Assessed and tested the presentation and disclosure relating to Ind AS 116 including disclosures relating to the transitions.

Emphasis of Matter

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

F.R.No. 110634W

2. 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.

3. We draw attention to Note No. 59 of the standalone financial statements related to effect of Covid- 19 on the Company's standalone financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the company.The Comapany expects to sustain and overcome the impact and recover from the present slowdown.

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

The Company's Board of Directors is responsible for Preparation of other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

F.R.No. 110634W

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.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements :

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements – Refer Note No. – 38(A) to the standalone financial statements.

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

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

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

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

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

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

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

CA. Sudhir Surana
Partner
Membership No. 43414
UDIN - 20043414AAAACM7251

Nagpur, August 29, 2020

Annexure A to the Independent auditor's report :

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of SMS LIMITED of even date on the Standalone Financial Statement for the year ended 31st March'2020)

i)

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

b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

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

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

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

a) The terms and conditions of grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except that the loan is unsecured and interest free. (Total loan amount granted Rs. – 5301.93 Lacs during the year and balance outstanding as at balance sheet date Rs. 14198.99 Lacs)

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

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

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

v) The Company has not accepted deposits within the meaning of section 73 to 76 of the act and the companies (acceptance of deposits) rules, 2014 (as amended) during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

SURANA
CHARTERED ACCOUNTANTS
F.R.No. 110634W
NAGPUR

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

vii)

a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods & Services Tax, Duty of Customs, Cess and any other statutory dues applicable to it with the appropriate authorities.
According to the information and explanation given to us, no material undisputed arrears of above statutory dues were outstanding as on 31st March, 2020 for a period of more than six months from the date they become payable.
Further Sales-Tax, Service Tax, Duty of Excise and Value Added Tax are not applicable to the company during the current financial year due to migration of the all indirect taxes to Goods and Services Tax.

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

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

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

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year. And there is no material fraud on the Company by its officers or employees except in one case wherein fraud /misappropriation of funds of Rs 57 lacs by an employee was identified by the company on 02/09/2019 through its vigil mechanism.

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

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CHARTERED ACCOUNTANTS
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Ph. No.: (0712) 6641111, Fax: (0712) 6641122
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The company has lodged the FIR and matter is under verification by Police Department. The Company is taking necessary action against the employee for recovery of the amount. The fact of the same was also reported in the last year consolidated financial statement of the company of FY 18-19. Refer note no. 56 of the standalone financial statement in this regards.

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

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

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

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

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

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

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

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

CA. Sudhir Surana
Partner
Membership No. 43414
UDIN - 20043414AAAACM7251

Nagpur, August 29, 2020

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Annexure B to the Independent auditor's report :

(Referred to in Paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of SMS LIMITED of even date on the Standalone Financial Statement for the year ended 31st March'2020)

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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

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e-mail:info@vksca.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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

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

CA. Sudhir Surana
Partner
Membership No. 43414
UDIN - 20043414AAAACM7251

Nagpur, August 29, 2020

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CHARTERED ACCOUNTANTS
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Annexure – 1

Statement of Disputed Statutory Dues referred to in clause (vii)(b) Annexure 'A' to the Independent auditor's report of SMS Limited for FY 2019-20.

Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed (including Penalty) amount Rs. In Lacs	Amount deposited under protest/ adjusted by tax authorities Rs. In Lacs	Amount not deposited Rs. In Lacs	Remarks
Finance Act	Service tax	CESTAT Mumbai	FY 2009-10 to FY 2014-15	7786.03	291.97	7494.06	
			FY 2009-10	54.26	27.11	27.16	
			FY 2011-12 to FY 2014-15	28390.87	1104.52	27286.35	
			FY 2013-14 to FY 2014-15	28.39	31.23	0.00	Additional amount paid
			FY 2014-15 to FY 2015-16	2025.20	140.62	1884.57	
			FY 2015-16	3611.43	248.36	3363.07	
			FY 2015-16	29.09	4.64	24.45	
Andhra Pradesh Value Added Tax Act	Value Added Tax	Appellate Deputy commissioner, Tirupati.	FY 2010-11	231.88	120.69	111.19	
		High Court of Judicature at Hyderabad (Stay granted)	FY 2011-12	38.58	8.68	29.90	
			FY 2012-13 to FY 2014-15	1348.87	269.77	1079.09	
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 Rs. In Lacs	Amount deposited under protest/ adjusted by tax authorities Rs. In Lacs	Amount not deposited Rs. In Lacs	Remarks
Income Tax Act	Income Tax	The Deputy Commissioner, Income Tax,	FY 2010-11	764.59	100.00	664.59	
Regional Transport Act	Life Time road transport tax	Regional Transport Officer-High Court of Judicature at Hyderabad	FY 2012-13	721.79	721.79	0.00	
Madhya Pradesh Value Added Tax Act	Value Added Tax	Bhopal Tribunalate Court	FY 2012-13	71.93	20.14	51.79	
		Appellate authority, Jabalpur	FY 2011-12	59.42	14.86	44.57	
			FY 2013-14	78.43	19.80	58.64	
			FY 2014-15	38.61	9.65	28.96	
			FY 2015-16	41.95	10.49	31.46	
Central Sales Tax	Central Sales Tax	Appellate authority, Jabalpur	FY 2013-14	2.86	0.29	2.58	
Madhya Pradesh Entry Tax Act	Entry Tax	Bhopal Tribunalate Court	FY 2012-13	63.66	40.17	23.49	
		Appellate authority, Jabalpur	FY 2011-12	33.87	8.47	25.40	
			FY 2014-15	3.11	0.78	2.34	
			FY 2015-16	0.29	0.29	0.00	
Chhatisgarh	Value Added tax	The Additional Commissioner & Appellate Deputy commissioner, Department of Commercial Tax Raigarh.	FY 2014-15	128.26	19.24	109.02	
Total				**46532.06**	**3707.20**	**42827.70**	

F.R.No. 110634W

SMS Limited

Standalone Balance Sheet as at 31 March,2020

(₹ in lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) **Non-Current Assets**			
(a) Property, Plant and Equipment	3A	21,560.97	14,709.37
(b) Capital Work in Progress	3B	115.51	1,420.90
(c) Investment Property	4	1,553.25	1,559.85
(d) Intangible Assets	5	254.98	368.76
(e) **Financial Assets**			
(i) Investments	6	12,593.35	12,729.39
(ii) Other Financial Assets	7	12,089.33	15,298.09
(f) Other Non-Current Assets	8	89.92	189.34
Total Non-Current Assets		48,257.32	46,275.70
(2) **Current Assets**			
(a) Inventories	9	29,355.06	31,613.12
(b) **Financial assets**			
(i) Investments	10	-	3,190.44
(ii) Trade Receivables	11	32,322.60	29,498.09
(iii) Cash and Cash Equivalents	12A	576.73	452.53
(iv) Bank Balance other than (iii) above	12B	4,471.29	2,937.13
(v) Loans	13	8,504.20	9,280.84
(vi) Other Financial Assets	14	15,915.58	20,308.58
(c) Current Tax Assets (Net)	15	1,227.96	654.25
(d) Other Current Assets	16	17,233.77	15,216.36
Total Current Assets		1,09,606.68	1,13,151.35
TOTAL ASSETS		1,57,864.00	1,59,427.05
EQUITY AND LIABILITES			
(3) **EQUITY**			
(a) Equity Share Capital	17	1,026.14	1,026.14
(b) Other Equity	18	63,333.60	58,757.73
TOTAL EQUITY		64,359.74	59,783.86
(4) **LIABILITIES**			
(A) **Non-Current Liabilities**			
(a) **Financial Liabilities**			
(i) Borrowings	19	17,788.94	11,155.15
(ii) Other Financial Liabilities	20	3,910.44	4,878.73
(b) Provisions	21	1,544.29	728.65
(c) Deferred Tax Liabilities (Net)	22	149.19	231.64
(d) Other Non-Current Liabilities	23	3,620.77	5,658.34
Total Non-Current Liabilities		27,013.63	22,652.50
(B) **Current Liabilities**			
(a) **Financial Liabilities**			
(i) Borrowings	24	33,040.14	39,858.25
(ii) Trade Payables dues to :			
Micro and Small Enterprises	25	224.96	37.43
Other than Micro and Small Enterprises	25	15,702.58	21,013.89
(iii) Other Financial Liabilities	26	14,954.27	9,843.41
(b) Other Current Liabilities	27	2,451.67	5,835.47
(c) Provisions	28	117.00	402.22
Total Current Liabilities		66,490.63	76,990.68
TOTAL LIABILITIES		93,504.26	99,643.18
TOTAL EQUITY AND LIABILITIES		1,57,864.00	1,59,427.05
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

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

CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 20043414AAAACM7251
Place : Nagpur
Date : 29/08/2020

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

SUSHANT S. MUKHERJEE
Chief Financial Officer

1

SMS Limited

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

(₹ in lacs)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from Operations	29	88,868.14	1,01,884.05
Other Income	30	1,901.31	1,472.97
Total Income		90,769.45	1,03,357.02
Cost of Project Material Consumed	31	23,407.98	29,546.13
Change in Inventory of Work in Progress	32	1,428.81	(8,370.51)
Direct Expenses	33	32,406.02	47,038.36
Employee Benefits Expenses	34	14,789.10	14,688.56
Finance Costs	35	8,687.41	8,690.52
Depreciation and Amortization Expenses	36	2,360.52	2,118.32
Other Expenses	37	4,231.22	4,808.16
Total Expenses		87,311.05	98,519.53
Profit/Loss before exceptional items and tax		3,458.41	4,837.49
Exceptional Items			
Profit on sale of investment	10	2,678.48	-
Profit for the year before tax		**6,136.89**	**4,837.49**
Tax Expenses			
(1) Current tax	15	1,417.23	1,866.64
(2) Deferred tax	22	(111.32)	(56.72)
		1,305.91	1,809.92
Profit for the year		4,830.98	3,027.56
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss :			
Re-measurement gains/ (losses) on defined benefit plans		82.65	(27.13)
Income tax effect		28.88	(9.48)
Net other comprehensive income of items that will not be reclassified to profit or loss		53.77	(17.65)
Total Comprehensive Income for the year		4,884.74	3,009.91
Earning Per Equity share (Face value of Rs. 10 each)	46		
Basic (In Rupees)		47.08	29.50
Diluted (In Rupees)		47.08	29.50
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
UDIN : 20043414AAAACM7251
Place : Nagpur
Date : 29/08/2020

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

SUSHANT S. MUKHERJEE
Chief Financial Officer

2

SMS Limited

Standalone Statement of Changes in Equity for the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	Note No.	Number of Shares	Amount
Balance as at 01 April 2018	17	1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31 March 2019		1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31 March 2020		1,02,61,382	1,026.14

B. OTHER EQUITY Refer Note No. 18

Particulars	Reserves and Surplus			Items of OCI	Total equity attributable to equity holders
	Securities premium	General reserve	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans	
Balance as at 1 April 2018	10,647.69	1,116.85	43,668.44	(75.23)	55,357.75
Profit for the year	-	-	3,027.56	-	3,027.55
Effect of adoption of modified retrospective approach of IND AS 115	-	-	390.08	-	390.08
Other comprehensive income	-	-	-	(17.65)	(17.65)
Balance as at 31 March 2019	10,647.69	1,116.85	47,086.08	(92.88)	58,757.73
Balance as at 1 April 2019	10,647.69	1,116.85	47,086.08	(92.88)	58,757.73
Profit for the year	-	-	4,830.98	-	4,830.98
Final dividend F Y 2018-19	-	(51.31)	-	-	(51.31)
Interim dividend	-	(257.56)	-	-	(257.56)
Other comprehensive income	-	-	-	53.77	53.77
Balance as at 31 March 2020	10,647.69	807.98	51,917.06	(39.11)	63,333.60

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
UDIN : 20043414AAAACM7251
Place : Nagpur
Date : 29/08/2020

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

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

SUSHANT S. MUKHERJEE
Chief Financial Officer

SMS Limited
Standalone Cash Flow Statement for the year ended 31st March, 2020

(₹ in lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash Flow From Operating Activities		
Profit before tax	6,136.89	4,837.49
Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and Intangible assets	2,360.52	2,118.32
Effect of adoption of modified retrospective approach of IND AS	-	390.08
Re-measurement gains/ (losses) on defined benefit plans before	53.77	(27.13)
Finance cost	8,687.41	8,690.52
Interest income	-	-
Dividend income	(258.04)	-
Share of (profit)/loss in joint ventures	(1.40)	7.40
(Profit)/loss on Sale of Investment	(2,576.48)	-
(Profit)/loss on sale of fixed assets	75.74	(22.46)
Profit on sale of Assets held for Sale	-	-
Rental Income on investment property	(14.52)	(23.88)
Operating Profit Before Working Capital Changes	14,463.87	15,970.33
Adjustment for :		
Increase/(decrease) in trade payables	(5,123.78)	(2,242.09)
Increase / (decrease) in non current provisions	815.65	721.53
Increase / (decrease) in current provisions	(285.22)	(406.74)
Increase/(decrease) in other current liabilities	(3,383.80)	(247.75)
Increase/ (decrease) in other non current liabilities	(2,037.57)	(3,519.73)
Increase/ (decrease) in other current financial liabilities	5,110.86	(1,744.35)
Increase/ (decrease) in other non current financial liabilities	(968.29)	868.86
Increase/ (decrease) in current tax assets (Net)	(573.71)	(297.56)
Increase/ (decrease) in deferred tax	(82.44)	(56.72)
Decrease/(increase) in current trade receivables	(2,824.51)	(765.29)
Decrease/(increase) in other non current assets	99.42	1,400.05
Decrease/(increase) in other current assets	(2,017.41)	3,611.12
Decrease/(increase) in other non current financial assets	3,208.76	6,755.96
Decrease/(increase) in other current financial assets	4,393.01	(14,097.76)
Decrease/(increase) in inventories	2,258.06	(5,977.87)
	13,052.89	**(28.01)**
Direct taxes paid (net of refunds)	(1,305.91)	(1,800.44)
Net Cash Flow from/ (used in) Operating Activities (A)	**11,746.98**	**(1,828.45)**
Cash Flow from Investing Activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(8,532.94)	(4,570.32)
Proceeds from sale of fixed assets	746.60	487.20
Purchase/sale of non-current investments	136.04	2,948.71
Sale of current investments (Net)	1,656.28	(4,552.37)
Proceeds from current loans and advances	776.64	4,815.99
Dividends received	258.04	-
Share of profit/(loss) in joint ventures	1.40	(7.41)
Profit/(loss) on sale of investment	2,576.48	-
Profit/(loss) on sale of fixed assets	(75.74)	22.46
Rental income on investment property	14.52	23.88
Net Cash Flow from/(used in) Investing Activities (B)	**(2,442.68)**	**(831.88)**

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

SMS Limited

Standalone Cash Flow Statement for the year ended 31st March, 2020

(₹ in lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash Flow from Financing Activities		
Proceeds from long-term borrowings	6,633.79	4,937.59
Proceeds from short-term borrowings	(6,818.11)	6,091.64
Dividend paid on equity shares	(308.87)	-
Finance cost	(8,687.41)	(8,690.52)
Net Cash Flow from/(used in) in Financing Activities (C)	**(9,180.60)**	**2,338.71**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	123.70	(321.62)
Cash and cash equivalents at the beginning of the year	452.53	774.16
Cash and Cash Equivalents at the end of the year	**576.23**	**452.53**
Components of Cash and Cash Equivalents		
Cash on hand	304.75	250.69
With banks- in current account	271.48	201.84
Total Cash and Cash Equivalents	**576.23**	**452.53**

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
UDIN : 20043414AAAACM7251
Place : Nagpur
Date : 29/08/2020

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

SUSHANT S. MUKHERJEE
Chief Financial Officer

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

SMS Limited

1. Corporate information

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

2. Significant Accounting Policies

2.1 Basis of preparation

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

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

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

2.2 Accounting Estimates

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

a. Estimates and assumptions

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

F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

b. Contract estimates

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

c. Recoverability of claims

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

d. Defined benefit plans

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

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

2.2 Summary of Significant accounting policies

A. Property, plant and equipment and Intangible assets:

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

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

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

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

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

Mining assets

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

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

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R. No. 110634W sustainable returns relative to the risks and decides not to proceed with the mine development.

Depreciation methods, estimated useful lives and residual value.

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

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

Mining properties

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

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

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

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

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

B. Investment property

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

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

C. Financial instruments

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding Movements in the carrying amountare taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are 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.

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

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

V.K. ... CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110334W employees. Company's provident fund contribution, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b. Defined Benefit Plan

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

c. Leave entitlement and compensated absences

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

d. Short-term Benefits

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

E. Inventories

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

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

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

F.R.No. 110634W

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

V. K. SURANA & CO. CHARTERED ACCOUNTANTS F.R.No. 110634W of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Treatment of Exchange Difference

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

I. Revenue recognition

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

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

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

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

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

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

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,

F.R.No. 115634W

CHARTERED ACCOUNTANTS

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

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

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

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

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

J. Taxes on Income:

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

a. Current Income Tax

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

b. Deferred Income Tax

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

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

K. Leases:

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

As a lessee

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

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

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.

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

As a lessor

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

Arrangements in the nature of lease

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

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

L. Prior period items:

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

M. Impairment of Non-Financial Assets:

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

Recoverable amount is determined:

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

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

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

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

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

N. Bills Receivables and Trade Payable

Trade receivables

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

Trade payables

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

O. Earnings per share:

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

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

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

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.

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

SMS Limited

Notes to Standalone Financial Statements for the year ended 31st March, 2020

3A Property, Plant and Equipment

(₹ in lacs)

	Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Mining Asset	Road	Right to Use Asset *	Total
a	**Gross Carrying Amounts**												
	Balance as at 1st April 2018	0.95	41.24	2,316.35	27,781.32	378.87	5,136.70	499.54	537.05	-	-	-	36,692.04
	Additions	-	42.30	248.33	2,459.05	77.43	102.09	220.93	52.57	-	-	-	3,202.70
	Disposals	-	-	-	443.69	2.55	25.54	126.02	0.62	-	-	-	598.41
	Balance as at 31st March 2019	0.95	83.54	2,564.69	29,796.68	453.75	5,213.25	594.45	589.01	-	-	-	39,296.32
	Balance as at 1st April 2019	0.95	83.54	2,564.69	29,796.68	453.75	5,213.25	594.45	589.01	-	-	-	39,296.32
	Additions	-	-	236.53	8,203.23	38.80	369.36	39.60	45.38	819.56	14.76	60.15	9,827.43
	Disposals	-	-	1.59	2,388.59	26.97	568.95	26.69	17.31	-	-	-	3,030.10
	Interhead adjustment	-	(42.30)	-	-	(0.35)	-	0.35	-	42.30	-	-	-
	Balance as at 31st March 2020	0.95	41.24	2,799.62	35,611.39	465.23	5,013.66	607.71	617.08	861.86	14.76	60.15	46,093.84
b	**Accumulated Depreciation**												
	Balance as at 1st April 2018	0.08	-	563.17	16,667.36	283.42	4,299.92	433.80	462.75	-	-	-	22,710.47
	Charge for the year	0.01	-	130.64	1,469.52	63.73	242.08	37.28	44.40	-	-	-	1,987.70
	Disposals	-	-	-	79.68	2.41	25.54	2.97	0.62	-	-	-	111.22
	Balance as at 31st March 2019	0.09	-	693.81	18,057.20	344.74	4,516.46	468.11	506.53	-	-	-	24,586.95
	Balance as at 1st April 2019	0.09	-	693.81	18,057.20	344.74	4,516.46	468.11	506.53	-	-	-	24,586.95
	Charge for the year	0.010	-	146.44	1,676.86	80.33	185.72	43.93	57.08	24.10	0.04	14.73	2,229.23
	Disposals	-	-	-	1,645.05	26.91	567.55	26.69	17.30	-	-	-	2,283.51
	Interhead adjustment	-	-	-	-	(0.11)		0.11	-	-	-	-	-
	Balance as at 31st March 2020	0.10	-	840.25	18,089.00	398.05	4,134.63	485.46	546.31	24.10	0.04	14.73	24,532.67
c	**Net Carrying Amounts**												
	Balance as at 31st March 2019	0.86	83.54	1,870.87	11,739.48	109.01	696.79	126.34	82.48	-	-	-	14,709.37
	Balance as at 31st March 2020	0.85	41.24	1,959.37	17,522.38	67.18	879.03	122.25	70.77	837.76	14.72	45.42	21,560.97

3B Capital Work- In- Progress

Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Mining Asset	Road	Right to Use Asset *	Total
Balance as at 31st March 2019	-	-	-	1,420.90	-	-	-	-	-	-	-	1,420.90
Balance as at 31st March 2020	-	-	55.02	58.04	0.00	-	2.46	-	-	-	-	115.51

Note:

* Due to introduction of IND AS 116, the existing operating lease having balance period more than 12 month recognise as fixed asset under the head "Right to use" in consistent with the accounting policy followed by the Company for accounting of lease.

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

K. K. Mankeshwar & Co. Chartered Accountants Nagpur F.R.No. 106009W

(₹ in lacs)

4 Investment Property	LAND	BUILDING	TOTAL
a Gross Carrying Amounts			
Balance as at 1st April 2018	1,236.61	379.27	1,615.89
Addition	-	-	-
Balance as at 31st March 2019	1,236.61	379.27	1,615.89
Addition	-	-	-
Balance as at 31st March 2020	1,236.61	379.27	1,615.89
b Accumulated Depreciation			
Balance as at 1st April 2018	-	47.90	47.90
Depreciation charged		8.13	8.13
Balance as at 31st March 2019	-	56.04	56.04
Depreciation charged		6.60	6.60
Balance as at 31st March 2020	-	62.64	62.64
c Net Carrying Amounts			
Balance as at 31st March 2019	1,236.61	323.23	1,559.85
Balance as at 31st March 2020	1,236.61	316.63	1,553.25

Information regarding income and expenditure of investment property	**As at 31 March 2020**	**As at 31 March 2019**
Rental income derived from investment properties	14.52	23.88
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	1.95	0.66
Depreciation charged on the investment property that generated rental income during the year.	4.02	3.90
Profit arising from investment properties that generated rental income after depreciation and direct expenses	**8.55**	**19.32**
Direct operating expenses including repairs and maintenance arising from investment property that did not generat rental income during the year.	-	-
Depreciation charged on the investment property that did not generat rental income during the year.	2.58	4.24
Less – Depreciation	-	-
Profit/(Loss) arising from investment properties that did not generat rental income after depreciation and direct expenses	(2.58)	(4.24)
Net Profit/(Loss) from Investment acitvity.	**5.97**	**15.08**

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

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

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

5 Intangible Asset

(₹ in lacs)

		Computer Software	Total
a	**Gross Carrying Amounts**		
	Balance as at 1st April 2018	627.20	627.20
	Additions	56.89	56.89
	Balance as at 31st March 2019	684.09	684.09
	Additions	10.90	10.90
	Balance as at 31st March 2020	694.99	694.99
b	**Accumulated Amortisation**		
	Balance as at 1st April 2018	192.84	192.84
	Charge for the year	122.49	122.49
	Balance as at 31st March 2019	315.33	315.33
	Charge for the year	124.68	124.68
	Balance as at 31st March 2020	440.01	440.01
c	**Net Carrying Amounts**		
	Balance as at 31st March 2019	368.76	368.76
	Balance as at 31st March 2020	254.98	254.98

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
6	**Non-Current Investments**		
	(Unquoted, at cost)		
A	**Investments in Equity Instruments**		
	i Investment in Subsidiaries	10,495.81	10,641.72
	ii Investment in Associates	468.12	468.12
	iii Investment in Others	1.05	1.05
B	**Investments in Preference Shares of Subsidiary**	259.74	259.74
C	**Investment in Partnership Firm**		
	i Joint Venture	1,259.92	1,250.26
	ii Others	(86.66)	(86.66)
D	**Investment in Association of Person (AOP)**		
	i Joint Venture	193.83	193.83
E	**Investment in Government Securities**	1.54	1.34
		12,593.35	**12,729.39**

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

(₹ in lacs)

Details of Non Current Investments	As at 31 March 2020	As at 31 March 2019
A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No. 6(A)		
1 Subsidiary Companies in India		
(i) SMS Bhatgaon Mines Extension Pvt. Ltd.	-	51.00
NIL (5,10,000) Equity shares of ₹ 10 each fully paid		
(ii) SMS Envoclean Pvt. Ltd.	112.60	112.60
23,64,558 (23,64,558)Equity shares of ₹ 10 each fully paid		
(iii) SMS Infolink Pvt. Ltd.	1.00	1.00
10,000 (10,000)Equity shares of ₹ 10 each fully paid		
(iv) SMS Mine Developers Pvt. Ltd.	0.51	0.51
5,100(5,100) Equity shares of ₹ 10 each fully paid		
(v) Spark Mall & Parking Pvt. Ltd.*	3,320.66	3,320.66
60,84,136 (1,19,29,676)Equity shares of ₹ 10 each fully paid		
(vi) SMS Taxicabs Pvt. Ltd.	1,747.00	1,747.00
87,45,000 (87,45,000)Equity shares of ₹ 10 each fully paid		
(vii) SMS Vidyut Pvt. Ltd.	992.00	992.00
3,950,000 (3,950,000)Equity shares of ₹ 10 each fully paid		
(viii) SMS Watergrace BMW Pvt. Ltd	586.62	586.62
58,66,181 (58,66,181)Equity shares of ₹ 10 each fully paid		
(ix) Solar Bhatgaon Extension Mines Pvt. Ltd.	-	51.00
NIL (5,10,000)Equity shares of ₹ 10 each fully paid		
(x) SMS Tolls And Developers Ltd.	5.00	5.00
50,000 (50,000)Equity shares of ₹ 10 each fully paid		
(xi) Patwardhan Infrastructure Pvt. Ltd.	60.79	60.79
49,220 (49,220)Equity shares of ₹ 100 each fully paid		
(xii) Maharashtra Enviro Power Ltd.	3,000.20	3,000.20
41,617,411 (41,617,411)Equity shares of ₹ 10 each fully paid		
(xiii) Ayodhya Gorakhpur SMS Tolls Private Limited	1.00	1.00
16,000,000 (16,000,000)Equity shares of ₹ 10 each fully paid		
(xiv)SMS Waste Management Private Limited	1.00	1.00
10,000 (10,000)Equity shares of ₹ 10 each fully paid		
(xv)SMS-AABS India Tollways Private Limited**	0.51	0.51
5,100 (5,100)Equity shares of ₹ 10 each fully paid		
2 Subsidiary Companies outside India		
(xvi)Pt. SMS Minerals International	134.90	143.78
3,20,000 (3,20,000)Equity shares of IDR @ 9195 each fully paid		
(xvii) Pt. SMS Mines Indonesia	532.04	567.05
9,90,000 (990,000)Equity shares of IDR @11722 each fully paid		
	10,495.83	**10,641.71**
3 Associate Companies in India		
(i) RCCL Infrastructure Pvt. Ltd	467.86	467.86
15,65,200 (15,65,200)Equity shares of ₹ 10 each fully paid		
(ii) SMS-AAMW Tollways Pvt. Ltd.	0.26	0.26
2,600 (2,600)Equity shares of ₹ 10 each fully paid		
	468.12	**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**	**259.74**	**259.74**
25,97,400 (25,97,400) cumulative, non-convertible, Redeemable Prefernce shares of ₹ 10 each fully paid		

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

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

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

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

(₹ in lacs)

Name of the Venture	Name of Venture Partner(s)	Constitution of Entity	Share of Interest	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
				Total Capital of Firm	Investment	Total Capital of Firm	Investment
Shashikumar 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%	435.54	278.47	435.54	278.47
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%	859.77	603.43	859.77	603.43
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)*	Brahamaputra Infrastructure Pvt. Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Infrastructure Ltd. 49%	48.95	17.34	48.95	17.34
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V)*	Brahamaputra Consortium Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	(1.40)	11.59	(1.40)	11.59
SMS Infrastructure Ltd. Aarti Infra Projects Pvt. Ltd.*	Aarti Infra Projects Pvt. Ltd.	Partnership Firm	SMS Ltd.55% AIPPL 45%	247.49	51.99	247.56	52.06
SMS Infrastructure Ltd. & Shree Nath Enterprises(J.V)*	Shreenath Enterprises	Partnership Firm	SMS Ltd. 16.50% Shreenath Enterprises 83.50%	188.93	40.50	188.93	40.50
SMSIL-KTCO (JV)	Khare Tarkunde Infrastructure Pvt. Ltd	Partnership Firm	SMS Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	8.44	4.22	8.44	4.09
GIU ENVO Ltd. in Consortium with SMSL	Param Sancheti	Association of Person	SMS Ltd. 70 % & Param Sancheti 30 %	165.01	193.83	165.01	193.83
BHARTIA SMSIL (JV)	Bhartia Infra Projects Limited	Partnership Firm	SMS Ltd. 49 % & BIP Limited 51 %	10.19	4.27	10.19	4.27
SMSIL-MBPL-BRAPL JV	Mehrotra Buildcon Pvt. Ltd. and Bharat Rail Automation Pvt. Ltd.	Partnership Firm	SMS Ltd. 57.00% , Mehrotra Buildcon Pvt. Ltd. 11.00% & Bharat Rail Automation Pvt. Ltd. 32.00%	30.81	18.00	30.81	18.00
GDCL - SMS Ltd. JV	Gannon Dunkerley & Co. Ltd.	Partnership Firm	SMS Ltd. 40% & Gannon Dunkerley & Co. Ltd. 60%	-	-	-	-
SRRCIPL-SMSL-BEKEM JV	M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited	Partnership Firm	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions (India) Pvt. Ltd. 60% & BEKEM Infra Projects Pvt. Limited 20%	440.76	(2.37)	440.76	(2.49)
SRRCIPL-SMSL 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%	328.72	(2.20)	328.72	(3.42)
SMS Infrastructure Ltd & B. P. Construction Co. Pvt Ltd (JV)	B. P. Construction Co. Pvt Ltd (JV)	Partnership Firm	SMS Infrastructure Ltd. 61% B. P. Construction Co. Pvt. Ltd. 39%	(2.56)	-	(2.56)	-
MEGHE SMS HEALTH SCIENCES CONSORTIUM (SPV)	(1) M/s Datta Meghe Institute of Medical Science (DMIMS) (2) M/s Nagar Yuwak Shikshan Sanstha (NYSS) (3) M/s Shri Sainath Textile Private Limited (SSTPL)	Association of Person	SMS Limited 50% DMIMS 10% NYSS 30% SSTPL 10%	8.26	-	-	-
SMSIL-MBPL JV	Mehrotra Buildcon Pvt. Ltd.	Partnership Firm	SMS Ltd. 59.84% & Mehrotra Buildcon Pvt. Ltd. 40.16%	378.33	226.41	378.33	226.41
				2,947.25	1,445.48	2,939.06	1,444.08

D Investment in Partnership Firm-Note No. 6 (C) Valued at Cost

	Name of the Firm	Name of Partner		As at 31 March 2020	Capital Amount	As at 31 March 2020	Capital Amount	As at 31 March 2019
	SANBRO CORPORATION	SMS Ltd.		26.00%	208.08	(86.66)	208.08	(86.66)
		Abhay Sancheti		29.60%		(59.48)		(59.43)
		Ajay Sancheti		22.20%		(17.41)		(17.41)
		Anand Sancheti		22.20%		(44.57)		(44.57)

* Due to Non-availibility of Financial Statements of the Partnership firm the share in profit/loss during the Financial year are not accounted for except in case of AIPPL (JV). Accordingly, total capital of the firm as on 31st March, 2020 is considered on the basis of last audited financial statement.

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

	As at 31 March 2020	As at 31 March 2019
(i) Khamgaon Urban Co-Operative Bank Ltd. *100 (100)Equity shares of ₹ 10 each fully paid*	0.01	0.01
(ii) Nandura Urban Co-Operative Bank Ltd. *4 (4)Equity shares of ₹ 100 each fully paid*	0.04	0.04
(iii) Malkapur Urban Co-Operative Bank Ltd. *1,000 (1000)Equity shares of ₹ 100 each fully paid*	1.00	1.00
	1.05	1.05

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
7	**Other Financial Assets (Non-Current)**		
	(Unsecured, considered good)		
	Security deposit	1,914.26	3,470.30
	Retention money	5,619.82	6,200.25
	Earnest money deposits	1,037.32	1,808.12
	Other receivable	40.92	36.56
	Fixed deposit receipt with remaining maturity for more than 12 months*	3,477.01	3,782.87
		12,089.33	**15,298.09**

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

8	**Other Non-Current Assets**		
	(Unsecured, considered good)		
	Capital advance	89.92	89.92
	Advanaces other than capital advances	-	99.42
		89.92	**189.34**
9	**Inventories (Valued at Cost * or Net realisable Value whichever is lower)**		
	Work-in-progress	18,772.19	20,201.00
	Construction & Project Inventory	10,100.26	11,011.04
	Stores and spares	482.61	401.08
		29,355.06	**31,613.12**

*Note - Refer accounting policy note no. 2.

10	**Current Investments(Unquoted, at cost)**		
A	**Investments In Equity Instruments**		
a	Investment in Subsidiaries		
	Spark Mall & Parking Pvt. Ltd.	-	3,190.44
	NIL (58,45,540)Equity shares of ₹ 10 each fully paid		
		-	**3,190.44**

Note No 1: The same were pleadged with the India bulls Housing Finance Ltd. against loan taken by Spark Mall & Parking Pvt. L

Note No. 2: The Company has entered in to agreement for sale of 58,45,540 number of Shares of Spark Mall & Parking Private Limited for consideration amounting to Rs. 58,68,92,216/-. Against this advance was received on 7th September 2018 of Rs. 29,34,46,108/- and balance amount is received during FY 19-20. The shares have been transferred during FY 19-20 and the Profit on sale of above shares have been shown separately as exceptional items in the statement of profit and loss.

11	**Trade Receivables (Current)**		
	Unsecured, considered good		
	Related Party	5,969.93	3,461.98
	Others	26,352.67	26,036.11
		32,322.60	**29,498.09**
12A	**Cash and Cash Equivalents**		
	Balances with banks in current accounts	271.48	201.84
	Cash on Hand		
	a) In local currency	304.62	250.15
	b) In foreign Currency	0.13	0.54
		576.23	**452.53**
12B	**Bank Balances other than Cash and Cash Equivalents**		
	Fixed deposits with remaining maturity of more than 3 months but less than 12 months (held as a margin money/ security deposit against LC/ BG/ collateral security against loans/ other commitment).	4,471.29	2,937.13
		4,471.29	**2,937.13**

K. K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R. No. 110834W

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
13	**Loans (Current)**		
	(Unsecured, considered good)		
	Loans to related parties	7,752.43	8,235.55
	Other loans	751.77	1,045.29
		8,504.20	**9,280.84**
14	**Other Financial Assets (Current)**		
	(Unsecured, considered good)		
	Withheld amount	9,043.75	11,207.63
	Retention money	2,257.92	4,381.82
	Security deposit	4,322.99	4,049.92
	Amount due on account of TDS	60.18	435.47
	Others receivables	227.40	136.31
	Interest accrured but not due	3.33	97.44
		15,915.58	**20,308.58**

15 Income Tax Assets (Net)

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

	Income tax assets	11,382.28	11,440.53
	Income tax liabilities	10,154.32	10,786.28
	Net balance	**1,227.96**	**654.25**
ii	The gross movement in the current tax asset/ (liability) is as follows:		
	Net current income tax asset at the beginning	654.25	356.69
	Income tax paid / TDS deducted/amount paid under appeal	1,990.94	2,154.72
	Current income tax expense	1,417.23	1,857.16
	Net current income tax asset at the end	**1,227.96**	**654.25**
iii	Income tax expense in the Statement of Profit and Loss comprises:		
	Current income taxes	1,417.23	1,866.64
	Deferred income taxes credit	(82.44)	(66.19)
	Income tax expenses / (credit) (net)	**1,334.79**	**1,800.44**

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	6,219.53	4,810.36
Enacted tax rates in India	34.94	34.94
Computed expected tax expense	2,173.35	1,680.93
Deduction of Income tax under Chapter VI-A	(42.41)	(72.54)
Restatement of deferred Tax liability of earlier year due to change in tax rate	-	2.80
Effect of Debit items not allowed for tax purpose - Permanent Difference	44.51	426.77
Effect of Credit items not considered for tax purpose- Permanent Difference	(1,026.63)	(252.61)
Others	(5.49)	15.09
Adjusments realting to assessment of earlier year income tax return	191.46	-
Income tax expense credit/(charge) to the Statement of Profit and Loss	**1,334.79**	**1,800.44**

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
16	**Other Current Assets**		
	Balance with statutory authority		
	Value added tax receivable	5,965.31	5,902.19
	Service tax receivable	87.75	87.75
	GST receivable	2,354.35	1,527.87
	Advances other than capital advances		
	Against expenses & salary	17.79	65.56
	To creditors	1,921.76	1,748.56
	To subcontractor	924.32	712.49
	Others		
	Prepaid expenses	1,185.88	758.60
	Deposit under protest	4,776.60	4,413.32
		17,233.77	**15,216.36**

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
17 Equity Share capital		
a Authorized shares		
15,000,000 (15,000,000) equity shares of Par value of ₹ 10/- each	1,500.00	1,500.00
b Issued, subscribed and fully paid-up shares		
10261382 (1,02,61,382) equity shares of Par value of ₹ 10/ each fully paid up	1,026.14	1,026.14

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

Equity shares	As at 31 March 2020 No.	(₹ in lacs)	As at 31 March 2019 No.	(₹ in lacs)
At the beginning of the year	1,02,61,382	1,026.14	1,02,61,382	1,026.14
Add : Issued During the Year	-	-	-	-
Outstanding at the end of the year	**1,02,61,382**	**1,026.14**	**1,02,61,382**	**1,026.14**

d Terms/Rights attached to shares

The company has only one class of equity shares having par value of ₹ 10 per share. each holder of equity shares is entitled to one vote per share. The dividend proposed by directors is subject to the approval of shareholders in the ensuing annual general meeting except in case of interim dividend.

In the event of liquidation of the company , the holders of equity shares will be entitled to receive assets remaining after prefrential payment of the company in proportion to the number of equity shares held by the shareholders.

e Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2020 No.	% holding in the class	As at 31 March 2019 No.	% holding in the class
Equity shares of Face value of ₹ 10/- each fully paid				
Abhay Harakchand Sancheti*	3214696	31.33%	3214696	31.33%
Ajay Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Anand Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Best Power Plus Private Limited	2224374	21.68%	2224374	21.68%

*Pending succession certificate the shares of Abhay H. Sancheti are not transferred to his legal heirs.

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
18	**Other Equity**		
	General Reserve		
	Balance as per the last financial statements	1,116.85	1,116.85
	Closing Balance	**1,116.85**	**1,116.85**
	Securities Premium		
	Balance as per the last financial statements	10,647.69	10,647.69
	Closing Balance	**10,647.69**	**10,647.69**
	Retained Earning		
	Balance as per last financial statements	47,086.06	43,668.44
	Add: Profit for the year	4,830.98	3,027.56
	Less: Appropriations		
	Effect of adoption of modified retrospective approach of IND AS 115	-	390.08
	Final dividend F Y 2018-19	51.31	-
	Interim dividend	257.56	-
	Tax on interim dividend	-	0.02
	Closing Balance	**51,608.18**	**47,086.06**
	Other Comprehensive Income		
	Re-measurement gains/ (losses) on defined benefit plans net off tax		
	Balance as per the last financial statements	(92.88)	(75.23)
	Add: Additions during the year	53.77	(17.65)
	Closing Balance	**(39.11)**	**(92.88)**
	Total of Other Equity	**63,333.60**	**58,757.73**

General Reserve

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

Securities Premium

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

		As at 31 March 2020	As at 31 March 2019
19	**Borrowings (Non-Current)**		
	I. Secured		
	(A) Term Loans		
	(i) From Banks		
	(1) ICICI bank ltd.	479.31	185.08
	(2) Kotak mahindra bank ltd.	120.58	312.05
	(3) Indusind bank	117.35	-
	(ii) From Financial Institution		
	(1) SREI equipment finance ltd.	12,556.83	4,990.48
	(2) Indiabulls housing finance ltd.	4,514.87	5,646.91
	(3) HP financial services.	-	20.64
		17,788.94	**11,155.15**

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

Note : For Securities please refer individual bank wise notes given.

19.1 Details of securities and terms of repayments

I. Secured

(A) Term loans from banks

(1) ICICI bank ltd

(₹ in lacs)

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti. The details of individual loans are as under:

LOAN	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
LQNAG00036832436/36903325	28.90	7.35%	21/12/2017	10	3.01	10 months
LANAG00038272968	12.65	9.20%	28/11/2018	21	0.65	1 year 9 months
LQNAG00037183400	14.50	8.60%	31/03/2018	36	0.47	3 years
LQNAG00037304565	134.06	9.00%	03/05/2018	25	5.90	2 years 1 months
LANAG00038897641	14.74	9.25%	02/04/2019	25	0.65	2 years 1 months
LANAG00039405149	6.31	9.60%	04/06/2019	27	0.26	2 years 3 months
LANAG00039654714	6.49	9.60%	02/07/2019	28	0.26	2 years 4 months
LANAG00039789936	12.64	9.25%	09/07/2019	28	0.50	2 years 4 months
LQNAG00040788458/774/749/610/702/524/565	46.79	10.50%	11/09/2019	29	1.83	2 years 5 months
UQNAG00041012049/104/172/884/082/097	380.68	10.75%	30/10/2019	31	14.12	2 years 7 months
LQNAG00041149057/976/032/743/944	142.37	10.79%/9.18%/9.03%	27/11/2019	33	5.07	2 years 8 months
LQNAG00034472569	0.59	10.00%	08/06/2016	2	0.31	2 months
Total	**800.73**					

(2) Kotak mahindra bank ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
CE-550675/646/652/669	5.50	9.20%	19/06/2017	3	1.86	3 month
CE-571940	19.94	8.51%	02/09/2017	16	1.32	1 year 4 month
CE-582371/388/394/408/359/342/365/287/320/336/582489/582567	147.66	7.89% / 7.54% / 8.25%	29/09/2017	17	9.24	1 year 5 month
CE-645641	134.50	8.65%	13/04/2018	24	6.12	2 years
CE-550681/701/718	4.45	9.77%	03/06/2017	3	1.51	3 month
Total	**312.05**					

(3) **Indusind bank**

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
NNN00495E, NNN00494E	49.15	9.57%	05/02/2020	34	1.66	2 years 10 months
NNN00496E	24.12	9.55%	25/02/2020	38	0.81	3 years 2 months
NNN01115L,16L,17L,18L, 19L,20L,21L,22L	52.69	9.57%	28/01/2020	34	1.78	2 years 10 months
NNN01124L, NNN01125L, NNN01126L	40.44	9.55%	23/03/2020	38	1.33	3 years 2 months
Total	**166.40**					

(a) **From Financial Institution**

(1) **SREI equipment finance pvt. ltd.**

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
116981	1,375.63	13.99%	15/10/2016	20	56.3	1 year 8 months
116982	1,324.86	16.01%	15/10/2016	20	54.73	1 year 8 months
117020	1,701.23	14.01%	15/10/2016	20	86.54	1 year 8 months
125001	28.55	9.25%	05/02/2017	11	2.49	11 months
125103	734.42	10.74%	05/04/2018	38	42.35	3 years 2 months
183708/186514/186515	6,704.60	12.11%	05/12/2019	59	170.09	4 years 11 months
186516/187071/187072/ 187073	5,852.23	12.99%	05/12/2019	59	386.22	4 years 11 months
Total	**17,721.52**					

(2) **Indiabulls housing finance ltd.**

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
HHENAG00472269	365.31	15.50%	31/08/2018	1	372.87	1 month
HLLANAG00490113	4,813.06	14.00%	27/12/2019	60	123.34	5 years
Total	**5,178.37**					

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

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
20 Other Financial Liabilities (Non-Current)		
Security deposits from sub contractor	1,221.37	2,175.90
Retention money from sub contractor	2,579.42	2,645.94
Deposits from outsiders	74.65	21.89
Other payable	35.00	35.00
	3,910.44	**4,878.73**
21 Provisions (Non-Current)		
Provision for Employee Benefits		
Provision for gratuity	1,102.53	728.65
Provision for leave benefits	441.77	-
	1,544.29	**728.65**

22 Deferred Tax Liabilities (Net)

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

Deferred income tax liability		
	770.93	626.81
Timing difference on tangible and intangible assets depreciation and amortisation		
Deferred income tax liability	**770.93**	**626.81**
Deferred income tax asset		
Provision for gratuity	402.19	282.88
Leave encashment	178.34	112.29
Long term capital loss on sale of shares of private limited company	41.21	-
Deferred income tax asset	**621.73**	**395.17**
Total Deferred Tax Liability (Net)	**(149.19)**	**(231.64)**
Deferred tax liabilities	770.93	626.81
Deferred tax assets	621.73	395.17
Net deferred tax liabilities	**(149.19)**	**(231.64)**

23 Other Non-Current Liabilities		
Mobilisation advance from customers	2,379.90	3,468.55
Secured advance from customers	1,240.87	1,995.58
Other advance	-	194.21
	3,620.77	**5,658.34**

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

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
24 Borrowings (Current)		
Secured		
1) From Banks		
(A) Cash credit	30,861.31	33,407.97
(B) Electronic vendor finance system	-	4,995.46
	30,861.31	**38,403.44**
Unsecured		
2) From Others	**2,178.83**	**1,454.82**
	33,040.14	**39,858.25**

1 Note 24 (A & B) - Cash credits & EVFS is secured by way of

a) Primary security on stocks comprising of raw-material, work in progress, consumable stores and spare parts, receivable claims and bills both present and future , collateral securities of properties of the company as specified in senction terms, its directors and relatives as mentioned in the annexures to the deed of hypothecation dated 29.04.2019 and TDR to the extent of ₹ 500 lacs ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of directors to the extent of ₹ 137000.00 lacs for fund based and non fund based limits.

c) Personal guarantee of relatives of directors as mentioned in the sention letter to the extent of value of properties provided by them.

d) d) The cash credit is repayable on demand and is carries interest within the range of 8.60% to 10.55% p.a.

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

Name of Shareholder	No. of Shares
Abhay Sancheti	790436
Ajay Sancheti	592687
Anand Sancheti	592687

2 The company has not defaulted in repayment of unsecured loans and interest thereon as on the date of Balance Sheet. Unsecured loan do not have any specific repayment schedule. It will be payable on demand and carries interest within the range of 7% to 12% p.a.

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

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
25 Trade Payable (Current)		
1. Letter of credit issued and outstanding	2,457.09	2,795.21
2. Dues to Micro and small enterprises	224.96	37.43
3. Trade payables other than 1 & 2 above	13,245.50	18,218.69
	15,927.54	**21,051.32**

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

	As at 31 March 2020	As at 31 March 2019
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	224.96	37.43
(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	5.48	1.87
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the micro, small and medium enterprises development act, 2006.	4.13	1.09

	As at 31 March 2020	As at 31 March 2019
26 Other Financial Liabilities (Current)		
Current maturities of long-term borrowings	6,390.09	3,247.57
Expenses payable	4,677.27	4,459.35
Interest accrured but not due	2.09	109.30
Salary and consultancy payable	1,155.73	1,585.97
Withheld amount	224.27	114.72
Lease outstanding payment	2,267.20	326.51
Other payable	237.61	-
	14,954.27	**9,843.41**

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
27	**Other Current Liabilities**		
1	**Statutory dues payable**		
	ESIC payable	1.50	5.14
	Profession tax payable	3.40	2.65
	Provident fund payable	257.83	282.85
	Tax deducted at source and TCS payable	457.12	443.24
	Works contract sales tax payable	-	0.70
	Value added tax	769.68	652.61
	GST payable	869.64	319.50
2	**Advance from debtors**	92.50	1,194.32
3	**Advance for sale of investment (Refer Note No 10)**	-	2,934.46
		2,451.67	**5,835.47**
28	**Provisions**		
	Provision for employee benefits		
	Provision for gratuity	48.42	80.88
	Provision for leave benefits	68.58	321.34
		117.00	**402.22**

		Year ended 31 March 2020	Year ended 31 March 2019
29	**Revenue from Operations**		
	Contract receipts	88,868.14	1,01,884.05
		88,868.14	**1,01,884.05**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by nature. The company believe that this disaggregation best depict show the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry,market and other economic factors.

	Year ended 31 March 2020	Year ended 31 March 2019
EPC	54,365.95	72,026.36
Mining	34,502.19	29,857.69
	88,868.14	**1,01,884.05**

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Other Income**		
	Interest income on		
	Bank deposits	381.77	499.70
	Others	781.31	226.10
	Dividend on investment in subsidiaries	258.04	-
	Share of profit in joint ventures	1.40	-
	Scrap sales	139.94	232.00
	Profit on sale of fixed assets	-	22.46
	Miscellaneous income	248.71	292.78
	Rental income on investment property	14.52	23.88
	Insurance claim	75.62	28.71
	Net gain on foreign currency transaction	-	147.34
		1,901.31	**1,472.97**

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

(₹ in lacs)

		Year ended 31 March 2020	Year ended 31 March 2019
31	**Cost of Project Material Consumed**		
	Inventory at beginning of the year	11,412.12	13,804.76
	Add: Purchases	22,578.72	27,153.50
	Less: Inventory at the end of the year	10,582.87	11,412.12
	Total cost of project materials consumed	**23,407.98**	**29,546.13**
32	**Change in Inventory of Work in Progress**		
	Opening WIP	20,201.00	11,830.50
	Closing WIP	(18,772.19)	(20,201.00)
	Change in inventory of work in progress	**1,428.81**	**(8,370.51)**
33	**Direct Expenses**		
	Work expenses	23,402.30	37,548.49
	Transporting charges	715.08	971.78
	Hire charges	4,012.14	3,815.50
	Royalty	887.48	605.05
	R.T.O taxes	26.84	19.46
	Machinery repairs and maintenance	2,057.21	2,611.24
	Vehicles repairs and maintenance	114.00	166.75
	Insurance	376.61	298.37
	Custom duty	8.18	227.02
	Power and fuel	806.19	774.71
		32,406.02	**47,038.36**
34	**Employee Benefit Expenses**		
	Salaries and wages		
	Salaries, wages, ex-gratia and bonus	12,750.22	13,027.19
	Leave encashment expenses	510.35	321.34
	Gratuity expenses	487.54	307.23
	Contribution to Provident and other funds		
	Contribution to Provident fund	984.71	965.45
	Contribution to employees state insurance corporation	20.31	40.87
	Staff welfare expenses	35.98	26.49
		14,789.10	**14,688.56**
35	**Finance Costs**		
	Interest cost		
	To bank & financial institutions	5,391.41	5,985.39
	To others	1,606.94	635.61
	Interest on mobilisation advance	119.66	601.97
	Interest on statutory dues	288.50	288.43
	Bank finance charges	1,280.90	1,179.11
		8,687.41	**8,690.52**

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

(₹ in lacs)

		Year ended 31 March 2020	Year ended 31 March 2019
36	**Depreciation and Amortization Expenses**		
	Depreciation of tangible assets	2,229.23	1,987.70
	Depreciation of investment properties	6.60	8.13
	Amortization of intangible assets	124.69	122.48
		2,360.52	**2,118.32**
37	**Other Expenses**		
	Power and fuel	264.39	213.92
	Rent	231.65	234.67
	Rates and taxes	52.77	53.97
	Advertising and sales promotion	47.91	28.27
	Office and other miscellenious expenses	297.46	281.40
	Security charges	397.29	373.26
	Donation	10.53	172.23
	Tender expenses	11.31	17.40
	Travelling and conveyance	258.63	306.33
	Postage, telephone & internet cost	42.54	51.48
	Printing and stationery	19.90	19.84
	Legal and professional fees	1,452.96	1,480.98
	Internal auditors remuneration	67.21	51.15
	Statutory auditors remuneration	26.62	24.20
	Cost auditors remuneration	5.25	5.30
	Repairs to building	19.07	21.73
	Corporate social responsibility	5.02	410.00
	Bank charges	11.99	79.06
	Commission & brokarage	39.81	7.79
	Loss on sale of fixed assets	75.74	-
	Share of loss from joint venture & partnership firm	-	7.40
	Net loss on foreign currency transaction	392.57	-
	Lodging, boarding & guest house expenses	170.19	196.03
	Business promotion expenses	67.14	28.41
	Fine and penalty	35.69	25.92
	GST expenses including state compensation cess	20.03	4.17
	Loss on sale of investment	-	520.49
	Central sales tax & value added tax	101.00	166.47
	Service tax & swachha bharat cess	4.55	26.27
	Investment written off	102.00	-
		4,231.22	**4,808.16**

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

38 A Contingent Liabilities and Guarantees

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
Contingent Liability		
Claims against the company not acknowledged as debts		
Income Tax Act	919.23	1,033.47
Service Tax including Penalty of Rs. 18593.58 Lacs (Rs. 18830.24 Lacs) *	41,925.27	41,955.62
Sales Tax/VAT	3,301.93	2,992.16
Life Time road transport tax	721.79	721.79
Legal Cases against company	312.03	306.03
Employees State Insurance Corporation	-	2.24
Other	-	138.00
Guarantees excluding Financial Guarantees		
Corporate Guarantees to associate companies and joint venture	42,166.71	40,586.52
Performance Bank Guarantees of Subsidiries & Associates Co's.	9,384.67	6,424.63

* Includes Rs. 14185 Lacs against appeal number ST/86550/2017 pending before CESTAT, Mumbai , wherein it is contended that the total demand of irregular credit cannot exceed the actual amount of credit availed and that reversal of credit is equivalent to non-availment of credit. Further, the Commissioner (Appeal), Central Excise & GST, Nagpur in order in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 has accepted that computation of reversal of credit made by SMS and dropped the entire demand as the company had reversed credit of INR 104.52 Lacs. It may be noted that the order passed by Commissioner (Appeal) is also for the same period of dispute, i.e., 2011-12 to 2014-15, as in aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai.

In view of the aforesaid legal precedents and order dated 23.08.2018 passed by Commissioner (Appeal), we are of the view that the total demand which may arise as outcome of the aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai should not exceed INR 104.52 Lacs i.e., actual amount of common credit availed by SMS Limited.

Contingent Assets		
Claim raised to the client not acknowledged as receivable*	8,965.66	-

*Note - The company had gone for arbitration and raised several claims under various heads against its client - Konkan Railway Corporation Limited amountinng to Rs. 8965.66 Lakhs. Subsequently, the case has been filled by the company in the Delhi High Court and the same is pending with Court for final adjudication. Due to which, the same is considered as Contingent Asset and disclosed in the notes to accounts.

B Commitments

Capital Commitment	2,184.10	266.93
Revenue Commitment	36,611.35	1,14,451.24
	38,795.45	**1,14,718.17**

39 Payment to Auditors (Excluding Taxes)

Audit fee	20.02	17.60
Tax audit fee	4.40	4.40
Other services (Certification Fees)	2.20	2.20
	26.62	**24.20**

40 While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 834867 lakhs out of which 12.68% is expected to be recognised as revenue in the next year and the balance thereafter.

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

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

(₹ in lacs)

PARTICULARS			2019-20	2018-19
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	29,498.09	28,732.79
		Contract Assets	32,827.49	20,376.13
		Contract Liability	5,464.14	8,842.28
	ii	**Closing Balance**		
		Contract Receivable	32,322.60	29,498.09
		Contract Assets	23,158.75	32,827.49
		Contract Liability	3,620.77	5,464.14
C	ii	Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1,843.37	3,378.15
	iii	Revenue recognised in the reporting period from performance obligations satisfied	Nil	Nil
		Performance obligation satisfied when the services related with the work was	Nil	Nil
		The signifiact payment term are when the work completed the related payment is	Nil	Nil
	iv	An explanation of the significant changes in the contract asset and	Nil	Nil
		There is no signifiact change in the contract assets and contract liability balance	Nil	Nil
D	**Significant judgement in the application of standard**			
	i	An entity shall disclose the judgements, and changes in the judgements, made in	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	Yes	Yes
	ii	an explanation of why the methods used provide a faithful depiction of the transfer	Yes	Yes

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

	Particulars	2019-20
i	Depreciation charge for right-of-use assets	14.73
ii	Interest expenses on lease liabilities	2.01
iii	Expenses relating to short term/low value assets accounted on straight line or other systematic basis ove	NIL
iv	Additions and carrying value of right-of use assets	45.42
v	Gain/loss arising from sale and lease back transactions	NIL

*Note - Refer accounting policy note no. 2.

"During the year the company has acquired the assets worth Rs. 58.52 Crores from SREI which were earlier under operating lease arrangement. As the title / ownership of the assets are transferred to the company during current financial year, as at the balance sheet date, there is no impact of adoption of New Ind AS 116 – Leases on these operating lease arrangement. Accordingly the recognition and disclosure requirements of New Ind AS 116 – Leases are not applied in respect of those operating lease arrangements.

The company has recognized the assets under the head Property, Plant and Equipment in the Audited Financial Statements."

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

43 Employees Benefit

(₹ in lacs)

Particulars	Gratuity plan		Leave encashment plan	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Table I: Assumptions				
Discount Rate	6.88% per annum	7.77% per annum	6.88% per annum	NA
Rate of increase in Compensation levels	7.00% per annum	7.00% per annum	7.00% per annum	NA
Rate of Return on Plan Assets	7.77% per annum	7.74% per annum	NA	NA
Average future service (in Years)	24.76 Years	25.06 Years	24.76 Years	NA
				NA
Table II: Service Cost				
Current Service Cost	367.17	264.79	133.20	NA
Past Service Cost (including curtailment Gains/Losses)*	-	-	377.15	NA
Gains or losses on Non Routine settlements	-	-	-	NA
Total	**367.17**	**264.79**	**510.35**	NA
*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.				
Table III: Net Interest Cost				
Interest Cost on Defined Benefit Obligation	74.89	53.74	-	NA
Interest Income on Plan Assets	11.99	11.30	-	NA
Net Interest Cost (Income)	**62.90**	**42.44**	-	NA
Table IV: Change in Present Value of Obligations				
Opening of defined benefit obligations	963.88	694.29	-	NA
Service cost	367.17	264.79	510.35	NA
Interest Cost	74.89	53.74	-	NA
Benefit Paid	(63.34)	(73.18)	-	NA
Actuarial (Gain)/Loss on total liabilities:	(83.24)	24.25	-	NA
- due to change in financial assumptions	149.20	(3.76)	-	NA
- due to change in demographic assumptions	-	-	-	NA
- due to experience variance	(232.44)	28.01	-	NA
Closing of defined benefit obligation	**1,259.36**	**963.88**	**510.35**	NA
Table V: Change in Fair Value of Plan Assets				
Opening fair value of plan assets	154.36	145.94	-	NA
Actual Return on Plan Assets	11.40	8.42	-	NA
Employer Contribution	63.34	73.18	-	NA
Benefit Paid	(63.34)	(73.18)	-	NA
Closing fair value of plan assets	**165.75**	**154.36**	-	NA
Table VI: Actuarial (Gain)/Loss on Plan Asset				
Expected Interest Income	11.99	11.30	-	NA
Actual Income on Plan Asset	11.40	8.42	-	NA
Actuarial gain /(loss) on Assets	**(0.60)**	**(2.88)**	-	NA
Table VII: Other Comprehensive Income				
Opening amount recognized in OCI outside P&L account	-	-	-	NA
Actuarial gain / (loss) on liabilities	83.24	(24.25)	-	NA
Actuarial gain / (loss) on assets	(0.60)	(2.88)	-	NA
Closing amount recognized in OCI outside P&L account	**82.65**	**(27.13)**	-	NA
Table VIII: The amount to be recognized in Balance Sheet Statement				
Present Value of Obligations	1,259.36	963.88	510.35	NA
Fair value of plan assets	165.75	154.36	-	NA
Net Obligations	1,093.61	809.53	510.35	NA
Amount not recognized due to asset limit	-	-	-	NA
Net defined benefit liability / (assets) recognized in balance sheet	**1,093.61**	**809.53**	**510.35**	NA
Table IX: Expense Recognized in Statement of Profit and Loss				
Service cost	424.51	264.79	510.35	NA
Net Interest Cost	62.90	42.44	-	NA
Expenses Recognized in the statement of Profit & Loss	**487.41**	**307.23**	**510.35**	NA
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	809.53	548.35	-	NA
Service cost	424.51	264.79	510.35	NA
Net Interest Cost	62.90	42.44	-	NA
Re-measurements	(82.45)	27.13	-	NA
Employer Contribution	(63.53)	(73.18)	-	NA
Closing of Net defined benefit liability	**1,150.95**	**809.53**	**510.35**	NA

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

44 Related Party Transactions

I. Relationships (Related Party relationships are as identified by the Company).

a Subsidiary Companies

1. SMS Envoclean Pvt. Ltd.	10. SMS Waste Management Pvt. Ltd.
2. SMS Infolink Pvt. Ltd.	11. PT. SMS Minerals International
3. SMS Mine Developers Pvt. Ltd.	12. Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
4. Spark Mall & Parking Pvt. Ltd.	13. Patwardhan Infrastructure Pvt. Ltd.
5. SMS Taxi Cabs Pvt. Ltd.	14. Maharashtra Enviro Power Ltd.
6. SMS Vidyut Pvt. Ltd.	15. PT. SMS Mines Indonesia
7. SMS Water Grace BMW Pvt. Ltd	16. SMS Bhatgaon Mines Extension Pvt Ltd
8. SMS Tolls And Developers Ltd.	17. Solar Bhatgaon Extention Mines Pvt Ltd
9. SMS-AABS India Tollways Private Limited	

b Associates

1. RCCL Infrastructure Ltd.	2. SMS AAMW Tollways Pvt. Ltd.

c Joint Venture

1. SMS Infrastructure Ltd. & D. Thakkar Construction P	10. SMSIL KTCO (JV)
2. SMS Infrastructure Ltd. & B. P. Construction Co. Pvt	11.BHARTIA SMSIL (JV)
3. SMS Infrastructure Ltd. & Brahamaputra Infrastructur	12.SMSIL-MBPL-BRAPL (JV)
4. SMS Infrastructure Ltd. & Brahamaputra Consortium	13.GDCL-SMSIL (J.V.)
5.SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. .	14. SMSL-SRRCIPL (J V)
6.SMS Infrastructure Ltd. Shreenath Enterprises J.V.	15. SMSIL-WESTCOAST ENGG. CORP. (JV)
7.SRRCIPL-SMSL-BEKEM-JV	16.SMSIL-MBPL (JV)
8.Shaktikumar M. Sancheti Ltd. & S N Thakkar Construc	17. BSS Associates
9.GSJ Envo Ltd. In consortion with SMS Infrastructure I	18. Meghe Sms Health Sciences Consortium (Spv)

d Key Management Personnel

1. Anand S. Sancheti -Managing Director	7.Akshay Sancheti - Whole Time Director ((Appointed w. e. f. 01/03/2020)
2.Abhay H. Sancheti - Chairman & Director (ceased w. e. f. 22/01/2020)	8. Renu Challu - Independent Director (ceased w. e. f. 30/03/2020)
3.Ajay S Sancheti - Non Executive Director (ceased w. e. f. 29/02/2020)	9 Ajay Kumar Lakhotia - Independent Director
4. Dilip B Surana - Whole Time Director	10. Ramendra Gupta- Independent Director
5. Paramveer Sancheti - Whole Time Director (Appointed w. e f. 01/03/2020)	11. Hemant Lodha - Additional Director (Non Executive) (Appointed w. e. f. 01/03/2020)
6.Nirbhay Sancheti -Whole Time Director (Appointed w. e. f. 01/03/2020)	

e Other Related Parties

1. SMS Infrastructure PTE Ltd.	11. Bio-waste Management (U) Ltd.
2. SMS Envocare Ltd.	12. M/s San Finance Corporation
3. SMS Waluj CETP Pvt. Ltd.	13. M/s Sanson Developers
4. SMS Multi Objective Organisation	14. M/s Sanbro Corporation
5. Atul Multi Objective Organisation	15. Anil H. Sancheti
6. Valencia Constructions Pvt. Ltd.	16. KPANV Mines and Mineral LLP
7. Veet Rag Exploration & Minerals Pvt. Ltd.	17. SPANV Medisearch Life Secience Private Limited
8. Veet Rag Hospitality Pvt. Ltd.	18. M/s Best Power Plus Private Limited
9. San Commercials Pvt. Ltd.	19. Kingsway Foundation
10. Adianubhav Developers Pvt. Ltd.	20. Pinnacle

K. SURANA & CO. CHARTERED ACCOUNTANTS NAGPUR F.R. No. 110534W

SMS Limited

Notes to standalone financial statements for the year ended 31 March 2020

2) Transaction carried out with related parties referred to above

(₹ in lacs)

Nature of Transaction	Related Parties: Subsidiary Companies	Related Parties: Associates, JVs & Other Related Parties	Key Mangement Personnel
Advance Given\Repaid	**46.66**	**1,549.49**	-
	(143.52)	(334.82)	-
Advance Received\ Recovered	**46.66**	**725.11**	-
	(3545.53)	(257.99)	-
Loan Given\ Repaid	**9,191.97**	**31,026.98**	-
	(7139.32)	(46726.64)	-
Loan Received\ Recovered	**8,811.07**	**28,778.94**	-
	(6059.27)	(44454.44)	-
Donations	-	**0.40**	-
	-	-	-
Interest Income	**177.55**	**80.11**	-
	(193.62)	-	-
Interest Expense	-	**1,218.38**	-
	-	(547.38)	-
Other Services Rendered	**8.24**	**8.99**	-
	-	-	-
Rent Expenses	**266.62**	**14.40**	-
	(14.12)	(14.4)	-
Rent Income	**21.09**	**0.32**	-
	(27.56)	-	-
Revenue from operations	**696.91**	**16,063.45**	-
	(2580.00)	(16333.35)	-
Sale of Assets	**5,868.92**	**3.21**	-
	-	-	-
Services Taken	**969.82**	**579.61**	-
	(95.57)	(547.97)	-
Sitting Fees	-	-	**130.00**
	-	-	(12.00)
Managerial Remuneration	-	-	**515.68**
	-	-	(389.31)
Change in Investment	**-3,292.44**	**9.66**	-
	-	-	-
Loss on Foreign Exchange	**395.12**	-	-
		-	-

***All figures in brackets are related to previous financial year 2018-19**

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

SMS Limited

Notes to standalone financial statements for the year ended 31 March 2020

(₹ in lacs)

Party Name/ Nature of Transactions	Loans/Advances Given (Repaid)	Loans/Advances Taken (Recovered)	Advances Written off	Donations	Interest Income	Interest Expense	Other Services Rendered	Rent Expenses	Rent Income	Revenue from operations	Sale of Assets	Services Taken	Sitting Fees	Managerial Remuneration	Changes in Investment	Loss due to Foreign Exchange Fluctuation	Closing Balance
1.Subsidiaries																	
Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	3,755.67	1,546.60	-	-	-	-	0.69	-	17.58	-	5,868.52	-	-	-	-	-	5,678.02
	(4802)	(3534.8)	-	-	-	-	-	-	(15.16)	-	-	-	-	-	-	-	(-2401.33)
Maharashtra Enviro Power Ltd.	0.04	-	-	-	-	-	-	-	-	370.73	-	35.96	-	-	-	-	206.55
	(194.98)	(2858.51)	-	-	-	-	-	-	-	(2580.64)	-	(95.57)	-	-	-	-	(-214.82)
Patwardhan Infrastructure Pvt Ltd	1.92	1.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(0.58)	(6.67)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SMS Bhatgaon Mines Extention Pvt Ltd	5.12	-	7.13	-	-	-	-	-	-	-	-	-	-	-	-51.00	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.01)
SMS Envioclean Pvt Ltd	-	-	-	-	-	-	-	-	3.00	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(12)	-	-	-	-	-	-	-	-
SMS Infolink Pvt Ltd	1.05	-	-	-	-	-	-	-	0.51	-	-	-	-	-	-	-	3.70
	(1.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.05)
SMS Mine Developers Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37.00
	(36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37)
SMS Minerals International	-	-	-	-	177.55	-	-	-	-	-	-	-	-	-	-	360.10	5,298.46
	-	-	-	-	(193.62)	-	-	-	-	-	-	-	-	-	-	-	(5470.88)
SMS Mines Indonesia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.02	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49.29)	-
SMS Tolls & Developers Ltd	44.61	-	-	-	-	-	7.54	252.20	-	-	-	932.90	-	-	-	-	-54.76
	(1.03)	(11.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(112.87)
SMS Vidyut Pvt Ltd	5,429.37	7,109.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-245.98
	(245.74)	(4970.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1633.86)
SMS Waste Management Pvt Ltd	0.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.74
	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.89)
Solar Bhatgaon Extention Mines Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-51.00	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)
Spark Mall & Parking Pvt Ltd	-	-	-	-	-	-		14.42	-	326.18	-	0.95	-	-	-3,190.44	-	-2,087.06
	(2000.86)	(6037.36)	-	-	-	-		(14.12)	-	-	-	-	-	-	-	-	(2228.34)
2.Associates, JVs & Other Related Parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Atul Multi Objective Organisation	-	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bharia-SMSIL JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	(265.03)	-	-	-	-	-	-	(160.64)
BSS Associates	-	-	-	-	-	-		14.40	-	-	-	-	-	-	-	-	-3.24
	-	-	-	-	-	-		(14.4)	-	-	-	-	-	-	-	-	(-1.08)
GSJ Envo Ltd in consortium with SMSIL	176.86	502.66	-	-	-	-	7.71		-	-	-	-	-	-	-	-	-303.95
	(2690.19)	(343.19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19.4)

47

SMS Limited

Notes to standalone financial statements for the year ended 31 March 2020

₹ in lacs

KPANV Mines & Minerals LLP	-	-	-	-	-	-	-	-	0.32	-	-	-	-	-	-	-	0.37
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sai Finance Corporation	17,808.94	24,789.60	-	-	-	1,218.18	-	-	-	-	-	-	-	-	-	-	-4,138.03
	(43189.8)	(40095.64)	-	-	-	(547.38)	-	-	-	-	-	-	-	-	-	-	(-6103.58)
Sanbro Corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.67
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shreenath Enterprise-SMSIL JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	349.52
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(349.52)
SMS AAMW Tollways Pvt Ltd	1.28	-	7.06	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038.89
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1044.67)
SMS Envocare Ltd	1,353.20	200.00	-	-	-	-	-	-	-	-	-	565.06	-	-	-	-	-245.96
	(596.1)	(10.27)	-	-	-	-	-	-	-	(182.8)		(547.97)	-	-	-	-	(-535.25)
SMS Multiobjective Organisation	0.40	0.20	-	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SMSIL KTCO JV	0.64	0.28	-	-	-	-	-	-	-	-	-	-	-	-	0.13	-	-0.57
	(0.52)	(37.94)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(-0.93)
SMSIL-DTCPL JV	2,966.38	3,942.00	-	-	-	-	-	-	-	4,409.75	-	-	-	-	-	-	1,201.09
	(43.62)	(3480)	-	-	-	-	-	-	-	(2978.24)	-	-	-	-	-	-	(172.17)
SMSIL-GDCL JV	87.34	59.26	-	-	-	-	-	-	-	2,854.36	-	-	-	-	-	-	-100.32
	-	-	-	-	-	-	-	-	-	(3063.93)	-	-	-	-	-	-	(445.31)
SMSIL-MBPL-BRAPL JV	72.98	7.07	-	-	-	-	-	-	-	5,690.99	2.66	-	-	-	-	-	1,291.48
	(256.85)	(319.41)	-	-	-	-	-	-	-	(5390.11)	-	-	-	-	-	-	(723.6)
SMSIL-SNT JV	0.11	-	-	-	-	-	-	-	-	383.88	-	6.25	-	-	-	-	780.08
	0.12	-	-	-	-	-	-	-	-	(468.1)	-	-	-	-	-	-	712.37
SMSIL-MBPL JV	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SMSIL-SRRCIPL JV	-	-	-	-	-	-	-	-	-	470.18	-	-	-	-	1.22	-	36.81
	-	-	-	-	-	-	-	-	-	(2299.72)	-	-	-	-	-	-	(240.86)
SPANV Medisearch Life Science Pvt Ltd	-	-	-	-	80.11	-	-	-	-	1,419.10	-	-	-	-	-	-	1,433.81
	(171.5)	(299.94)	-	-	(5.35)	-	-	-	-		-	-	-	-	-	-	(224.38)
SRRCPL-SMSL-BEKEM-JV	-	-	-	-	-	-	-	-	-	834.01	-	-	-	-	0.12	-	392.91
	-	-	-	-	-	-	-	-	-	(1685.21)	-	-	-	-	-	-	(909.63)
Veetrag Exploration & Minerals Pvt Ltd	-	-	-	-	-	-	0.88	-	-	1.17	0.55	-	-	-	-	-	7.70
	(50)	(50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.38)
Veetrag Hospitality Pvt Ltd	-	-	-	-	-	-	0.39	-	-	-	-	-	-	-	-	-	0.46
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(-0.1)
SMSIL-AIPPL JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.07	-	0.12
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.52)
MEGHE SMS HEALTH SCIENCES CONSORTIU	108.31	3.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104.74
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.36	-	-
SMSIL-BCL JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.17)
SMSIL-BIL JV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18.72)
Finnacle	-	-	-	-	-	-	-	-	-	-	-	8.29	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

48

(₹ in lacs)

3.Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abhay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-		98.87	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-		(121.2)	-	-	-
Ajay Kumar Lakhotia	-	-	-	-	-	-	-	-	-	-	-	-	4.00		-	-	-0.90
	-	-	-	-	-	-	-	-	-	-	-	-	(4)		-	-	-
Akshay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-		19.83	-	-	-7.63
	-	-	-	-	-	-	-	-	-	-	-	-		(26.64)	-	-	-
Anand Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	59.00	204.86	-	-	-9.48
	-	-	-	-	-	-	-	-	-	-	-	-		(131.94)	-	-	-
Dilip Surana	-	-	-	-	-	-	-	-	-	-	-	-	59.00	134.37	-	-	-9.42
	-	-	-	-	-	-	-	-	-	-	-	-	-	(109.54)	-	-	-
Nirbhay Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	38.32	-	-	-2.27
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ramendra Gupta	-	-	-	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-0.90
	-	-	-	-	-	-	-	-	-	-	-	-	(4)	-	-	-	-
Renu Chellu	-	-	-	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-0.90
	-	-	-	-	-	-	-	-	-	-	-	-	(4)	-	-	-	-
Param Sancheti	-	-	-	-	-	-	-	-	-	-	-	-	-	19.83	-	-	-7.04
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*All figures in brackets are related to previous financial year 2018-19

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

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 2020	As at 31 March 2019
Non-current Borrowings	17,788.94	11,155.15
Current Borrowing	33,040.14	39,858.25
Current Maturities of Non current Borrowing	6,390.09	3,247.57
Total Debt	**57,219.17**	**54,260.98**
Less : Cash & Cash Equivalent and other bank balance	5,047.51	3,389.66
Net debt	**52,171.66**	**50,871.32**
Equity	64,359.74	59,783.86
Total capital	64,359.74	59,783.86
Capital and net debt	**1,16,531.40**	**1,10,655.18**
Gearing Ratio	44.77%	45.97%

46 Earnings Per Share (EPS)

Profit/(loss) after tax	4,830.98	3,027.56
Net profit for calculation of basic EPS	**4,830.98**	**3,027.56**
Effect of dilution	-	-
Net profit/(loss) for calculation of diluted EPS	**4,830.98**	**3,027.56**
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:		
Basic	**47.08**	**29.50**
Diluted	**47.08**	**29.50**

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

47 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if require, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

(₹ in lacs)

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	12,593.35	-	-	12,593.35	12,593.35
Trade receivables	32,322.60	-	-	32,322.60	32,322.60
Loans	8,504.20	-	-	8,504.20	8,504.20
Others financial assets	28,004.91	-	-	28,004.91	28,004.91
Cash and cash equivalents	576.23	-	-	576.23	576.23
Other bank balances	4,471.29	-	-	4,471.29	4,471.29
Liabilities:	-				
Borrowings	50,829.08	-	-	50,829.08	50,829.08
Trade payables	15,927.54	-	-	15,927.54	15,927.54
Other financial liabilities	18,864.70	-	-	18,864.70	18,864.70

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 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	15,919.83	-	-	15,919.83	15,919.83
Trade receivables	29,498.09	-	-	29,498.09	29,498.09
Loans	9,280.84	-	-	9,280.84	9,280.84
Others financial assets	35,606.68	-	-	35,606.68	35,606.68
Cash and cash equivalents	452.53	-	-	452.53	452.53
Other bank balances	2,937.13	-	-	2,937.13	2,937.13
Liabilities:					
Borrowings	51,013.41	-	-	51,013.41	51,013.41
Trade payables	21,051.32	-	-	21,051.32	21,051.32
Other financial liabilities	14,722.14	-	-	14,722.14	14,722.14

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

48 **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.

(₹ in lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	32,322.60	29,498.09
Work in progress	18,772.19	20,201.00
Total	**51,094.79**	**49,699.09**

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 2020	As at 31 March 2019
Letter of credit	4,009.82	5,024.58
Bank guarantees	84,062.80	72,733.90
Total	**88,072.62**	**77,758.49**

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

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 2020	As at 31 March 2019
Cash and cash equivalent	576.23	452.53
Bank balance other cash and cash equivalent	4,471.29	2,937.13
Total	**5,047.51**	**3,389.66**

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

C Market Risk

Foreign excahnge rates

The Company has balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

49 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

a) Gross amount required to be spend by the company during the year Rs 99.06 Lacs (Previous year March 31st 2019, Rs 102.62 Lacs).

b) The company has spend Rs 5.02 Lacs during the current financial year (Previous year March 31st 2019: Rs 410.00 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

(₹ in lacs)

	Amount Spend
Year ended March 31, 2020	
i) Construction/ acquisition of any Asset	-
ii) On Purpose other than (i) above	5.02
TOTAL	**5.02**
Year ended March 31, 2019	
i) Construction/ acquisition of any Asset	175.00
ii) On Purpose other than (i) above	235.00
TOTAL	**410.00**

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

Reconciliation of comprehensive income	**As at 31 March 2019**	**As at 31 March 2018**
Total comprehensive income as per the last audited financial statement	3,053.19	2,786.45
Prior Period item	43.28	74.25
Total comprehensive income as per the current year financial statement	**3,009.91**	**2,712.20**

B

Reconciliation of other equity	**As at 31 March 2019**	**As at 31 March 2018**
Total amount of other equity as per the last audited financial statement	58,801.00	55,432.00
Prior period item	43.28	74.25
Total amount of other equity as per the current year financial statement	**58,757.72**	**55,357.75**

51 Company is having verious works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st July, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the original contract. This resulted in increased tax liability on the company against which company filed the claimed with the concern Department. Outcome of few claims is still pending with the Department. But on the basis of opinion taken from the legal advisor, the company made the provision for the GST impact turnover in books of account.

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

52 The company had made investments to the tune of Rs. 1,747 lacs and 3320.67 lacs in two subsidiaries, SMS Taxicabs Pvt Ltd and Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited)

SMS Taxicabs P Ltd. (STPL) was floated to run a fleet of Radiocabs in the city of Mumbai taxis. STPL owns licenses to run 2800 taxis and the same are perpetual in nature. STPL, though was making good profits in the initial years, is in to losses due to severe competition from large corporates. However, the licenses owned by the company are of perpetual in nature and SMS will be able to recoup substantial revenue by sale of these licenses.

Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited) was floated to Develop and Operate a Multilevel Fully Automated Car Parking System and Commercial Complex in Kamlanagar, Delhi. Since inception, it is in losses. This was due to recession in the retail sales of the malls across India. However, The company has changed the product mix and had shifted its focus from retail trade to services and food outlets and gaming zones are being introduced. The compàny is also in an advanced stage of starting two 40 seater miniplexes. The managemnt is hopeful of revival of economy and boost to property market and consequently will be able to generate revenue to repay the loan.

Hence, the parent company is optimistic that over the period, project, will make good money over and above the invested amount.Considering these facts, despite substantial losses in these two companies, the managemnt intends to carry these investments at its historical cost without any impairment.

53 SMS Ltd had invested an amount of Rs. 134.90 lacs towards equity and Rs. 5288.46 lacs as unsecured loan to its foreign JV in Indonesia with the name Pt. SMS Minerals International. The company is in the business of trading coal in the province of Sumatra. In the past, this JV company had huge reserves of coal and substantial portion of the same has been mined and sold with good returns. Since last few years, there is no business in the JV company as the balance portion of the coal reserves is stuck beneath a river. The approval for river diversion is already put with the concerned authorities in Indonesia. SMS Ltd is optimistic that once the approval for diversion of river is obtained, it can extract the balance portion of coal and recoup its entire investment in the JV company along with the recovery loan advanced.

54 SMS Limited had invested an amount of Rs. 992 lacs in SMS Vidyut Private Limited. The company is engaged in the business of Hydro Power generation across the river Pench. The concessioning authority had ensured a minimum guaranteed supply of water and a power purchase agreement was already in place. However, the concessioning authority had failed to supply the minimum guaranteed water, owing to which desired output was not generated, resulting into losses to the company on a year or year basis. The company had already taken up this matter with the concessioning authority and claimed compensation for the losses of the previous years. The company is confident of getting an award and hence, The management intends to carry the value of investment in SMS Vidyut Private Limited at its historical cost.

55 The Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an 'associate company'). As at year end the outstanding amount is Rs. 1,038.89 Lakhs.

Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation which is disputed by later. Against this, Associate company had approached Hon. High Court of Delhi, for appointment of Arbitrator to resolve the dispute. Hon. High Court vide its order dated 17.06.2016, appointed Sole Arbitrator. However, the same was challenged by South Delhi Municipal Corporation in Hon. Supreme Court and the same was granted by Hon. Court in their favour.

Thereafter on 22/11/2018, the Associate company had again filed a Special Leave Petition for clarification of earlier Order of the Hon. Supreme Court. The company is of view that Hon. Supreme Court will allow appointment of Arbitrator. The Company is hopeful of outcome of claim of Associate company and consequently the money will be recovered from it associate company.

56 During the year a fraud /misappropriation of funds of Rs 57 lacs by an employee was identifies by the company on 02/09/2019 through its vigil mechanism. The company has lodged the FIR and matter is under verification by Police Department. The Company is taking necessary action against the employee for recovery of the amount. These facts were already disclosed in the consolidated audited financial statement for F.Y. 2018-19.

57 The Company has proposed & paid 25.10% Dividend amounting to 257.56 Lacs (Rs. 2.51/- per share) which will be distributed to equity share holders for the financial year 2019-20.

58 SMS Bhatgaon Mines Extension Pvt Ltd & Solar Bhatgaon Extention Mines Pvt Ltd strike off during the year. Due to which the investment in respect of those subsidiaries have been written off during current financial year.

F.R. No. 110634W
CHARTERED ACCOUNTANTS NAGPUR

59 The World Health Organisation declared a global pandemic of the Novel CORONAVIRUS disease COVID-19 on Feb-2020. The same has impacted India too and on 22nd March'2020 the Government of India had declared a nationwide lockdown. During the last few weeks of March 2020 the company has witnessed the impact of covid-19. Due to this the movement of people and work has stopped, no work is executed and billing is affected in this period, which otherwise generally contributes to major work execution in infrastructure industry. This has impacted the cash flow of the Company. Due to this, the turnover and profit of the Company is also affected.

Post March 2020, the Covid has impacted severely with continued restriction on movement of workforce and closure of work places. Due to lockdown the work of major site like Tumlapalli and KCC (Hindustan copper) is reduced while the work at Malajkhand has not started in time. The work is impacted and the recovery is reduced substantially against the work done in the past. There is always substantial inflow in the months of March and April due to settlement of dues by the year end.

The Covid has impacted the current period and will also have impact on the future work. All the Government resources are diverted to the Corona relief work. The likely award of fresh work / extension of the work is stopped which will impact working / turnover and profits of the company.

The Supply Chain interruptions are likely to continue, affecting the availability and cost of material and equipment, and eventually may impact project profitability. The pandemic and lock down across the country has threatened the workforce and many of them have left the workplace and shifted to their native places. This has resulted in shortfall of workforce to execute the existing work and also increased the cost due to shortage in availability. This has resulted in extra cost to the company on transportation of workforce to their native places and bringing them back as well as cost of arrangement of additional campus at site.

However to overcome this, the management has taken various measures to reduce the cost. The company is intending to buy more machines to mechanise the work and cover the shortfall of manpower. Also the efforts are being made to increase the work with the new machines, rigorous efforts and follow up. As such the management is hopeful that part the adverse impact will be offset by this. As such the management do not envisage the threat on its going concern basis on any of its project and the Company as a whole.

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

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

CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 20043414AAAACM7251
Place : Nagpur
Date : 29/08/2020

For and on behalf of the Board of Directors

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

SMITA P. AGARKAR
Company Secretary

SUSHANT S. MUKHERJEE
Chief Financial Officer

V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of
SMS Limited
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of SMS Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statement of subsidiaries, associates and jointly controlled entities except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2020, their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

A) The Holding Company has not consolidated the current year financial statement of its one of the Jointly Controlled Entity- SMS Infrastructure & D. Thakkar Construction Pvt. Ltd. as the partner- D. Thakkar Construction Pvt. Ltd. had gone into National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Proceedings (CIRP). Due to non-submission of required documents/ information's by said partner the books of accounts of the entity is not yet finalized.

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

Due to this the previous figures of assets and liabilities only have been considered in the Consolidated Financial Statement without incorporating current year transactions of Assets, Liabilities, Incomes and Expenses which may be of material amount.
Refer Note No.8 to the Consolidated Financial Statements.

B) SMS Taxicabs Private Limited – Subsidiary of the Holding Company

No statement of account was available in respect loan from Abhyudaya Co-Operative Bank & HDFC Bank. Also no statement of account was available in respect of current account with Abhyudaya Co-Operative Bank, Corporation Bank Malad & Mulund Branch, State Bank of India Fort & Malad Branch and United Bank of India. Also the above bank loan and current accounts, trade receivables, payables and all employee advances are subject to confirmation and reconciliations if any. In absence of the reconciliation / confirmations, we are unable to determine the effect of these transactions on the financial statements of the subsidiary company

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

Emphasis of Matter

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

2. We draw attention to Note No. 60 of the Consolidated financial statements related to effect of Covid- 19 on the Consolidated financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the holding company. The Holding Company expects to sustain and overcome the impact and recover from the present slowdown.

3. **Jointly Controlled Entities and associate company not consolidated**

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

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

In the absence of the financial statements of five Jointly Controlled Entities and one associate company, the balances appearing as investment in the books of accounts of holding company is considered as it is, without consolidating proportionate share in respective assets & liabilities and Income & expenditure of Jointly Controlled Entities. In case of associate, holding company's share of profit / (loss) for the financial year 2019-20 (as per equity method) has not been considered.

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

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the above and our report in terms of sub-sections (3) of Section 143 of the Act, is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

➢ **SMS Taxicabs Private Limited – Subsidiary of the Holding Company**

GOING CONCERN

The net-worth of the subsidiary company has significantly eroded and turned negative as at the end of the previous year. The subsidiary company has closed its phone a fleet taxi operation in the earlier years and the financial viability of the subsidiary company greatly depends on its ability to pursue new business ventures and /or strategic business plans. The subsidiary company started DBO subscription scheme in place of existing taxi operations from the earlier years. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

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

➢ **SMS Limited – Holding Company**

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	**Impact of COVID-19 on the Holding Company's operations and Consolidated financial statement.** On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and restriction on movement of people by the Government of India which has significantly impacted business operation of the Holding Company. We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key event and consideration for Company's Operations on account of: - Short and long term effect on company's business operations and its consequential cascading negative impact on revenue; - Impact of the pandemic on the Revenue and Expenses. Refer Note 60 to the Consolidated financial statements.	**Our audit procedures included and were not limited to the following:** - Obtained and reviewed the management impact assessment on account of reduction in revenue during current financial year, including judgement and estimates applied in determining the areas of impact. - Assessed the determination of impact on contract receipts on restrictions due to nationwide lockdown consequent to COVID-19. - Assessed the determination of reduction in direct operating expenses during lockdown period consequent to COVID-19. - Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19. - Assessed management's cost reduction measures taken by the holding company in order to reduce the impact COVID-19. - Assessed and evaluated the possible recovery in other operating segment. - Assessed and evaluated expenditure incurred towards preventive health measures as an additional cost for prevention of COVID-19. - Performed subsequent event procedures upto the date of the audit report. - Assessed and tested the disclosure relating to COVID-19 Impact on financial position for FY 19-20 and for the period April'20 to August'20.
2.	**Evaluation of impairment of Non-Current Investments and Current Loans.** Investments and Loans are reviewed at the end of each reporting period to determine whether there is any indication of impairment.	**Principal Audit Procedures** Our audit procedures in respect of impairment of investment in and Loans given, included the following: • Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models;

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

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	If such evidence exists, impairment loss is determined and recognised of accounting policies to the Consolidated financial statements. We identified the assessment of impairment indicators and resultant provision, if any, in respect of investment as a key audit matter because of • The significance of the amount of these investments in the Consolidated Balance Sheet. • Performance and net worth of these entities and • The degree of management judgement involved in determining the recoverable amount of these investments including: Valuation assumptions, such as discount rates. Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments. Refer Note No.8 and 9 to the Consolidated Financial Statements.	• Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models; • Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; • Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products; • Evaluating past performance where relevant and assessed historical accuracy of the forecast produced by the management; • Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; • Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and • Performing sensitivity analysis of key assumptions, including future revenue growth rates applied in the valuation models.
3.	**Evaluation of Contingent Liabilities** Claims against the holding company not acknowledged as debts is disclosed in the Note No.- 40(A) to the Consolidated Financial Statement. The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of the contingent liabilities. The Holding Company is undergoing legal proceedings on disputed tax demands.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Obtained understanding of Demand / dispute raised in respect of statutory dues and other legal cases against the holding company; • We along with our internal tax experts – a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;

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

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	The Holding Company's management has assessed that the probability of success of the demand is remote and accordingly not provided for the disputed demands. Management judgement is involved in assessing the accounting for demands, and in considering the probability of a demand being successful and accordingly designated this as a key audit matter.	b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards; c) Assessed management's estimate of the possible outcome of the disputed cases.
4.	**Revenue recognition in respect of claims for differential tax consequent to migration of Indirect taxes into Goods and Services Tax:** Company is having various works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st july, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the rates prevailing at the time of execution of original contract. This resulted in increased tax liability and reduced margin on the holding company against which company has raised the claim on concerned Department. Outcome of some claim is still pending with the Department. But on the basis of opinion taken from the legal advisor, the holding company made the provision for the GST impact turnover in books of account. Management estimation is involved in assessing the outcome of the claim raised by the holding company, and in considering the probability of a recovery of the claims and accordingly designated this as a key audit matter. Refer Note No. – 53A to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures include the following substantive procedures: • Read, analysed and identified contracts in view of the clause of Levy, Rates and Collection of Indirect tax from the Customer / Department. • Considered the terms of the contracts to determine the transaction price i.e. whether it is inclusive of the Indirect Taxes or not. • Considered the fact as to whether separate conditions are mentioned in the Contract related to change in Indirect Tax Rates / Indirect Tax Law. • Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; • Assessed management's estimate of the possible recovery of the claim raised to the Department.

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

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
5	**Accuracy of recognition, measurement, presentation and disclosures of Leases and other related balances in view of adoption of Ind AS 116 "Leases" (new Indian accounting standard)** With effect from 1st April, 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Holding Company has adopted Ind AS 116, retrospectively with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). The application and transition to this accounting standard is complex and is an area of focus in our audit since the Holding Company has lease arrangement with different contractual term. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 44 to the Consolidated financial statements.	**Our key audit procedures included and were not limited to the following:** • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116); • Assessed the identification of leases based on the contractual agreements and our knowledge of the business. •Evaluate the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition at 1st April'2019: a) Evaluated the method of transition and related adjustments; b) Tested completeness of the lease data by reconciling the Holding Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a stastical sample, we performed the following procedures: a) Assessed the key terms and conditions of each lease with the underlying lease contracts; and b) Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and lease terms. • Assessed and tested the presentation and disclosure relating to Ind AS 116 including disclosures relating to the transitions.

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

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

Responsibilities of Management and for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act- read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Holding Company's Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with management of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Other Matters

a) We did not audit the financial statements / financial information of three subsidiaries, and ten jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 88,871.42 Lacs as at 31st March, 2020, total revenues of Rs. 57811.06 Lacs and net cash outflows amounting to Rs. 1024.91Lacs 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 of Rs 0.46 Lacs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

The financial statement of jointly controlled entities are prepared in accordance with accounting principles generally accepted in India (Indian GAAP) and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statements are consolidated based on conversion adjustments prepared by the management of the company, which have been checked and considered by us.

b) We did not audit the financial statements / financial information of two foreign subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets of Rs. 3361.31 Lacs as at 31st March, 2020, total revenues of Rs.36.07 Lacs and net cash outflows amounting to Rs.40.49 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.

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

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these foreign subsidiaries, jointly controlled entities and associate, 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 and jointly controlled entities, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

The two foreign subsidiaries and one 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 prepared by the management of the company, which have been checked and considered by us. (Refer Note No. 50 to the Consolidated Financial Statements)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Auditor's Report on Consolidated Financial Statement.

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint controlled entities, we report, to the extent applicable, that:

   a) We have sought and except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraphs, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

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

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) In the absence of specific reporting in Auditors report of subsidiary company – SMS Taxicabs Private Limited, on whether the matters described in Basis of Qualified Opinion paragraph have an adverse effect on the functioning of the subsidiary company or not, we are unable to comment on the same.

f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, one of the director of the Subsidiary Company-SMS TAXICABS PRIVATE LIMITED is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act *by virtue of suo-motu action initiated by Registrar of Companies vide order dt. 11.09.2017 to strike off of another company (in which above director of Subsidiary Company, was also a director of that company.)Further the company has also defaulted in e-filing of annual returns for 2016-17, 2017-2018, 2018-2019 which is continuous period of 3 years and hence the remaining directors are technically disqualified in terms of section 164 (2) of the Act.*

g) In the absence of specific reporting in Auditors report of Subsidiary company - SMS Taxicabs Private Limited on whether qualifications as stated in the *Basis of Qualified Opinion paragraph* is related to the maintenance of accounts and other matters connected therewith, or not, we are unable to comment on the same.

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

h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the Company and its twelve subsidiaries companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting of those companies, for the reasons stated therein.

In case of SMS Taxicabs Private Limited – Subsidiary of the Company, not included above, the reporting under Internal Financial Controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

In case of SMS AAMW Tollways Private Limited – Associate Company, not included above, the reporting under Internal Financial Controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

In case of RCCL Infrastructure Private Limited – Associate Company, the financial statements / financial information are not available and in the absence of reporting under Internal Financial Controls over the financial reporting, we are unable to comment on the same.

In case of two foreign subsidiary companies, the reporting under Internal Financial Controls over the financial reporting is not applicable as these companies are not incorporated in India, due to which we are unable to comment on the same.

In case of all the jointly controlled entities, the reporting under Internal Financial Controls over the financial reporting is not applicable as the nature of entities are partnership firms and association of persons and not companies, due to which we are unable to comment on the same.

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

i. Except for the possible effects of the matters described in *the Basis for Qualified Opinion paragraph*, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities. Refer 40 A to the Consolidated Financial Statements.

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

The Subsidiary of the Company - SMS Taxicabs Private Limited has not disclosed the details of following pending litigation under the contingent liability in its financial statement:

a) Litigation of Corporation Bank in The Mumbai Debts & Recovery Tribunal for unpaid amount of secured term loan – Rs. 854.39 Lacs
b) Litigation of Creditor Eco Fuel System (I) Pvt Ltd in The National Company Law Tribunal for unpaid amount of outstanding against material supplied. –Rs. 362.38 Lacs.
c) Litigation of Employees Shri Surendra Pal and Shri Ajit Rajapure in The Labour Court, Mumbai for unpaid amount of salary, full & final settlement and other salary related dues. – amount not ascertained (The working for these amounts is disputed hence it is unable to quantify the same)

ii. The Group and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate companies.

j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid by the Holding Company, its subsidiaries and associate companies to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

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

CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, December 17, 2020
UDIN - 20043414AAAAEX2724

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ANEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the **consolidated** financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **SMS LIMITED** (hereinafter referred to as "the Company"), its twelve subsidiary companies which are companies incorporated in India, as of March 31, 2020.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its twelve subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respect.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

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

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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, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

A) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

B) In case of SMS Taxicabs Private Limited – Subsidiary of the Company, opinion on the Internal financial controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

C) In case of RCCL Infrastructure Private Limited – Associate of the Company, the financial statements / financial information are not available and in the absence of reporting under Internal Financial Controls over the financial reporting, we are unable to comment on the same.

D) In case of SMS AAMW Tollways Private Limited – Associate Company, not included above, the reporting under Internal Financial Controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

E) In case of two foreign subsidiary companies, the reporting under Internal Financial Controls over the financial reporting is not applicable as these companies are not incorporated in India, due to which we are unable to comment on the same.

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

F) In case of all the jointly controlled entities, the reporting under Internal Financial Controls over the financial reporting is not applicable as the nature of entities are partnership firms and association of persons and not in the nature of companies, due to which we are unable to comment on the same.

For V. K. Surana & Co.
Chartered Accountants
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V. K. SURANA & CO. * F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, December 17, 2020
UDIN -20043414AAAAEY2724

SMS Limited

Consolidated Balance Sheet as at 31 March 2020

(₹ in lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Assets			
(1) **Non-current assets**			
(a) Property, plant and equipment	3	29,918.89	23,276.99
(b) Capital work in progress		1,039.79	4,323.49
(c) Investment property	4	1,553.25	1,559.85
(d) Goodwill	5	680.93	681.07
(e) Other Intangible assets	6	56,897.15	69,097.39
(f) Intangible assets under development	7	12,882.08	15,017.54
(g) Investments accounted for using the equity method	8	(1,108.97)	(1,108.51)
(h) **Financial assets**			
(i) Investments	8	39,360.75	37,608.68
(ii) Loans	9	5,146.50	4,863.43
(iii) Other financial assets	10	14,690.42	22,893.01
(i) Deferred tax assets (net)	11	15,251.18	14,349.89
(j) Other non-current assets	12	360.76	313.73
Total non-current assets		**1,76,672.73**	**1,92,876.56**
(2) **Current assets**			
(a) Inventories	13	32,029.57	34,879.49
(b) **Financial assets**			
(i) Trade receivables	14	36,781.50	33,914.79
(ii) Cash and cash equivalent	15	2,491.48	3,414.67
(iii) Bank Balance other Than (ii) above	15	4,815.43	3,077.24
(iv) Loans	9	17,736.42	13,963.36
(v) Other financial assets	16	19,258.90	24,335.67
(c) Current Tax Assets (Net)	11	3,589.96	2,315.71
(d) Other current assets	17	21,973.97	20,228.18
Total current assets		**1,38,677.23**	**1,36,129.12**
Assets classified as held for Sale		24.28	24.28
Total assets		**3,15,374.24**	**3,29,029.96**
Equity and liabilities			
(1) **Equity**			
(a) Equity Share Capital	18	1,026.14	1,026.14
(b) Other Equity	19	62,034.16	59,117.56
Equity Attributable to owners of the parent		**63,060.30**	**60,143.70**
(c) Instruments entirely equity in nature		604.82	604.82
(d) Money received against share warrants		8,031.22	8,031.22
(e) Non-controlling interests		6,667.29	3,753.35
Total equity		**78,363.64**	**72,533.10**
(2) **Liabilities**			
Non-current liabilities			
(a) **Financial Liabilities**			
(i) Borrowings	20	80,236.88	68,250.82
(ii) Other financial liabilities	21	7,610.22	8,363.23
(b) Provisions	22	37,944.28	50,417.35
(c) Other non current liabilities	23	4,633.74	6,895.78
Total Non-current Liabilities		1,30,425.12	1,33,927.19

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

SMS Limited

Consolidated Balance Sheet as at 31 March 2020

(₹ in lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Current liabilities			
(a) **Financial Liabilities**			
(i) Borrowings	24	45,133.00	56,713.93
(ii) Trade payables dues to	25		
Micro and Small Enterprises		229.97	56.99
Other than Micro and Small Enterprises.		22,538.42	27,923.07
(iii) Other financial liabilities	26	31,882.66	30,418.43
(b) Other current liabilities	27	4,575.63	4,283.20
(c) Provisions	22	2,225.81	3,174.06
Total Current liabilities		1,06,585.48	1,22,569.68
Total liabilities		**2,37,010.60**	**2,56,496.87**
Total equity and liabilities		**3,15,374.24**	**3,29,029.96**

Significant Accounting Policies 2

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

As per our audit report of even date.

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

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

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 17/12/2020
UDIN : 20043414AAAAEX2724

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

SUSHANT MUKHERJEE
Chief Financial Officer

SMITA AGARKAR
Company Secretary

SMS Limited

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

(₹ in lacs)

Particulars	Note No.	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from operations	28	1,62,128.14	1,78,431.89
Other income	29	3,679.07	3,164.01
Total income		**1,65,807.21**	**1,81,595.91**
Expenses			
Cost of Raw/project material consumed	30	23,597.54	29,688.57
Direct Expenses	31	57,282.83	77,740.97
Purchase of Stock-in-trade	32	217.84	141.74
Change in Inventories of Stock in trade and Work in Progress	33	1,952.44	(8,152.30)
Employee benefits expense	34	19,541.89	18,312.29
Finance costs	35	19,470.35	18,658.07
Depreciation and amortization expense	36	22,617.68	23,225.52
Other expenses	37	8,836.63	9,136.56
Total expense		**1,53,517.21**	**1,68,751.42**
Profit Before Share of profit/(loss) of an Associate Companies, Exceptional Items and Tax		12,290.00	12,844.49
Share of profit / (loss) of associate companies		(0.46)	(22.36)
Profit Before Exceptional Items and Tax		12,289.54	12,822.13
Exceptional items		-	69.88
Profit before tax		12,289.54	12,752.25
Tax Expense			
Current Tax		3,824.13	4,577.77
Deferred Tax		(782.97)	(253.99)
Profit for the year		**9,248.37**	**8,428.47**
Attributable to			
Non controlling interest		4,604.06	2,897.29
Owners of the parent		4,644.31	5,531.18
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or (loss)			
Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value		(2,378.74)	(1,976.16)
Remeasurement benefit of defined benefit plans		2.18	(22.99)
Unwinding interest on preference share issued		147.05	71.23
Unwinding interest income on investment in Preference Shares		(34.87)	(31.41)
Income tax effect on the above		(19.64)	10.03
Items that will be reclassified to profit or (loss)			
Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value		25.30	31.52
Income tax effect on the above		(7.37)	(9.00)

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

SMS Limited

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

(₹ in lacs)

Particulars	Note No.	Year Ended 31 March 2020	Year Ended 31 March 2019
Other comprehensive income / (loss) for the year (net of taxes)		**(2,266.08)**	**(1,926.78)**
Attributable to			
Non controlling interest		(1,099.63)	(944.07)
Owners of the parent		(1,166.45)	(982.71)
Total comprehensive income for the year		**6,982.29**	**6,501.70**
Attributable to			
Non controlling interest		3,504.43	1,953.23
Owners of the parent		3,477.86	4,548.47
Earning per equity share after exception item			
Basic	39	90.13	82.14
Diluted		90.13	82.14
Earning per equity share before exception item	39		
Basic		90.13	82.82
Diluted		90.13	82.82
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

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

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 17/12/2020
UDIN : 20043414AAAAEX2724

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

SUSHANT MUKHERJEE
Chief Financial Officer

SMITA AGARKAR
Company Secretary

SMS Limited

Consolidated Cash flow statement for the year ended 31 March 2020

(₹ in lacs)

	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Cash flow from operating activities		
Total Comprehensive Income before tax	10,050.47	11,220.75
Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and intangible assets	22,617.68	23,225.52
Finance Cost	19,470.35	18,658.07
Profit on sale of Fixed Assets	-	(33.20)
Profit on sale of Investments including redemption thereof	(23.51)	(42.79)
Gain arising on financial assets measured at fair value through profit or loss	-	(40.37)
Rental income on Investment Property	-	(8.32)
Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	104.14	-
Fair valuation loss on equity instrument routed through P&L	1,754.03	2,001.42
Share of Loss from Joint Venture & Partnership Firm (which are not consolidated)	506.13	5.45
Loss on Sale of Property, Plant and Equipment including derecognition thereof	108.66	-
Investment written off consequent to liquidation of subsidiary	102.00	5.00
Loss on Sale of Investment	-	513.83
Interest income	(1,775.65)	(1,119.51)
Dividend income	(0.38)	(2.55)
Operating profit before working capital changes	52,913.91	54,383.30
Adjustment for :		
Increase/(decrease) in trade payables	(5,211.67)	(3,796.72)
Increase / (decrease) in non current provisions	(12,473.07)	(8,678.86)
Increase / (decrease) in current provisions	(948.25)	(7,419.95)
Increase/(decrease) in other current liabilities	292.43	(3,499.93)
Increase/ (decrease) in other non current liabilities	(2,262.04)	(2,265.70)
Increase/ (decrease) in Other Current financial liabilities	1,464.23	10,029.56
Increase/ (decrease) in Other Non-current financial liabilities	(753.01)	1,297.04
Decrease/(increase) in current trade receivables	(2,866.71)	397.52
Decrease/(increase) in Other Non-current financial assets	8,202.58	1,098.95
Decrease/(increase) in Other Current financial assets	5,076.77	(15,034.52)
Decrease/(increase) in Other Current assets	(1,745.79)	3,896.33
Decrease/(increase) in Other Non-current assets	(47.03)	1,512.00
Decrease/(increase) in other Bank balances	(1,738.19)	(1,255.56)
Decrease/(increase) in inventories	2,849.92	(5,809.81)
Decrease / (increase) in Income Tax assets	(2,175.53)	(784.66)
	40,578.55	**24,068.99**
Direct taxes paid (net of refunds)	3,068.18	4,322.76
Net cash flow from/ (used in) operating activities (A)	**37,510.38**	**19,746.23**
Cash flow from investing activities		
Purchase / Sale of fixed assets, including intangible assets, CWIP and capital	(11,742.24)	(11,520.31)
Proceeds from Sale / Purchase of investments	(4,090.25)	(6,699.97)
Decrease / (increase) in non current loans and advances	(283.07)	(287.87)
Decrease / (increase) in current loans and advances	(3,773.06)	(6,961.61)
Sale of Assets held for sales	-	(24.28)

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

SMS Limited

Consolidated Cash flow statement for the year ended 31 March 2020

(₹ in lacs)

	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Goodwill created during consolidation	0.14	(0.00)
Rental income on Investment Property	-	8.32
Interest received	1,775.65	1,119.51
Dividends received	0.38	2.55
Net cash flow from/(used in) investing activities (B)	**(18,112.45)**	**(24,363.66)**
Cash flow from financing activities		
Proceeds from long-term borrowings	11,986.05	9,270.85
Proceeds from short-term borrowings	(11,580.93)	11,709.05
Finance Cost	(19,470.35)	(18,658.07)
Increase/ (decrease) in Non controlling interest for dividend paid	(590.50)	-
Dividend & DDT paid on equity shares	(665.39)	(0.02)
Net cash flow from/(used in) in financing activities (C)	**(20,321.12)**	**2,321.81**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(923.20)	(2,295.62)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	3,414.67	5,710.29
Cash and cash equivalents at the end of the year	**2,491.48**	**3,414.67**
Components of cash and cash equivalent		
Cash on hand	446.69	542.18
With banks- on current account	1,939.91	2,197.22
Other Cash and cash equivalents	104.88	675.28
Total cash and cash equivalents	**2,491.48**	**3,414.67**

Significant Accounting Policies

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

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

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

CA Sudhir Surana
Membership No. 043414
Place : Nagpur
Date : 17/12/2020
UDIN : 20043414AAAAEX2724

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

SUSHANT MUKHERJEE
Chief Financial Officer

SMITA AGARKAR
Company Secretary

SMS Limited
Consolidated Statement of changes in Equity for the year ended 31 March 2020

Refer Note No. 18 & 19

(₹ in lacs)

A. Equity share capital
Issued, subscribed and fully paid up share capital

Particulars	Amount
Balance as at 1 April 2018	1,026.14
Changes in equity share capital during the year	-
Balance as at 31 March 2019	1,026.14
Changes in equity share capital during the year	-
Balance as at 31 March 2020	1,026.14

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

Particulars	Reserves and Surplus				Items of Other Comprehensive Income					Total other equity	Others		Non controlling interest
	Capital reserve	Securities premium	General reserve	Holding Reserve (including Retained Earnings)	Gain/(Loss) on Recognition of investment in Debt instruments at Fair Value	Gain/(Loss) on Recognition of investment in Equity instruments at Fair Value	Re-measurement gains or losses on defined benefit plans	Unwinding interest income on investment in Preference Shares	Unwinding interest on Preference Shares issued		Equity component of Preference share capital	Money Received against Share Warrants	
Balance as at 1 April 2018	101.50	10,647.69	1,116.85	42,676.88	(7.04)	(256.65)	(77.52)	-	(14.43)	54,206.88	599.41	8,031.22	1,771.46
Restatement / Prior Period Errors / Change in Accounting Policies	-	-	-	(29.60)	-	-	-	-	0.00	(29.60)	-	0.00	29.60
Restated balance as at 1 April 2018	101.50	10,647.69	1,116.85	42,647.28	(7.04)	(256.65)	(77.52)	-	(14.43)	54,177.28	599.41	8,031.22	1,801.06
Profit for the year	-	-	-	5,531.18	-	-	-	-	-	5,531.18	-	-	2,897.29
Other Comprehensive income for the year	-	-	-	-	20.73	(1,007.99)	(15.63)	38.33	(16.02)	(982.73)	-	-	(944.07)
Interim Dividend paid	-	-	-	(0.02)	-	-	-	-	-	(0.02)	-	-	-
IND AS impact on prior period	-	-	-	1.75	-	-	-	-	-	1.75	-	-	-
Effect of Ind AS 115	-	-	-	390.08	-	-	-	-	-	390.08	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	5.41	-	(0.93)
As At 31 March 2019	101.50	10,647.69	1,116.85	48,570.27	13.70	(1,244.58)	(93.75)	38.33	(30.45)	59,117.56	604.82	8,031.22	3,753.35
Balance as at 1 April 2019	101.50	10,647.69	1,116.85	48,570.27	13.70	(1,244.58)	(93.75)	38.33	(30.45)	59,117.56	604.82	8,031.22	3,753.35
Restatement / Prior Period Errors / Change in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2019	101.50	10,647.69	1,116.85	48,570.27	13.70	(1,244.58)	(93.75)	36.33	(30.45)	59,117.56	604.82	8,031.22	3,753.35
Profit for the year	-	-	-	4,644.30	-	-	-	-	-	4,644.30	-	-	4,604.06
Other Comprehensive income for the year	-	-	-	-	16.52	(1,218.52)	(21.65)	75.00	(17.79)	(1,166.45)	-	-	(1,099.63)
Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	-	-	-	104.14	-	-	-	-	-	104.14	-	-	-
Interim Dividend paid	-	-	-	(665.39)	-	-	-	-	-	(665.39)	-	-	(500.50)
As At 31 March 2020	101.50	10,647.69	1,116.85	52,653.32	30.21	(2,463.10)	(115.40)	111.32	(48.24)	62,034.16	604.82	8,031.22	6,757.28

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

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

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

Significant Accounting Policies
The accompanying notes are an integral part of the Consolidated financial statements.
As per our audit report of even date.

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

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

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 17/12/2020
UDIN: 20043414AAAAEX2724

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

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953865

SUSHANT MUKHERJEE
Chief Financial Officer

Sushant Mukherjee

SATISH SAGARKAR
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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, 2020 were authorised for issue in accordance with resolution of the Board of Directors on 17th Dec, 2020.

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.

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

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

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

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

c. **Going Concern**

The net-worth of one subsidiry (SMS Taxicabs Pvt. Ltd.), has significantly eroded and turned negative as at the end of the year. The subsidiary has closed its phone a fleet taxi operation and the financial viability of the company greatly depends on its ability to pursue new business ventures and /or strategic business plans. The company has started a DBO subscription scheme in place of existing taxi operations. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

d. **Accounting Estimates**

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

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

Estimates and assumptions

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

Contract estimates

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

Recoverability of claims

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

Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning

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

strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

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

Overlay Expenditure:

As per the concession Agreement entered with NHAI , the company has a contractual obligation to carry out resurfacing /overlay of the roads under concession.Provision for overlay in respect of toll roads maintained by the company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facilities to a specified level of serviceability in respect of such asset and hence has recognised the same as an upgrade service and as intangible asset , the timing and amount of such asset are estimated and recognised on a discounted basis. Estimate of the provision is measured using a number of factors such as contractual requirements ,technology , expert opinions and expected price level . Because actual cash flows can differ from estimates due to changes in laws ,regualtions, public expectation ,technology ,prices and conditions and can take place many years in the future , the carrying amounts of provisions is reveiwed at regular intervals and adjusted to take account of such changes.

Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

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

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.

e. **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.

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.

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.

f. 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.

g. 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.

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.

h. 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

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

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.

i. **Depreciation/ Amortization**

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

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

In respect of Amortisation of Project expenditure the Group follows Cost Model (i.e. An intangible asset after initial recognition is carried at cost less accumulated depreciation).

Further the amount of amortisation used is such that reflects the pattern in which the asset's future economic benefit is excepted to be consumed by the entity, wherein the case of the company it is calculated as a proportion of actual revenue for the year bears to the estimated total revenue for the entire concession period. The estimates of toll are based on the projected revenue submitted to the bank for financing the Project.

In case of one subsidiary (Maharashtra Enviro Power Limited), for Depreication 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 depreciaton rate with the quanitity of waste disposed during the year.

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.

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

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.

j. **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

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

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.

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

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

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

of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting Financial Instruments

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

k. 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

F.R.No. 110634W
CHARTERED ACCOUNTANTS

insignificant items and apply recognition criteria to the aggregate value. Further the company after the technical assessment has found that the estimated life of the shuttering material is five years and thus shuttering material shall depreciated in five years from the date of purchase. The value of machine spares will be depreciated within the life of machine to which the spares relate.

Work-in-progress and finished goods

They are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost is determined on weighted average basis. Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.
Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
In case if any payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost in such cases are recognised as interest expense over the period of financing under the effective interest method.

I. 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.

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

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

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

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

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

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

distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The Company's contracts with customers could include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of project whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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

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

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

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

ii. Accounting of Supply Contracts-Sale of Goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

iii. Accounting for Claims

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

iv. Dividend Income

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

v. Direct Landfill and Landfill after Treatment:

Revenue has been recognized under direct landfill on accrual basis at the time of receipt of waste and billing.

vi. Incineration (Plasma based):

The service of disposal by incineration Facility consists of
(1) Collection of Hazardous waste (waste) from generators,
(2) Transportation of waste from generator's premises to waste disposal facility (common facility),
(3) Analysis of the waste at common facility,
(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.

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

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

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

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.

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

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.

m. 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.

n. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group chief operating decision maker has disclosed business segment as the primary segment the Group operation predominately relate to "Engineering and procurement constructions", "Tolls" "Mining", "Hazardous". The segment revenue, segment result, segment assets and segment liability includes respective amounts identifiable to each of the segment and also amounts allocated on reasonable basis.

o. 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.

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

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.

p. **Employee Benefits:**

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognize the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

i. Defined Contribution plans:

Defined contribution plans are Provident fund, Employee state insurance scheme, Labour welfare fund and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The the Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is

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

recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

ii. Defined Benefit plans:

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

Leave entitlement and compensated absences

The cost of short term compensated absences is provided for based on estimates. The company presents the entire leave as a current liability in the balance sheet, since it does not have as unconditional right to defer its settlement for 12 months after the reporting date.

q. 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.

r. 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.

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

s. **Leases**

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

As Lessee

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

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

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

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

-Fixed payments, including in-substance fixed payments;

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

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

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

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

V.K. SURANA & CO. NAGPUR F.R.No. 110634W CHARTERED ACCOUNTANTS company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Short-term leases and leases of low-value assets

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

Under Ind AS 17

In the comparative period, as a lessee the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

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

Arrangements in the nature of lease

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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Under Ind AS 17

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

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

u. **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).

v. **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)

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

Against the required post monitoring activity, the technical team evaluates the likely cost required for maintenance of each landfill. Based on this, Per Metric Ton Post monitoring cost is work out and provided for in the books against the actual quantity disposed during the year.

In case of SMS-AABS India Tollways Private Limited, the provision is adjusted every year based on the present value of future expenditure and adjustment required is charged to profit and loss account as financial cost. Such cost where measured at Rs. 4.87 crore for F Y 2019-20 (F Y 2018-19 Rs. 7.74 crore).

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

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

SMS Limited

Notes to Consolidated Financial Statements for the year ended 31st March , 2020

3 A. Property, plant and equipment

(₹ in lacs)

	Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Road	Right to use asset	Mining Assets	Total
A	Gross carrying amounts												
	At 1st April 2018	9.26	120.06	8,482.56	75,415.56	745.02	9,156.09	1,033.46	1,054.65	-	-	-	96,016.67
	Additions	-	42.30	298.22	2,914.68	99.34	321.83	263.53	71.84	-	-	-	4,011.74
	Disposals	8.31	-	-	1,989.82	2.81	93.05	126.33	273.67	-	-	-	2,493.99
	Written off				3.68	(0.80)	(0.00)	(0.31)	(5.91)			-	(3.35)
	Interhead adjustment	-	-	-	-	-	-	-	-	-	-	-	-
	At 31st March 2019	0.95	162.36	8,780.78	76,336.74	842.36	9,384.87	1,170.97	858.73	-	-	-	97,537.76
	At 1st April 2019	0.95	162.36	8,780.78	76,336.74	842.36	9,384.87	1,170.97	858.73	-	-	-	97,537.76
	Additions	-	-	185.68	11,096.43	45.65	584.20	70.62	55.33	14.76	60.93	819.56	13,133.15
	Disposals	-	-	1.59	6,277.56	26.97	611.07	27.40	17.31	-	-	-	6,961.90
	Interhead adjustment	-	(42.30)	-	-	(0.35)	-	0.35	-	-	-	42.30	-
	At 31st March 2020	0.95	120.06	9,164.87	81,155.61	860.69	9,358.00	1,214.54	896.75	14.76	60.93	861.86	1,03,709.01
B	Accumulated Depreciation												
	At 1st April 2018	7.42	-	5,693.04	53,400.16	608.52	8,057.56	790.44	951.15	-	-	-	69,508.28
	Charge for the year	0.38	-	546.62	5,450.01	76.38	455.35	87.12	75.86	-	-	-	6,691.71
	Disposals	7.71	-	-	1,596.53	2.90	92.74	3.12	271.43	-	-	-	1,974.44
	Written off	-	-	-	26.32	(0.24)	3.36	(0.13)	5.90	-	-	-	35.20
	At 31st March 2019	0.09	-	6,239.67	57,279.95	681.76	8,423.52	874.30	761.48	-	-	-	74,260.76
	At 1st April 2019	0.09	-	6,239.67	57,279.95	681.76	8,423.47	874.30	761.48	-	-	-	74,260.71
	Charge for the year	0.01	-	433.99	4,336.45	98.17	351.09	90.36	71.14	0.04	14.77	24.10	5,420.12
	Disposals	-	-	-	5,210.00	26.91	609.11	27.40	17.30	-	-	-	5,890.72
	Interhead adjustment	-	-	-	-	(0.11)	-	0.11	-	-	-	-	-
	At 31st March 2020	0.10	-	6,673.66	56,406.40	752.91	8,165.45	937.38	815.32	0.04	14.77	24.10	73,790.12
	Net carrying amounts												
	At 31st March 2019	0.86	162.36	2,541.12	19,056.80	160.59	961.35	296.67	97.25	-	-	-	23,276.99
	At 31st March 2020	0.85	120.06	2,491.21	24,749.21	107.78	1,192.55	277.16	81.43	14.72	46.16	837.76	29,918.89

B. Capital Work- in- progress

Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Road	Right to use asset	Mining Assets	Total
At 1st April 2019	-	-	40.52	4,248.31	-	34.66	-	-	-	-	-	4,323.49
At 31st March 2020	-	-	81.01	921.66	-	34.66	2.46	-	-	-	-	1,039.79

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

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

(₹ in lacs)

4 Investment Property	LAND	BUILDING	TOTAL
a Gross Carrying Amounts			
Balance as at 1st April 2018	1,236.61	379.27	1,615.89
Addition	-	-	-
Balance as at 31st March 2019	1,236.61	379.27	1,615.89
Addition	-	-	-
Balance as at 31st March 2020	1,236.61	379.27	1,615.89
b Accumulated Depreciation			
Balance as at 1st April 2018	-	47.90	47.90
Depreciation charged		8.13	8.13
Balance as at 31st March 2019	-	56.04	56.04
Depreciation charged		6.60	6.60
Balance as at 31st March 2020	-	62.64	62.64
c Net Carrying Amounts			
Balance as at 31st March 2019	1,236.61	323.23	1,559.85
Balance as at 31st March 2020	1,236.61	316.63	1,553.25

Information regarding income and expenditure of investment property	**As at 31 March 2020**	**As at 31 March 2019**
Rental income derived from investment properties	14.52	23.88
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	1.95	0.66
Depreciation charged on the investment property that generated rental income during the year.	4.02	3.90
Profit arising from investment properties that generated rental income after depreciation and direct expenses	**8.55**	**19.32**
Direct operating expenses including repairs and maintenance arising from investment property that did not generat rental income during the year.	-	-
Depreciation charged on the investment property that did not generat rental income during the year.	2.58	4.24
Less – Depreciation	-	-
Profit/(Loss) arising from investment properties that did not generat rental income after depreciation and direct expenses	(2.58)	(4.24)
Net Profit/(Loss) from Investment acitvity.	**5.97**	**15.08**

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

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

F.R. No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
5	**Goodwill**		
a	Investment in Subsidiaries (Unquoted)	-	-
	Goodwill arising on account of Consolidation (valued at cost)	681.07	681.07
	Addition during the year	-	-
	Derecognised due to elimination of subsidiary company consequent to liquidation	(0.14)	-
	Closing balance	**680.93**	**681.07**

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

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

6 **Other Intangible Asset**

(₹ in lacs)

		Computer Software	General Arrangement Drawing	Motor Car Permits	Project Facilities on NH-28	Right to use Assets	Rights to Collect Toll	Total
A	**Gross carrying amount**							
	At 1st April 2018	1,461.11	581.14	7,309.60	89,287.56	-	20,067.18	1,18,706.60
	Additions	70.73	-	-	4,203.96	-	50.33	4,325.01
	Disposal	205.57	-	-	-	-	-	205.57
	At 31st March 2019	1,326.27	581.14	7,309.60	93,491.52	-	20,117.51	1,22,826.04
	At 1st April 2019	1,326.27	581.14	7,309.60	93,491.52	-	20,117.51	1,22,826.04
	Additions	33.74	-	-	3,340.85	60.32	319.72	3,754.63
	Disposal	-	-	-	1,016.74	-	47.53	1,064.27
	At 31st March 2020	1,360.01	581.14	7,309.60	95,815.63	60.32	20,389.70	1,25,516.40

		Computer Software	General Arrangement Drawing	Motor Car Permits	Project Facilities on NH-28	Right to use Assets	Rights to Collect Toll	Total
B	**Accumulated Amortisation**							
	At 1st April 2018	678.88	101.50	1,435.22	35,596.32	-	1,983.04	39,794.96
	Charge for the year	148.91	22.25	243.41	13,246.57	-	477.85	14,138.98
	Disposal	205.30	-	-	-	-	-	205.30
	At 31st March 2019	622.49	123.75	1,678.63	48,842.88	-	2,460.89	53,728.65
	At 1st April 2019	622.49	123.75	1,678.63	48,842.88	-	2,460.89	53,728.65
	Charge for the year	156.42	22.40	243.41	13,987.80	18.10	490.12	14,918.25
	Disposal	-	-	-	-	-	27.65	27.65
	At 31st March 2020	778.91	146.15	1,922.04	62,830.69	18.10	2,923.36	68,619.25
C	**Net carrying amounts**							
	At 31st March 2019	703.79	457.39	5,630.97	44,648.64	-	17,656.61	69,097.39
	At 31st March 2020	581.11	434.99	5,387.56	32,984.94	42.23	17,466.33	56,897.15

Rights includes, Capital expenditure made for Cinema Construction which is not put to use as on Mar 20 due to non receipt of permission to operate. However Infrastructural part is completely ready to use & Operate, hence we have charged depreciation on the same.

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

7 Intangible Assets Under Development

(₹ in lacs)

Particulars	Admin Building	Rights	Other Intrangible assets under development	Total
Gross carrying amount				
At 1st April 2018	8.31	7.78	19,358.77	19,374.86
Addition	4.34	-	-	4.34
Disposal	12.57	-	43.96	56.52
At 31st March 2019	0.08	7.78	19,314.82	19,322.68
At 1st April 2019	0.00	7.78	19,314.90	19,322.68
Addition	-	149.55	-	149.55
Disposal	-	7.78	-	7.78
At 31st March 2020	0.00	149.55	19,314.90	19,464.45
Accumulated Amortisation				
At 1st April 2018	-	-	1,918.45	1,918.45
Charge for the year	-	-	2,386.70	2,386.70
Disposal	-	-		
At 31st March 2019	-	-	4,305.14	4,305.14
At 1st April 2019	-	-	4,305.14	4,305.14
Charge for the year	-	-	2,272.71	2,272.71
Disposal	-	-	(4.52)	(4.52)
At 31st March 2020	-	-	6,582.37	6,582.37
At 31st March 2019	0.08	7.78	15,009.68	15,017.54
At 31st March 2020	0.00	149.55	12,732.53	12,882.08

Note:- The construction of Admin Building was completed during the year and correspondingly transferred to Toll Collection Rights.

Note- Provision for Construction and overlay Expenses represent the amount to be incurred in future years for execution of the project of Operate, Maintain and transfer Contract of Muzaffarpur-Darbhanga-Purnea, however the same has been provided in accordance with the Indian Accounting standard 37 "Provision, contingent liabilities and contingent assets". Further the same is also required for arriving at the correct amount of amortisation in accordance with matching principal of accounting.

During the year, company has made Capital Expenditure for Food Court Construction amounting Rs 149.55 Lakhs in mall, which is not ready to use as on Mar 20, Hence same is reported under head "Intangible Assest Under Development ".

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
8	**Non-current Investments**		
a	**Investments accounted for using the equity method**		
	In Equity Instrument		
i	RCCL Infrastructure Pvt. Ltd *15,65,200 (31 March 2019: 15,65,200)Equity shares of ₹ 10 each fully paid* *Including Goodwill 1.71 Lacs*	(298.36)	(298.36)
ii	SMS-AAMW Tollways Pvt. Ltd. *2,600 (31 March 2019: 2,600)Equity shares of ₹ 10 each fully paid* *Including Goodwill Nil, Capital Reserve Nil*	(810.61)	(810.15)
		(1,108.97)	**(1,108.51)**
b	**Investment In Preference Instrument**	2,203.95	1,418.83
c	**Investment in Joint Ventures**	69.43	69.43
d	**Investment in Partnership Firm**	35,019.48	32,583.99
e	**Investment in Equity Instruments**	859.44	2,613.46
f	**Investment in Government Securities**	1.54	1.34
g	**Investment in Mutual Fund**	706.92	421.63
h	**Investment in Debt Instruments**	500.00	500.00
		39,360.75	**37,608.68**

Note :-

In the absence of the financial statement of six Jointly Controlled Entities and one associate company, the same has not been consolidated in the consolidated financial statements and the balances appearing in the books of accounts of the company are considered. On the basis of information and explanation received from respective Jointly Controlled Entities, there are no substantial transaction initially during the financial year 2019-20.

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

Details of Non Current Investments

		As at 31 March 2020	As at 31 March 2019
			(₹ in lacs)
A	**Investment in Equity Instruments**		
	Unquoted (Valued at cost)		
1	Equity Shares of Abhyudaya Co-operative Bank Limited 99990 (31 March 2019 : 99990) Equity Shares of ₹ 10/- each issued at Par	9.99	9.99
2	Khamgaon Urban Co-Operative Bank Ltd. 100 (31 March 2019: 100) Equity shares of ₹ 10/- each issued at Par	0.01	0.01
3	Nandura Urban Co-Operative Bank Ltd. 43 (31 March 2019: 43)Equity shares of ₹ 100/- each issued at Par	0.04	0.04
4	Malkapur Urban Co-Operative Bank Ltd. 1,000 (31 March 2019: 1000) Equity shares of ₹ 100/- each issued at par	1.00	1.00
5	Tirupati Urban Co-operative Bank Limited	2.52	2.52
6	Abhyudaya Co-operative Bank Limited	10.49	10.49
	Quoted (Valued at fair value through P&L		
7	Bharat Road Network Limited* 2730000 (31 March 2019: 2730000) Equity shares of ₹ 100/- each fully paid	835.38	2,589.41
		859.44	**2,613.46**

* The company has purchased 27,30,000 number of Equity share for Rs 45,90,82,755/-. However, as on 31st March 2019 the value per share has reduced to Rs 94.85/-. Hence, Fair value of shares as on 31st March 2019 was Rs 25,89,40,500/-.

As on 31st March 2020 the value per share has reduced to Rs 30.60/-. Hence, Fair value of shares as on 31st March 2020 was Rs 8,35,38,000/-.

		As at 31 March 2020	As at 31 March 2019
B	**Investment in Preference shares of Associate Companies in India**		
	Unquoted (Valued at cost)		
1	Agroh Biaora Tollways Pvt Ltd *(70,00,000, 5% Non Cumulative Convertible Preference Shares of Rs.10 Each)a* *a As this are Convertible Preference shares, they are valued at cost*	700.00	700.00
2	Manawar Kukshi Tollways Pvt Ltd *(6,00,000, 1% Cumulative Redeemable Preference Shares of Rs.100 Each)b* *b Redeemable preference shares purchased for Rs. 6.00 Crores valued at Fair Value.*	154.50	139.19
3	Ayushajay Construction Pvt. Ltd. (2,37,47,730 (previous year 1,00,00,000), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 10 Each) b Redeemable Preference Shares purchased for Rs. 13.75 Crores valued at Fair Value. (previous year 10.00 Crores valued at Fair Value)	576.46	231.99
4	Charu Infotech Pvt. Ltd. (37,96,600 (previous year 7,50,000), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 10 Each) b Redeemable preference shares purchased for Rs. 3.04 Crores valued at Fair Value.(previous year 0.75 Crores valued at Fair Value)	89.98	17.40
5	Khalghat Manawar Toll Pvt. Ltd. (29,30,000, 0% Non Cumulative, Optionally Convertible, Redeemable Preference Shares of Rs. 10 Each) b Redeemable Preference Shares purchased for Rs. 2.93 Crores valued at Fair Value	75.46	67.98

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

Details of Non Current Investments (₹ in lacs)

6	Madhav Infracon BK Corridor Pvt. Ltd. 15,00,000 (31 March 2019: 15,00,000) 6.5% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.10 Each) b Redeemable Preference shares purchased for Rs. 1.50 Crores valued at Fair Value.	38.63	34.80
7	Sarangpur Agar Toll Pvt. Ltd. (14,75,000 (previous year 28,25,000), 0% Non Cumulative Optionally Convertible, Redeemable Preference Shares purchased for Rs. 1.47 Crores valued at Fair Value.(13,50,000 Redeemed during F.Y. 2019-2020) b Redeemable Preference Shares purchased for Rs. 1.50 Crores valued at Fair Value.	37.97	65.53
8	Shilpy Finlease Pvt. Ltd. (36,16,600 (previous year 7,60,000), 6.5% Non Cumulative, Non-Convertible Redeemable Preference Shares purchased OF Rs. 10 Each) b Redeemable Preference shares purchased for Rs. 2.86 Crores valued at Fair Value (previous year 0.76 Crores valued at Fair Value)	85.848	17.63
9	Agroh Infrastruture Developers Private Limited (1,76,39,452 (previous year 62,20,000), 6% Non Convertible Redeemable Preference Shares of Rs. 10 Each) b Redeemable Preference Shares purchased for Rs. 11.42 Crores valued at Fair Value. (previous year 6.22 Crores valued at Fair Value)	425.09	144.30
10	Spark Mall and Parking Pvt Ltd 1,00,00,000 Preference shares of Spark Mall and Parking Pvt Ltd (No - 1,00,00,000 shares of Face Value Rs 10/- each)	20.00	-
		2,203.95	**1,418.83**

***Spark Mall And Parking Private Limited (Formerly known as SMS Parking Solutions Private Limited)**

The Company has entered in to an agreement for purchase of 58,45,540 number of equity Shares of Spark Mall & Parking Private Limited with SMS Limited (Holding Company) for consideration amounting to Rs.58,68,92,216/-. Against this advance was paid on 7th September 2018 of 29,34,46,108/- which is shown under "Non Current Financial Asset" as on 31st March 2019. The balance amount has been paid during FY 19-20 and hence reclassified as "Non Current Financial Assets - Investments". The shares have been transferred during FY 19-20 and the profit on sale of above shares have been shown seperately as exceptional item in statement of profit and loss account.

The equity shares have been pledged with the India bulls Housing Finance Ltd. against loan taken by Spark Mall & Parking Pvt. Ltd. for providing security to India bulls Housing Finance Ltd w.e.f 04.04.2020.

C Investments in Mutual Funds (At Fair Value through Other Comprehensive Income)

Quoted

1	Aditya Birla Sun Life Dynamic Bond Fund-Growth-Regular	135.42	134.34
2	Aditya Birla Sun Life Credit Risk Fund - Gr. REGULAR	7.57	7.37
3	SBI Credit Risk Fund Regular Growth	13.63	12.84
4	SBI Dynamic Bond Fund - Regular Plan - Growth	134.45	118.07
5	Axis Banking & PSU Debt Fund - Growth (BDGPG)	3.37	3.08
6	IDFC Banking & PSU Debt Fund - Growth	44.55	6.11
7	IDFC Corporate Bond Fund	21.88	1.76
8	Nippon India Banking & PSU Debt Fund - Growth (earlier Reliance Banking & PSU Debt Fund - Growth)	23.97	1.76
9	Nippon India Floating Rate Fund - Growth Plan - (Earlier Reliance Floating Rate Fund - Growth Plan -)	23.80	1.76

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

Details of Non Current Investments		(₹ in lacs)
10 UTI Equity Fund - Regular Growth Plan	12.42	3.19
11 ICICI Prudential Multicap Fund- Growth	10.29	2.11
12 Edelweiss Balanced Advantage Fund - Growth	24.13	4.10
13 HDFC Small Cap Fund-Regular	7.75	1.02
14 Mirae Asset India Equity Fund	8.99	1.01
15 Nippon India Large Cap Fund (Earlier Reliance Large Cap Fund)	8.37	1.02
16 State Bank of India mutual fund	14.82	20.08
Unquoted		
17 ICICI Prudential Banking & PSU Debt Fund - Growth	23.75	1.76
18 Edelweiss Infrastructure Yield Plus	187.75	100.25
	706.92	**421.63**

D Investments in debentures or bonds (Valued at fair value through Other Comprehensive Income)

Quoted

SREI Perpetual Debentures Instrument	500.00	500.00
	500.00	**500.00**

E Investment in Partnership firm : (At amortised cost)

Unquoted

SAN Finance Corporation (Related Party)	35,019.84	32,583.99
	35,019.84	**32,583.99**

Additional Disclosure :

Aggregate value of quoted Investment at Cost	5,545.82	5,369.57
Agrregate value of quoted Investment at Market Value	1,815.98	3,388.95
Agrregate value of Unquoted Investment	37,544.77	34,219.74
Agrregate value of Impairment in value of Investment	-	-

Details of Partnership Firm as on 31st March 2020

Name of Partnership Firm: SAN Finance Corporation

Sr.no	Partners Name	Partners Capital (current) (Rs in Lacs)	Partners Capital (Fixed) (Rs in Lacs)	Share of each Partner
1)	Ajay Sancheti	(3,330.70)	0.13	27%
2)	Anand Sancheti	(18,164.18)	0.13	27%
3)	Paramveer Sancheti (Legal Heirs of Mr. Abhay Sancheti)	(4,874.06)	0.06	18%
4)	Akshay Sancheti (Legal Heirs of Mr. Abhay Sancheti)	(2,650.22)	0.06	18%
5)	Maharashtra Enviro Power Limited	35,019.36	0.13	10%
	Total	6,000.20	0.50	100%

Details of Partnership Firm as on 31st March 2019

Sr.no	Partners Name	Partners Capital (current) (Rs in Lacs)	Partners Capital (Fixed) (Rs in Lacs)	Share of each Partner
1)	Abhay Sancheti	(3,317.79)	0.13	36%
2)	Ajay Sancheti	(2,432.06)	0.13	27%
3)	Anand Sancheti	(11,234.25)	0.13	27%
4)	Maharashtra Enviro Power Limited	32,365.93	0.13	10%
	Total	15,381.83	0.50	100%

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

Details of Non Current Investments (₹ in lacs)

Note :-

1 Loss of Rs. 217.93 lacs towards our share of Total Loss of San Finance Corporation for the F.Y 18-19 is accounted for in F.Y 19-20 considereing the fact that the audited finanacial statements of F.Y 18-9 is received in F.Y 19-20

2 During th the year there is change in constitution of the firm Due to demise of one of the partners Mr. Abhay Sancheti. the details of which are stated above

3 Following Mutual Funds & Debenture Instrument are Pledged as security against Axis Bank Cash Credit Limit.
(a) Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan having Folio No. 1037221761.
(b) Aditya Birla Sun Life Credit Risk Fund Gr. Regular having Folio No.1018373855
(c) SBI Dyanamic Bond Fund - Regular Plan - Growth Folio No. 20003588
(d) SBI Credit Risk Fund Regular Growth Folio No.16544310.
(e) SREI Perpetual Debenture Instrument.

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

F Investments in Joint Venture (Valued at cost)

(₹ in lacs)

Name of the Venture	Name of Venture Partner/s	Constitution of Entity	Share of Interest	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
				Total Capital of Firm	Investment	Total Capital of Firm	Investment
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)*	Brahamaputra Infrastructure Pvt. Ltd.	Partnership Firm	SMS Ltd.51% Brahamaputra Infrastructure Ltd. 49%	48.95	17.34	48.95	17.34
SMS Infrastructure Ltd & Brahamaputra Consortium Ltd. (J.V)*	Brahamaputra Consortium Ltd.	Partnership Firm	SMS Ltd 51% Brahamaputra Consortium Ltd. 49%	(1.40)	11.59	(1.40)	11.59
SMS Infrastructure Ltd. & Shree Nath Enterprises(J.V)*	Shreenath Enterprises	Partnership Firm	SMS Ltd. 36.50% Shreenath Enterprises 63.50%	188.93	40.50	188.93	40.50
SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)	B. P. Construction Co. Pvt Ltd (JV)	Partnership Firm	SMS Infrastructure Ltd. 61% B. P. Construction Co. Pvt. Ltd. 39%	(2.56)	-	(2.56)	-
					69.43		69.43

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

(₹ in lacs)

	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
9 Loans				
A Loan to related parties				
Loans receivables considered good Unsecured				
Joint Controlled entitites	-	-	609.89	476.76
	-	-	609.89	476.76
B Other loans				
Loans receivables considered good Unsecured				
Other Parties	5,146.50	4,863.43	17,126.53	13,486.60
	5,146.50	4,863.43	17,126.53	13,486.60
	5,146.50	4,863.43	17,736.42	13,963.36

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
10	**Non current financial assets**		
	(Unsecured considered good)		
	Fixed Deposit with remaining maturity for more than 12 months*	4,432.20	4,724.99
	Earnest Money Deposits	1,037.32	1,808.12
	Advance for Acquisition of shares	-	5,020.00
	Deposits with Sales tax department	0.16	0.41
	Retention Money	5,619.82	6,200.25
	Security Deposit	3,521.70	5,064.38
	Withheld Amount	38.30	38.30
	Other Receivables	40.92	36.56
		14,690.42	**22,893.01**

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

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

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
11 A Current Tax Assets (Net)		
The details of income tax assets and liabilities		
Income tax assets in case of some entities	14,178.17	14,320.35
Income tax liabilities in case of some entities	(10,588.21)	(12,004.63)
Net balance	**3,589.96**	**2,315.71**
B Deferred Tax Assets (Net)		
Deferred tax assets in case of some entities	15,402.98	14,584.32
Deferred tax liabilities in case of some entities	151.81	234.42
Net deferred tax assets	**15,251.18**	**14,349.89**

Note :-

In case of SMS Infolink Private Limited & Waste Management Private Limited, as per the explanation of management, due to non-virtual certainty of future profits the deferred tax to the extent of the deferred tax asset on unabsorbed depreciation and carry forwarded business losses, has not been recognised.This is in accordance with Accounting Standard IND AS -12.

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

		As at 31 March 2020	As at 31 March 2019
			(₹ in lacs)
12	**Other Non Current Assets**		
	(Unsecured considered good)		
a	Capital advances	326.08	195.06
b	Advances other than Capital Advances		
	Security deposit to vendors & utilities	18.44	13.94
	Other	4.82	99.42
c	Prepaid expenses	11.41	5.32
		360.76	**313.73**

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

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
13 Inventories (As taken and Valued at lower of Cost* or Net realisable Value and certified by management)		
Construction & Project Inventory	10,169.78	11,091.80
Work in progress	21,091.12	23,122.93
Stock-in-trade	63.02	39.79
Stores and spares	705.64	624.98
	32,029.57	**34,879.49**

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

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

	As at 31 March 2020	As at 31 March 2019
		(₹ in lacs)
14 Trade receivables (Current)		
Trade receivables Considered good, Unsecured		
Related Party	6,224.47	3,584.07
Other parties	30,557.04	30,330.72
	36,781.50	**33,914.79**

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

(₹ in lacs)

		As at 31 March 2020	As at 31 March 2019
15 A	**Cash and cash equivalents**		
	Balances with banks in current accounts	1,939.91	2,197.22
	Cash on hand		
	a) In local currency	446.69	542.18
	b) In foreign Currency	-	-
	Marketable securities (Stated at Fair Value)	-	639.83
	Purchase at cost Rs. 599.46 Lacs (P Y 926.54 Lacs)		
	POS Receivable	-	1.63
	Paytm Wallet	-	27.53
	Debit balance in cash credit account	104.88	6.29
		2,491.48	3,414.67
B	**Other bank balances**		
	Fixed Deposits with Banks		
	FDR with remaining maturity for more than 3 months but less than 12 months*	4,815.43	3,077.24
		4,815.43	**3,077.24**

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

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

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
16 Other Current Financial Assets		
Amount receivable on account of TDS deducted	569.87	700.86
Claim from MSEDCL (33 KVA Line RBC & LBC)	169.90	169.90
Interest accrued but not due	29.01	117.94
Retention money	3,573.23	6,617.25
Security deposits	5,658.38	5,332.39
Other receivables	168.80	143.14
Earnest Money Deposit	16.80	15.19
Water cess receivable	3.38	2.56
Amount due from Partners of Jointly controlled entities	25.77	28.82
Withheld Amount	9,043.75	11,207.63
	19,258.90	**24,335.67**

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

(₹ in lacs)

	As at 31 March 2020	As at 31 March 2019
17 Other Current Assets		
Advances other than Capital Advances		
Advance against expenses & Salary	66.30	102.42
Advance to suppliers	5,575.70	5,308.16
Advance to sub-contractors	924.42	712.49
Mobilisation advance	22.66	-
Other advances	4.22	3.23
Deposit under protest	4,841.39	4,438.74
Prepaid expenses	1,472.01	932.44
Rent Deposit	0.07	0.25
Statutory dues receivable :		
Goods & Service Tax Receivable	2,768.47	2,385.57
Service Tax Receivable	108.72	107.04
Works Contract Tax Receivable	72.80	72.80
Value Added Tax Receivable	6,114.93	6,086.35
Other Balance with Revenue authorities	0.97	78.68
Other receivable	1.29	-
	21,973.97	**20,228.18**

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

(₹ in lacs)

	As at 31 March, 2020	As at 31 March, 2019
18 Equity Share capital		
a Authorized shares		
15,000,000 (31st March 2019 : 15,000,000) equity shares of par value ₹ 10/- each	1,500.00	1,500.00
b Issued, subscribed and fully paid-up shares		
10261382 ((31st March 2019 : 1,02,61,382) equity shares of par value ₹ 10/- each	1,026.14	1,026.14
Total Issued, subscribed and fully paid-up share capital	1,026.14	1,026.14

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

Equity shares	As at 31 March, 2020		As at 31 March, 2019	
	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	1,02,61,382	1,026.14	1,02,61,382	1,026.14

d Terms/Rights attached to shares

The company has only one class of equity shares having par value of ₹ 10 per share. each holder of equity shares is entitled to one vote per share. The dividend proposed by directors is subject to the approval of shareholders in the ensuing annual general meeting except in case of interim dividend.

In the event of liquidation of the company , the holders of equity shares will be entitled to receive assets remaining after prefrential payment of the company in proportion to the number of equity shares held by the shareholders.

e Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares of par value ₹ 10/- each fully paid				
Shri Abhay Harakchand Sancheti*	3214696	31.33%	3214696	31.33%
Shri Ajay Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Shri Anand Shaktikumar Sancheti	2410997	23.50%	2410997	23.50%
Best Power Plus Private Limited	2224374	21.68%	2224374	21.68%

*Pending succession certificate the shares of Abhay H. Sancheti are not transferred to his legal heirs.

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

(₹ in lacs)

		As at 31 March, 2020	As at 31 March, 2019
19	**Other Equity**		
A	**Reserves & Surplus**		
	General Reserve		
	Balance as per the last financial statements	1,116.85	1,116.85
	Closing Balance	**1,116.85**	**1,116.85**
B	**Holding Reserve (including Retained Earnings)**		
	Balance at the beginning of financial year	48,570.27	42,676.88
	Restatement / Prior Period Errors / Change in Accounting Policies	-	(29.60)
	Restated Balance at the beginning of financial year	48,570.27	42,647.28
	ADD		
	Profit for the year	4,644.30	5,531.18
	Effect of Ind AS 115	-	390.08
	Effect of Prior period Items	-	1.75
	Interim Dividend Paid including Dividend Distribution Tax	(665.39)	(0.02)
	Retained earnings reversed due to elimination of subsidiary company consequent to liquidation	104.14	-
	Net surplus in the statement of profit and loss	**52,653.32**	**48,570.27**
C	**Other Comprehensive Income**		
i	**Gain/(Loss) on Recognition of Investment in Debt Instruments at Fair Value**		
	Balance as per last financial statements	13.70	(7.04)
	Addition during the year	16.52	20.73
	Closing	**30.21**	**13.70**
ii	**Gain/(Loss) on Recognition of Investment in Equity Instruments at Fair Value**		
	Balance as per last financial statements	(1,244.58)	(236.65)
	Addition during the year	(1,218.52)	(1,007.93)
	Closing	**(2,463.10)**	**(1,244.58)**
iii	**Re-measurement gains or losses on defined benefit plans**		
	Balance as per last financial statements	(93.75)	(77.92)
	Addition during the year	(21.65)	(15.83)
	Closing	**(115.40)**	**(93.75)**
iv	**Unwinding interest income on investment in Preference Shares**		
	Balance as per last financial statements	36.33	-
	Addition during the year	75.00	36.33
	Closing	**111.32**	**36.33**
v	**Unwinding interest on Preference Shares Issued**		
	Balance as per last financial statements	(30.45)	(14.43)
	Addition during the year	(17.78)	(16.02)
	Closing	**(48.24)**	**(30.45)**
	Total Closing Balance	**(2,485.20)**	**(1,318.75)**

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

(₹ in lacs)

		As at 31 March, 2020	As at 31 March, 2019
D	**Securities Premium Account**		
	Balance as per the last financial statements	10,647.69	10,647.69
	Closing Balance	**10,647.69**	**10,647.69**
E	**Capital Reserve**		
	Balance as per the last financial statements	101.50	101.50
	Closing Balance	**101.50**	**101.50**
	Total of other equity	**62,034.16**	**59,117.56**
F	**Money received against Share Warrant**		
	Balance as per the last financial statements	8,031.22	8,031.22
	Closing Balance	**8,031.22**	**8,031.22**

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

(₹ in lacs)

	As at 31 March, 2020	As at 31 March, 2019
20 Non-current Borrowings		
I. Secured		
A Term loans		
i Banks		
Axis Bank Limited	71.77	160.41
Indian Overseas Bank	815.78	1,130.13
IndusInd bank	117.35	-
State Bank of India	1,744.26	2,710.33
ICICI Bank Limited	513.00	274.99
Kotak Mahindra Bank Limited	144.48	372.76
HDFC Bank limited	85.25	12.44
Abhyudaya Co-operative Bank Limited	3,621.23	3,621.23
ii Financial Institution		
Indiabulls Housing Finance	57,876.11	46,660.80
Kotak Mahindra Prime Limited	-	0.38
Tata Motors Finance Limited	-	0.44
SREI Equipment Finance Private Limited	12,556.83	4,990.48
HP Financial Services	-	20.64
II. Unsecured		
A Preference Share Capital	277.48	5,242.61
B From Related Parties	1,372.59	2,254.69
C Others Parties		
Femina Industrial Finance Private Limited	-	16.08
Rian Ventures Private Limited	258.35	260.50
Shri Gurudatta Sugars Limited	160.66	142.68
Adeshwar Gems Private Limited	297.63	275.33
Jinendra Diamonds Private Limited	65.46	60.06
Raynik FZC	-	43.86
PT Sinamarinda Lintas Nusantara	258.64	-
	80,236.88	**68,250.82**

Note : For details of Securities other terms and conditions refer individual bank wise notes given

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

SMS Limited
Notes to Consolidated financial statements for the year ended 31 March 2020

(₹ in lacs)

Additional information to Secured Long Term Borrowings :
Details of Securities and Terms of Repayments

I. SMS Limited (Holding Company)
Secured
(A) Term Loans
(i) From Banks
(1) ICICI bank ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti. The details of individual loans are as under:

LOAN	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Instalments Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
LQNAG00036832436 /36903325	28.90	7.35%	21/12/2017	10	3.01	10 months
LANAG00038272968	12.65	9.20%	28/11/2018	21	0.65	1 year 9 months
LQNAG00037183400	14.50	8.60%	31/03/2018	36	0.47	3 years
LQNAG00037304565	134.06	9.00%	03/05/2018	25	5.90	2 years 1 months
LANAG00038897641	14.74	9.25%	02/04/2019	25	0.65	2 years 1 months
LANAG00039405149	6.31	9.60%	04/06/2019	27	0.26	2 years 3 months
LANAG00039654714	6.49	9.60%	02/07/2019	28	0.26	2 years 4 months
LANAG00039789936	12.64	9.25%	09/07/2019	28	0.50	2 years 4 months
LQNAG00040788458 /774/749/610/702/5	46.79	10.50%	11/09/2019	29	1.83	2 years 5 months
UQNAG00041012049 /104/172/884/082/0	380.68	10.75%	30/10/2019	31	14.12	2 years 7 months
LQNAG00041149057 /976/032/743/944	142.37	10.79%/9.18%/9.03%	27/11/2019	33	5.07	2 years 8 months
LQNAG00034472569	0.59	10.00%	08/06/2016	2	0.31	2 months
Total	**800.73**					

(2) Kotak mahindra bank ltd

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of Instalment	Maturity period w.r.t. Balance Sheet date
CE-550675/646/652/669	5.50	9.20%	19/06/2017	3	1.86	3 month
CE-571940	19.94	8.51%	02/09/2017	16	1.32	1 year 4 month
CE-582371/388/394/408/359/342/365/287/320/336/582489/582567	147.66	7.89% / 7.54% / 8.25%	29/09/2017	17	9.24	1 year 5 month
CE-645641	134.50	8.65%	13/04/2018	24	6.12	2 years
CE-550681/701/718	4.45	9.77%	03/06/2017	3	1.51	3 month
Total	**312.05**					

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

(₹ in lacs)

(3) Indusind bank

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
NNN00495E, NNN00494E	49.15	9.57%	05/02/2020	34	1.66	2 years 10 months
NNN00496E	24.12	9.55%	25/02/2020	38	0.81	3 years 2 months
NNN01115L,16L,17L, 18L,19L,20L,21L,22L	52.69	9.57%	28/01/2020	34	1.78	2 years 10 months
NNN01124L, NNN01125L, NNN01126L	40.44	9.55%	23/03/2020	38	1.33	3 years 2 months
Total	**166.40**					

(ii) From Financial Institution

(1) SREI equipment finance pvt. ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
116981	1,375.63	13.99%	15/10/2016	20	56.3	1 year 8 months
116982	1,324.86	16.01%	15/10/2016	20	54.73	1 year 8 months
117020	1,701.23	14.01%	15/10/2016	20	86.54	1 year 8 months
125001	28.55	9.25%	05/02/2017	11	2.49	11 months
125103	734.42	10.74%	05/04/2018	38	42.35	3 years 2 months
183708/186514/186 515	6,704.60	12.11%	05/12/2019	59	170.09	4 years 11 months
186516/187071/187 072/187073	5,852.23	12.99%	05/12/2019	59	386.22	4 years 11 months
Total	**17,721.52**					

(2) Indiabulls housing finance ltd.

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The loans have been guaranteed by Managing Director Mr. Anand Sancheti The details of individual loans are as under:

LOAN NO	Outstanding Balance as on 31.03.2020	Rate of Interest %	Date of Agreement/ Sanction	No. of Inst. Due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
HHENAG00472269	365.31	15.50%	31/08/2018	1	372.87	1 month
HLLANAG00490113	4,813.06	14.00%	27/12/2019	60	123.34	5 years
Total	**5,178.37**					

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

(₹ in lacs)

II. Maharashtra Enviro Power Limited

(A) 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.

(1) Axis bank Ltd

Outstanding Balance as on 31.03.2020	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including interest	Maturity period w.r.t. Balance Sheet date
0.41	9.86%	Fixed Rate of Interest	24-Jun-16	3	0.16	3 Months
0.41	9.86%		24-Jun-16	3	0.16	3 Months
1.13	9.86%		24-Jun-16	5	0.28	5 Months
1.13	9.86%		24-Jun-16	5	0.28	5 Months
1.13	9.86%		24-Jun-16	5	0.28	5 Months
1.13	9.86%		24-Jun-16	5	0.28	5 Months
1.13	9.86%		24-Jun-16	5	0.28	5 Months
2.55	9.61%		24-Dec-15	8	0.33	8 Months
9.04						

(2) ICICI Bank Ltd

Outstanding Balance as on 31.03.2020	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including interest	Maturity period w.r.t. Balance Sheet date
7.01	8.04%	Fixed Rate of Interest	22-Jan-18	10	0.73	10 Months
7.01	8.04%		22-Jan-18	10	0.73	10 Months
7.01	8.04%		22-Jan-18	10	0.73	10 Months
7.01	8.04%		22-Jan-18	10	0.73	10 Months
3.69	8.32%		22-Jan-18	10	0.73	10 Months
7.01	8.04%		22-Jan-18	10	0.73	10 Months
5.54	8.09%		22-Jan-18	10	0.58	10 Months
5.54	8.09%		22-Jan-18	10	0.58	10 Months
7.01	8.04%		22-Jan-18	10	0.73	10 Months
7.01	8.04%		22-Jan-18	10	0.73	10 Months
15.71	10.50%		01-Jan-20	32	0.56	2 Years 8 Months
5.79	9.25%		10-Oct-18	42	0.16	3 Years 6 Months
5.79	9.25%		10-Oct-18	42	0.16	3 Years 6 Months
21.60	10.87%		07-Mar-20	34	0.74	2 Years 10 Months
7.24	8.04%		22-Jan-18	10	0.76	10 Months
7.24	8.04%		22-Jan-18	10	0.76	10 Months
127.22						

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

(₹ in lacs)

(3) Kotak Mahindra Bank Ltd

Outstanding Balance as on 31.03.2020	Effective Rate of Interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including interest	Maturity period w.r.t. Balance Sheet date
20.31	7.98%	Fixed Rate of Interest	02-Sep-17	16	1.35	1 Years 4 Months
3.18	8.40%		05-Jan-18	20	0.17	1 Years 8 Months
3.18	8.40%		05-Jan-18	20	0.17	1 Years 8 Months
14.72	7.76%		02-Sep-17	16	0.98	1 Years 4 Months
41.38						

(4) HDFC Bank Ltd

Outstanding Balance as on 31.03.2020	Effective Rate of Interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including interest	Maturity period w.r.t. Balance Sheet date
1.03	10.02%	Fixed Rate of Interest	10-Nov-16	8	2.44	8 Months
1.03	10.02%		10-Nov-16	8	2.44	8 Months
2.05						

(B) 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, Maharahastra. 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.

Outstanding Balance as on 31.03.2020	Current Rate of Interest as on date of Signing of Financial Statements (Effective Rate of interest %)	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
29,690.20	13.90%	Fixed Rate of Interest	26-Mar-18	109	465.18	10 years 2 Months

III. Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.

a. Secured By :-

I) The term loans have been secured by the guarantee given by the Holding Company and Directors of the Holding Company and properties of Directors of Holding Company.

II) Term Loans in respect of Rs 140 Crores:

A) Term Loan includes loan from bank/institutions which is secured by a first and exclusive charge as under:

a) Exclusive charge on all amounts owing to, and received by, the company in relation to Toll Receivables and all rights, titles, interests, benefits, claims and demands whatsoever in respect of Toll Receivables, both present and future.

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

(₹ in lacs)

b) Exclusive charge on all the bank accounts, both present and future, in relation to the Project, including the Escrow Account and all rights, titles, interests, benefits, claims and demands whatsoever in respect of such bank accounts or any replacement thereof, including all monies, securities, instruments, investments, and other properties deposited in such bank accounts, including investments in mutual funds and fixed deposits.

b. Guarantors :-

* In respect of Term Loan of Rs 140 Crores, the guarantee has been given by SMS Limited and its Directors along with Spark Mall and Parking Private Limited.

* In respect of Term Loan of Rs 6.5 Crores, the guarantee has been given by SMS Limited and its Directors.

c. Terms of Repayment are given as under:-

The term loans are repayable in monthly instalments ranging from 6 to 64 for different loans.

IV. Spark Mall and Parking Private Limited

I. Additional Information to Secured Long Term Borrowings :

The Long Term portion of Term loans are shown under Non Current borrowings and the current maturities of Non Current borrowings are shown under other current financial liabilities as per the disclosure requirement of Schedule III of Companies Act, 2013

Details of Securities and Terms of Repayment

(a) Term Loans

Date of Agreement/ Sanction	Bank name & account no.	Maturity period w.r.t. Balance Sheet date	Effective Rate of interest %	Total No. of instalments	Amount of instalment	Outstanding Balance as on 31.03.2020
12/06/2010	Indian Overseas Bank A/c-87503271000003	3.00	14.70%	36	96.00	1,102.84
17/03/2009	SBI A/c no-00000064060911700	3.00	16.65%	36	96.00	1,136.49
17/03/2009	SBI A/c no-00000062132001219	3.00	16.65%	36	110.67	1,228.95

(b) Other Loans

1) India Bulls Housing Finance Limited

Date of Agreement/ Sanction	Agreement No.	Maturity period w.r.t. Balance Sheet date	Effective Rate of interest %	Total No. of instalments	Amount of instalment including Interest	Outstanding Balance as on 31.03.2020
19/12/2019	HLLANAG00490094	4.00	14.00%	49	93.33	8,000

II. Security (for all loan account under consortium arrangement)

Primary

(a) On paripassu basis for a debt component of Rs. 109 Crores.

(b) First charge by way of hypothecation of all movable assets and receivables/revenues both present and future.

(c) First charge on all borrower's bank accounts including without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the borrower under any project document or contract.

(d) A first charge /assignment /security interest on the borrower's rights under the projects document, concession agreement, contracts and all licenses, permits, approvals, consents and insurance polices in respect of the project.

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

(₹ in lacs)

Corporate Guarantee

1 Corporate guarantee given by its holding company SMS Limited.

Collateral

1 NIL

Property Mortagaged

1) F.NO. 2604, 26TH FLR, 3004, 30TH FLR, 3104 31ST FLR TWR B OMKAR 1973 WORLI, MUMBAI ,
2)P. NO. 45, MUNICIPAL CORPN H.NO. 66, HILL ROAD, DHARAMPETH EXTENSION, SHIVAJI NAGAR, NAGPUR ,
3)P.NO. 10, KH. NO 43 & 46/1, MZ- PANDHARABODI, MZ- NO. 252, HINDUSTAN CNAGPUR AND MUMBAI MUMBAI MAHARASHTRA 400030

Repayment Schedule and Default.

Name of Bank	Repayment Schedule	Rate of interest as on 31.03.2020	Rate of interest as on 31.03.2019
From Indian Overseas Bank Term Loan	41 quarterly installments commenced from 31/12/2012 and ending on 01/06/2023	16.00%	14.70%
From State Bank of Hyderabad Term Loan		16.00%	16.65%
From State Bank of Mysore Term Loan		16.00%	16.65%

The period and amount of delay in interest as on the balance sheet date.

Loan Particulars	Due date	Amount due	Date of Payment	Overdue days
SBI-219	31/03/2020	18.00	09/04/2020	9
SBI-700	31/03/2020	16.56	09/04/2020	9
IOB-0003	31/03/2020	14.06	13/04/2020	13

Terms of Preference Shares

a. The said preference shares shall carry preferential rights to receive dividend at the rate of 12% per annum in the year in which the company declares dividend and shall be *Non Cumulative Optionally Convertible Redeemable Preference Share*. The Dividend in the year in which shares are allotted will be in proportion to the period in respect of which such shares remain paid provided that dividend is declared.

b. Such Preference Shares Shall be nomenclature as " 12% Optinally Convertible Non Cumulative Redeemable Preference Share" (OCNCRPS)

c. The OCNCRPS shall be convertible at the option of the shareholder as well as the issuer. Each OCNCRPS shall be convertible after a period of 120 months from the date of allotment into one Fully paid Equity Share of Rs. 10/- each of the company at par ar the option of OCNCRPS Shareholders by giving one month's notice.

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

(₹ in lacs)

d. The said preference shares shall be redeemable at the option of the company at any time before 20 years. Terms of Redemption are as follows:

i. OCNCRPS are redeemable at the issue price of Rs. 50 at any time before the expiry of 36 months from the date of allotment.

ii. OCNCRPS are redeemable at Rs. 63 at any time after 36 months but before the expiry of 60 months from the date of allotment.

iii. OCNCRPS are redeemable at Rs. 74 at any time after expiry of 60 months from the date of allotment but before end of 120 months from the date of allotment.

iv. OCNCRPS are redeemable at Rs. 110 at any time after expiry of 120 months from the date of allotment but before end of 180 months from the date of allotment.

v. OCNCRPS are redeemable at Rs. 170 at any time after expiry of 180 months from the date of allotment but before end of 235 months from the date of allotment.

vi. OCNCRPS are redeemable at Rs. 270 at any time after expiry of 235 months from the date of allotment but before end of 240 months from the date of allotment.

e. Such preference shares shall carry preferential right for redemption of the capital on the winding up the company.

f. The voting rights on such Preference Shares shall be in accordance with the provisions of section 47 of the Companies Act, 2013, whenever applicable.

V. SMS VIDHYUT PRIVATE LIMITED

Details of Securities and Terms of Repayments Of secured borrowings

1 Registered mortgage of BLOCK ON

1) FF,201,202 SF&THIRD FLR, PAUL COMMERCIAL COMPLX, MJ-AJNI, CS NO.1228, NAGPUR

2)H. NO.273 SAKAR, DHARAMPETH CLNY, NAGPUR

3)P. NO. 1TO23, S.NO.8, P.NO.1A,1B,2,3,4A,4B,5A,5B,6,7,8, 8B,9A,9B, 10TO15 ,17TO19 ,20 A, 20B, 21A, 21B, 22A, 22B,NANDURA , BULDHANA,

4)F. NO.2501,TWR B,OMKAR1973 WRLI, MUMBAI NAGPUR MAHARASHTRA 440024

2 ROI & Other Details

Sr No.	Agreement No.	Date of Agreement/ Sanction	Maturity period w.r.t. Balance Sheet date (years)	Effective Rate of interest %	Total No. of instalments
1	HLLANAG00490093	19/12/2019	10 years	14%	120

From Others

1 The loan from related parties are interest free and repayable on demand.

The period and amount of delay in interest as on the balance sheet date.

Loan Particulars	Due date	Amount due	Date of Payment	Overdue days
HLLANAG00490093	Jan-20	45.64	06/04/2020	76

VI. SMS-AABS India Tollways Private Limited

(Terms of borrowings)

Overdraft facility of Rs. 50.00 Crore From SBI is a reducible OD, repayable on demand subject to last instalment to be paid by 2022, and the Rate of interest being 1.85% above MCLR (Marginal Cost of Fund Based lending rate).

VII. SMS Water Grace BMW Pvt. Ltd

Details of Securities and Terms of Repayments

Secured Loan

(1) HDFC Bank Ltd

Secured by first charge by way of hypothecation of specific vehicle as specified in the schedule annexed to the agreement, vide sanction letter dated 22nd June 2017. The details of individual loans are as under.

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

(₹ in lacs)

Maturity period w.r.t. Balance Sheet date	Date of Agreement/Sanction	Outstanding as on 31.03.2020	Rate of interest %	Total No. of Installments	No of instalments due	Amount of instalment (Including Interest)
11 Months	22-Jun-17	2.79	8.30%	42	11	0.26
11 Months	22-Jun-17	2.79	8.30%	42	11	0.26
11 Months	22-Jun-17	2.79	8.30%	42	11	0.26
4 years 1 Month	23-Mar-19	6.40	10.36%	60	11	0.16

(2) Kotak Mahindra Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter dated 5th July 2018. The details of individual loans are as under.

Date of Agreement/Sanction	Outstanding as on 31.03.2020	Effective Rate of Interest	Total No. of Installments	No of instalments due	Amount of instalment (Including Interest)	Maturity Period w.r.t. Balance sheet date
5-Jul-18	2.58	9.60%	47	27	0.11	2 years 3 Months
5-Jul-18	2.58	9.60%	47	27	0.11	2 years 3 Months
5-Jul-18	2.58	9.60%	47	27	0.11	2 years 3 Months
5-Jul-18	2.58	9.60%	47	27	0.11	2 years 3 Months

(3) Tata Motors Finance Ltd.

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter dated 2nd June 2016. The details of individual loans are as under.

Date of Agreement/Sanction	Outstanding as on 31.03.2020	Effective Rate of Interest	Total No. of Installments	No of instalments due	Amount of instalment (Including Interest)	Maturity Period w.r.t. Balance sheet date
02/06/2016	0.22	11.29%	47	1	0.22	1 Month
02/06/2016	0.22	11.29%	47	1	0.22	1 Month

VIII. SMS ENVOCLEAN PRIVATE LIMITED

(i) Secured Term Loan From Bank

(1) Axis Bank Ltd

Secured by First Hypothecation charge on entire current assets of the company both present and future. Also First charge on entire fixed asset constructed out of the proposed term loan. Also secured by way of collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters along with personal guarantee of Shri Paramveer Sancheti(land owners of above stated land).

Total No. of Installments	Outstanding as on 31.03.2020	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (Excluding interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
60	121.11	10.90%	2 Years	5.00	60.00	61.11
60	29.61	10.90%	1 Years 7 months	1.58	18.95	10.66

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

(₹ in lacs)

(2) Kotak Mahindra Prime 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.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (including interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
22/05/2015	60	10.70%	2 Months	0.19	0.38	0.38

(3) Kotak Mahindra Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (including interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
25/01/2019	47	9.95%	2 Year 10 Months	0.30	2.89	6.10

(4) HDFC Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicle as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (including interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
20/05/2015	60	10.49%	2 Months	0.09	0.17	-
02/01/2017	48	9.41%	10 Months	0.19	1.83	-
15/01/2020	48	9.10%	3 Years 9 Months	0.74	6.60	21.55
15/01/2020	48	9.10%	3 Years 9 Months	0.28	2.46	6.82
15/01/2020	48	9.10%	3 Years 9 Months	1.25	11.17	37.73
15/01/2020	48	9.10%	3 Years 9 Months	0.29	2.57	8.39
15/01/2020	48	9.10%	3 Years 9 Months	0.20	1.75	5.70

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

	As at 31 March, 2020	As at 31 March, 2019
		(₹ in lacs)
21 Other Non- Current Financial Liabilities		
Deposits from outsiders	74.65	21.89
Membership Deposits*	3,679.11	3,311.72
Retention Money from sub contractor	2,579.42	2,645.94
Security Deposit	1,241.35	2,348.68
Rent Payable	0.70	-
Other Paybles	35.00	35.00
	7,610.22	**8,363.23**

*Note : -

Membership Deposit is measured at amortised cost on undiscounted basis considering the fact that the maturity period of liability is unacsertained. Also Includes Rs. 1 Lacs from Butibori CETP Pvt Ltd. (Related Party)

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

(₹ in lacs)

	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
22 Provisions				
Provision for Employee benefits				
Provision for Gratuity	1,451.93	994.21	219.29	167.63
Provision for Leave benefit	442.64	-	165.15	432.17
Other Provisions				
Provision for Overlay Expenses*	-	2,921.84	170.31	685.24
Landfill cover charges payable	1,478.94	1,149.23	112.55	323.01
Provision for Toll Rights	31,750.89	42,775.78	-	-
Provision for Lease Rent Payable	44.95	-	-	-
Provision for Escrow Charges	2,774.92	2,576.29	-	-
Provision for Installment Payable to NHAI	-	-	522.52	613.57
Provision for Expenses Payable	-	-	41.06	82.13
Provision for Incineration charges	-	-	994.94	870.32
	37,944.28	50,417.35	2,225.81	3,174.06

*Note:- Provision for Contractual obligation is created towards the obligation of construction of Project Facility on an estimation basis, which is in accordance with the principles laid down in the Ind AS -37.

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

(₹ in lacs)

	As at 31 March, 2020	As at 31 March, 2019
23 Other Non-current liabilities		
a Advances		
Mobilisation Advance from customers	2,379.90	3,421.89
Secured Advance from customers	1,784.67	2,540.80
Other advance	-	194.21
b Other Advance		
Deferred -Govt grant	276.54	495.97
Security Deposit for Point of Sale Terminal	192.63	242.92
	4,633.74	**6,895.78**

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

(₹ in lacs)

	As at 31 March, 2020	As at 31 March, 2019
24 Current Borrowings		
Loans repayable on demand		
Secured		
(A) Cash credit from banks	31,860.69	34,290.41
(B) SBI EVFS from banks	-	4,995.46
(C) Term Loans from Financial Institutions	-	5,328.57
Unsecured		
Loans from related parties	9,665.87	9,497.56
From others	3,606.44	2,601.92
	45,133.00	**56,713.93**

I **SMS Limited**

1 **Cash Credits & EVFS Secured by way of**

a) Primary Security on stocks comprising of raw-material, work in progress, consumable stores and spare parts, receivable claims and bills both present and future , collateral securities of properties of the company as specified in sanction terms, its Directors and relatives as mentioned in the Annexures to the Deed of Hypothecation dated 29.04.2019 and TDR to the extent of ₹ 500 lacs (principal amount) ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of Directors to the extent of ₹ 137000.00 lacs for fund based and non fund based limits.

c) Personal guarantee of relatives of Directors as mentioned in the sanction letter to the extent of value of properties provided by them.

d) The cash credit is repayable on demand and is carries interest within the range of 8.60% to 10.55% p.a.

e) Shares of Following promoters are pledge against this cash credit and Non Fund based Limit.

Name of Shareholder	No of Share
Abhay Sancheti	7,90,436
Ajay Sancheti	5,92,687
Anand Sancheti	5,92,687

2 The company has not defaulted in repayment of any loans and interest thereon as on the date of Balance Sheet. Unsecured loan do not have any specific repayment schedule. It will be payable on demand and carries interest within the range of 7% to 12% p.a.

II **SMS ENVOCLEAN PRIVATE LIMITED**

Loans from Vishwanath Infrastructure Ltd and Anup Nilawar does not have specific repayment terms and it is repayable on demand.

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

III **MAHARASHTRA ENVIRO POWER LIMITED**

Note:-

The Loan is secured by Hypothecated of entire current assets and movable fixed assets of the company both present and future. Further the loan is secured by Personal Gurantee of Mr. Paramveer Sancheti and Mr. Anand Sancheti and Recuring Deposit at Rs. 5 lacs per month is to be created over the two years period. Also having charge over following investments of the company.

1)Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan having Folio No. 1037221761.

2)Aditya Birla Sun Life Credit Risk Fund Gr. Regular having Folio No.1018373855

3)SBI Dyanamic Bond Fund - Regular Plan - Growth Folio No. 20003588

4)SBI Credit Risk Fund Regular Growth Folio No.16544310.

5)SREI Perpetual Debenture Instrument.

IV **Spark Mall and Parking Private Limited (Formerly known as SMS**

The loan from related parties are interest free and repayable on demand.

V **SMS VIDHYUT PRIVATE LIMITED**

Details of Securities and Terms of Repayments

The loan from related parties are interest free and repayable on demand.

VI **SMS Waste Management Private Limited**

The loan accepted fromr SMS limited is in nature of short term and repayable on demand.

VII **SMS INFOLINK PRIVATE LIMITED**

The unsecured loan above does not have a specific repayment term and is non interest bearing.

VIII **SMS MINE DEVELOPERS PRIVATE LIMITED**

Note: Loan taken from SMS limited is unsecured & is non interest bearing. The terms of repayment are not stipulated and accordingly considered as current borrowings.

IX **SMS Tolls & Developers Limited**

Note: Loan taken from SMS limited is unsecured & is non interest bearing. The terms of repayment are not stipulated and accordingly considered as current borrowings.

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

(₹ in lacs)

		As at 31 March, 2020	As at 31 March, 2019
25	**Trade Payable (Current)**		
a	Letter of Credit Issued and Outstanding	2,457.09	2,795.21
b	Dues to Micro and small enterprises	229.97	56.99
c	Trade Payables other than (i) & (ii) above	20,081.33	25,127.86
		22,768.39	**27,980.06**

Note - Trade Payables

"FA. Trade Payables The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-	As at 31 March 2020	As at 31 March 2019
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	229.97	56.99
(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	5.57	3.62
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	4.13	1.09

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

(₹ in lacs)

		As at 31 March, 2020	As at 31 March, 2019
26	**Other Current Financial Liabilities**		
	Current Maturities of Long Term debt	14,636.64	20,752.06
	Expenses Payable	5,228.04	4,833.63
	Salary & Consultancy Payable	1,341.00	1,743.66
	Security Deposit	1,153.55	1,141.41
	Interest Payable	453.60	660.90
	Retension Money	256.75	379.66
	Withheld Amount	230.22	120.66
	MIDC & other Charges Payable	137.67	212.30
	Amount Payable for Capital Goods	-	40.52
	Bonus payable	45.57	36.26
	Audit Fees Payable	4.88	4.91
	Credit card dues	1.89	0.88
	Current account balance	5,624.18	6.50
	Lease outstanding payments	2,267.31	326.51
	Amount due from Partners of Jointly controlled entities	91.28	91.24
	Other Payable	410.09	67.31
		31,882.66	**30,418.43**

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

(₹ in lacs)

		As at 31 March, 2020	As at 31 March, 2019
27	**Other Current Liabilities**		
	Advances Received :		
	Advance against sale of Investments	24.00	12.00
	Advance From Customers	577.37	1,386.64
	Mobilisation Advance	51.55	13.11
	Statutory Dues payable :		
	Goods & Service Tax Payable	1,035.98	404.54
	Dividend Distributed Tax Payable	205.59	-
	Employee State Insurance Corporation Payable	50.93	21.82
	Profession Tax Payable	4.52	3.89
	Provident Fund Payable	284.93	307.21
	Value Added Tax Payable	769.68	652.61
	Service tax payable	94.00	94.00
	Tax deducted & collected at source Payable	1,062.12	961.76
	Works Contract Tax Payable	-	0.70
	Workers Cess Payable	0.21	0.34
	Withholding tax	74.31	56.33
	Interest payable on Tax collected at source	0.53	-
	Muncipal taxes payable	54.29	77.43
	Provision for disputed tax deposit	12.33	-
	Property tax payable	-	155.60
	Labour welfare fund payable	0.03	0.03
	Other Payables :		
	Deferred Government grant	177.05	101.72
	Security Deposits	71.15	8.95
	Other Payables	25.06	24.53
		4,575.63	**4,283.20**

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

(₹ in lacs)

		Year ended 31 March 2020	Year ended 31 March 2019
28	**Revenue from operations**		
	Contract Receipts	1,00,596.78	1,18,257.32
	Toll Receipt	45,896.18	42,967.21
	Waste Disposal Charges	12,552.61	13,386.23
	Logistic Revenue	1,469.03	1,612.11
	Rent Income (Operational)	408.56	586.66
	Sale of Bags	309.69	223.76
	Sale of Scraps (Operational)	198.95	165.93
	Parking Collection	153.46	129.85
	Revenue from Operating Taxi cabs	110.40	337.84
	Operation & Maintenance Receipts	86.35	-
	Laboratory Income	79.40	104.75
	Sale of Electricity	78.96	41.97
	Revenue from DBO Subscriptions	75.85	80.64
	AMC Charges recovered	74.79	138.75
	Sale of Coal	36.07	394.84
	Shared Services with Food Court	1.07	4.04
		1,62,128.14	**1,78,431.89**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2020 by Nature. The Company believe that this disaggregation best depict show the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry,market and other economic factors.

EPC	65,555.21	87,909.65
Toll	46,521.91	43,457.19
Mining	34,538.26	30,252.53
Hazardous	14,609.67	15,492.77
Other	903.09	1,319.75
	1,62,128.14	1,78,431.89

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

(₹ in lacs)

	Year ended 31 March 2020	Year ended 31 March 2019
29 Other income		
Interest income	1,775.65	1,119.51
Grant Received/amortised	838.61	1,036.80
Consultancy Services	361.90	-
Miscellaneous income	326.60	355.24
Net Profit on Currency Flactuation	-	147.17
Scrap Sales	165.65	249.43
Insurance claim received	77.70	35.04
Balances written back	72.20	43.68
Profit on sale of Investments	12.98	-
Commission Received	11.00	-
Income from Redemption of Liquid Investments	10.53	42.79
Membership & subscription fees	9.41	3.93
Forefeiture of Expired card	8.35	19.55
Rent Received	4.95	1.68
Security charges	2.59	9.76
Profit on sale of Fixed Assets	-	33.20
Other Incomes	0.57	15.00
Dividend Income	0.38	2.55
Gain arising on financial assets measured at fair value through profit or loss	-	40.37
Rental income on Investment Property	-	8.32
	3,679.07	**3,164.01**

Y.K. SURANA & CO. F.R.No. 110934W CHARTERED ACCOUNTANTS NAGPUR

(₹ in lacs)

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Cost of Raw/project material consumed**		
	Inventory at the beginning of the year	11,528.04	13,921.55
	Add: Purchases	22,756.65	27,488.99
	Less: Transfer of Material	(6.38)	(193.93)
	Less : Inventory at the end of the year	(10,680.77)	(11,528.04)
		23,597.54	**29,688.57**
31	**Direct Expenses**		
	Works contract expenses	34,317.80	53,213.87
	Fees to NHAI	7,726.96	7,165.85
	Machine Hire Charges	3,785.11	3,860.00
	Transportion, logistic and fright Charges	1,815.30	2,123.69
	Repairs and maintenance- Machineries	1,416.39	2,677.32
	Waste Disposal Expenses	1,385.50	1,692.18
	Power and fuel	1,237.39	1,163.13
	Maintenance Charges	1,036.55	974.66
	Chemical, stores, spares & other consumption	889.22	1,015.03
	Royalty	887.48	605.05
	Toll and Plant Operation Maintenance Expenses	637.55	521.65
	Insurance Expenses	392.61	310.73
	Coal and OB removal expense	278.12	323.61
	Repairs and maintenance- Vehicles	270.67	557.45
	Site work expenses	215.60	236.11
	Safety & Security Expenses	184.69	159.77
	Change of Scope	150.15	111.37
	Legal, technical and professional consultancy fees	125.98	204.35
	GST expenses	106.40	56.70
	MIDC Charges	102.52	236.89
	Rates and taxes	75.65	78.19
	Labour expenses	69.10	41.94
	Water charges	52.52	55.74
	Annual Maintainance Charges	35.58	39.96
	Travelling and conveyance, Toll Tax and Car Parking Expenses	19.24	28.64
	Landfill charges	18.50	15.78
	Brokerage & commission	10.41	13.39
	Testing and certification expenses	9.81	7.51
	Custom Duty	8.18	227.02
	Incentive expenses	7.27	1.70
	Medical Expenses	6.91	7.97
	Freight & Carting Expenses	3.83	0.64
	Labour Cess	1.47	-
	Miscelleneous expenses	1.15	4.22
	Repairs and maintenance- Buildings	0.68	2.58
	Repairs and maintenance- Computers	0.52	6.17
	Job work charges	-	0.09
		57,282.83	**77,740.97**

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

		Year ended 31 March 2020	Year ended 31 March 2019
			(₹ in lacs)
32	**Purchase of Stock in trade**	**217.84**	**141.74**
33	**Change in Inventories of Stock in trade & Work in Progress**		
	Work in Progress		
	Opening WIP	22,931.24	14,770.08
	Closing WIP	(20,955.56)	(22,931.24)
		1,975.68	(8,161.16)
	Stock in Trade		
	Opening Stock in Trade	39.79	48.66
	Closing Stock in trade	(63.02)	(39.79)
		(23.23)	8.87
		1,952.44	**(8,152.30)**

F.R.No. 110634W

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR

(₹ in lacs)

		Year ended March 31, 2020	Year ended March 31, 2019
34	**Employee Benefit Expense**		
	Salaries & wages		
	Salaries, Wages, Ex-gratia and Bonus	16,890.23	16,136.52
	Leave encashment	542.73	363.32
	Gratuity expenses*	577.19	381.50
	Contribution to Provident and other funds		
	Contribution to Provident and other funds	1,231.53	1,130.10
	Contribution to Employees State Insurance Corporation	57.01	80.37
	Staff welfare expenses	243.20	220.47
		19,541.89	**18,312.29**

* Note:- Since the Gratuity is unfunded the same is clubbed under head Salaries & Wages as per the guidance note on Division-II INDAS of Schedule III to the Companies Act, 2013.

35	**Finance Costs**		
	Interest cost		
	To Bank & Financial institutions	15,301.56	14,844.34
	To others	1,635.53	664.41
	On Mobilisation Advance	119.66	601.97
	On unwinding of Interest and Change in discount rate of Provision for Contractual Obligation	487.19	773.67
	Statutory dues	331.35	295.25
	Charges for bank finance/bank guarantee/ letter of credit	1,595.06	1,478.43
		19,470.35	**18,658.07**
36	**Depreciation and Amortization Expenses**		
	Depreciation of property, plant & equipement	5,420.12	6,691.71
	Depreciation of Investment Property	6.60	8.13
	Amortization of intangible assets	14,918.26	14,138.98
	Amortization of intangible assets under development	2,272.71	2,386.70
		22,617.68	**23,225.52**
37	**Other Expenses**		
	Legal, consultancy and professional fees	1,970.63	1,799.62
	Fair valuation loss on equity instrument routed through P&L	1,754.03	2,001.42
	Repairs and maintenance Expenses	654.50	417.68
	Share of Loss from Joint Venture & Partnership Firm (which are not consolidated)	506.13	5.45
	Security charges	482.75	458.41
	Net loss on Foreign currency fluctuations	215.04	-
	Travelling and conveyance	367.92	424.01
	Power and fuel	360.10	305.68
	Office Expenses	340.81	322.35
	Rates and taxes	255.28	286.53
	Rent expenses	235.22	229.45
	Lodging & Boarding Charges	178.20	216.87
	Advertising and sales promotion	166.31	133.46
	Corporate Social Responsibility	154.18	429.83
	Loss on Sale of Property, Plant and Equipment including derecognition thereof	108.66	-
	Investment written off consequent to liquidation of subsidiary company	102.00	5.00
	VAT expenses	101.00	166.47
	Postage, Telephone & Internet Cost	83.38	92.64
	Interest and penalty	77.92	39.59
	Insurance Expenses	77.71	54.96
	Payment to Internal Auditor	71.60	55.31
	Printing and stationary	55.15	64.77

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

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Machine Hire Charges	53.60	11.33
GST expenses	48.74	37.94
Fooding Expenses	48.53	53.99
Payment to Statutory Auditor	43.72	41.66
Brokerage & commission	39.81	7.81
Vehicle hire charges	37.95	51.70
Guest House Expenses	36.47	23.31
Balances written off	36.36	177.03
Service tax expense	35.71	29.39
Donation	23.69	414.41
Bank Charges	21.71	91.55
Tender expenses	11.31	17.40
Membership & Subscription fees	9.82	14.00
Transporting Charges	6.00	5.47
Payment to Cost Auditor	5.25	5.30
Freight and Carting Charges	2.85	1.95
Medical Expenses	0.73	1.19
Director sitting fees	0.60	0.80
Books & periodicals	0.39	0.03
Loss on Sale of Investment	-	513.83
Miscellaneous expenses	54.87	126.97
	8,836.63	**9,136.56**

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

38 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 2020**	**As at 31 March 2019**
Non-current Borrowings	80,236.88	68,250.82
Current Borrowing	45,133.00	56,713.93
Current Maturities of Non current Borrowing	14,636.64	20,752.06
Total Debt	1,40,006.51	1,45,716.81
Less : Cash & Cash Equivalent	2,491.48	3,414.67
Net debt	1,37,515.03	1,42,302.14
Equity	78,363.64	72,533.10
Total capital	78,363.64	72,533.10
Capital and net debt	2,15,878.67	2,14,835.23
Gearing Ratio	63.70%	66.24%

39 **Earnings Per Share (EPS)**		
Profit/(loss) after tax	9,248.37	8,428.47
Net profit for calculation of basic EPS	9,248.37	8,428.47
Net profit for calculation of diluted EPS	9,248.37	8,428.47
Profit/(loss) after tax before exception item	9,248.37	8,498.35
Net profit for calculation of basic EPS	9,248.37	8,498.35
Net profit for calculation of diluted EPS	9,248.37	8,498.35
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	90.13	82.14
Diluted	90.13	82.14
Earnings per equity share before exception item		
Basic	90.13	82.82
Diluted	90.13	82.82

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

40 A **Contingent Liabilities and Guarantees**

	As at 31 March 2020	As at 31 March 2019
		(₹ in lacs)
Contingent Liability		
Claims against the company not acknowledged as debts		
Income Tax Act	919.23	1,930.41
Service Tax including Penalty of Rs. 18,593.58 Lacs (Rs. 18,830.24 Lacs) *	42,356.64	42,398.74
Custom	80.00	80.00
Sales Tax/VAT	3,310.11	3,000.34
Life Time road transport tax	721.79	721.79
Legal Cases against company	312.03	306.03
Employees State Insurance Corporation	-	2.24
Other	4,519.25	371.86
Guarantees excluding Financial Guarantees		
Corporate Guarantees to associate companies and joint venture	42,166.71	40,586.52
Performance Bank Guarantees of Subsidiries & Associates Co's.	9,427.87	6,424.63
	1,03,813.63	95,822.55

SMS Limited (Formerly known as SMS Infrastructure Limited)

Note :-

1 * Includes Rs. 14,185 Lacs against appeal number ST/86550/2017 pending before CESTAT, Mumbai , wherein it is contended that the total demand of irregular credit cannot exceed the actual amount of credit availed and that reversal of credit is equivalent to non-availment of credit. Further, the Commissioner (Appeal), Central Excise & GST, Nagpur in order in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 has accepted that computation of reversal of credit made by SMS and dropped the entire demand as the company had reversed credit of INR 104.52 Lacs. It may be noted that the order passed by Commissioner (Appeal) is also for the same period of dispute, i.e., 2011-12 to 2014-15, as in aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai.

In view of the aforesaid legal precedents and order dated 23.08.2018 passed by Commissioner (Appeal), company is of the view that the total demand which may arise as outcome of the aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai should not exceed INR 104.52 Lacs i.e., actual amount of common credit availed by SMS Limited.

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

40 A Contingent Liabilities and Guarantees (₹ in lacs)

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

1 The Treasury Department of Uttar Pradesh vide its letter dated 14.01.2020 raised a demand of Rs 43 Crores including penalty of Rs 21.50 Crores pertaining to stamp duty and put a hold on the escrow account and current accounts of the company. Consequently the company paid an amount of Rs 17.61 Crore to the Treasury Department in FY 19-20. The hold on the accounts was released after depositing 50% of demand amount that is Rs 21.50 Crores. The company vide its letter dated 19.05.2020 made a representation to NHAI to adjust the amount paid by the company to Treasury against the NHAI concession fees for the months of January and February 2020. Consequently no demand has been raised by NHAI against the pending concession fees. The company in its books of accounts has adjusted the amount paid to Treasury Department against the due Concession fees.

2 The above matter was objected by company in the court of law and the case was filed with Allahabad Bench of High Court on 18.02.2020 and the matter is pending for hearing as on date of signing of Balance Sheet.

3 The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

4 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable in its financial statements. The Company has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

B Contingent Assets

Claim raised to the client not acknowledged as receivable*	8,965.66	-
	8,965.66	-

*Note - The company had gone for arbitration and raised several claims under various heads against it5 client - Xonkan Railway Corporation Limited amountinng to Rs. 8965.66 Lakhs. Subsequently, the case has been fllled by the company in the Delhi High Court and the same ir pending with Court for final adjudication. Due to which, the same is considered as Contingent Asset and disclosed in the notes to accounts.

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

40 A Contingent Liabilities and Guarantees (₹ in lacs)

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

The company has received notice from NDMC demanding property tax Rs. 229.34/- Lakhs (additional Tax and Penalty during the previous year Rs. 93.61/- Lakhs) on parking area for the period 01.04.2014 to 2018-19. Company have gone for Hon'ble Supreme Court on this issue, Outcome of case cannot be predicted reliably at this point of time. However, during the year supreme court ordered to pay principal portion of liability for filing further petition and accordingly we had paid Rs 187 Lakhs being principal amount, balance Interest & Penality is still contingent in nature.

Maharshtra Enviro Power Limited

The holding company "SMS Ltd" has issued bank guarantee for Performance security to the authorities on behalf of our company to the tune of Rs.754.22 Lacs

B	**Commitments**		
	Capital Commitment	7,757.08	3,507.30
	Revenue Commitment	36,938.33	1,14,475.77
		44,695.41	**1,17,983.07**
41	**Payment to Auditors (Excluding Taxes)**		
	As Auditor:		
	Audit fee	34.98	32.80
	Tax audit fee	5.90	5.90
	Reimbursment of Expenses	0.14	0.26
	In other capacity:		
	Other services (Certification Fees)	2.70	2.70
		43.72	41.66

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

(₹ in lacs)

42 While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 834867 lakhs out of which 12.68% 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' -**

(₹ in lacs)

	PARTICULARS	2019-20	2018-19
A	**Contracts with customers**		
i	Revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue	Yes	Yes
ii	Any impairment losses recognised (in accordance with Ind AS 109) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts	NA	NA
Contract balances			
i	**Opening Balances**		
	Contract Receivable	29,498.09	28,732.79
	Contract Assets	32,827.49	20,376.13
	Contract Liability	5,464.14	8,842.28
ii	**Closing Balance**		
	Contract Receivable	32,322.60	29,498.09
	Contract Assets	23,158.75	32,827.49
	Contract Liability	3,620.77	5,464.14
i	Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1,843.37	3,378.15
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 performanace obligation are variable and the all the factor related with the estimation of variable payment are considered at the the of recognittion.	Nil	Nil
iii	An explanation of the significant changes in the contract asset and the contract liability balances during the reporting period	Nil	Nil
	There is no significant change in the contract assets and contract liability balance during the reporting period.	Nil	Nil

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

(₹ in lacs)

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

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

(₹ in lacs)

44	**Operating Lease Disclosures as per IND AS 116**	
	Particulars	**2019-20**
i	Depreciation charge for right-of-use assets	14.73
ii	Interest expenses on lease liabilities	2.01
iii	Expenses relating to shon term/ow value assets accounted on straight line or other systematic basis ove	NIL
iv	Additions and carrying value of right'of use assets.	45.42
v	Gain/loss arising from sale and lease back transaction	NIL

*Note - Refer accounting policy note no. 2.

During the year the company has acquired the assets worth Rs. 58.52 Crores from SREI which were earlier under operating lease arrangement. As the title / ownership of the assets are transferred to the company during current financial year, as at the balance sheet date, there is no impact of adoption of New Ind AS 116 - Leases on these operating lease arrangement. Accordingly the recognition and disclosure requirements of New hd AS 116 - Leases are not applied in respect of those operating lease arranSements. The company haS recoSnized the assets underthe head Property, Plant and Equipment in the Audited Financial Statements."

SMS Vidhyut Private Limited

Operating Lease Disclosures as per IND AS 116

(a)The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

i. Not later than one year - Rs. 0.11 Lakhs (Rupees eleven Thousand)

ii.Later than one year and not later than five years - Rs. 0.63 Lakhs (Rupees Sixty three Thousand)

iii.Later than five years - Rs. 2.31 Lakhs (Rupees two lacs thirty one Thousand)

(b)The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date - Nil.

(c) Lease payments recognized in the statement of profit and loss for the year ended 31st March, 2020, with separate amounts for minimum lease payments and contingent rents.

i.Lease Payment - Rs.10326

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, 2019 - Nil.

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

(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	Survey No.	Area in Ha.	Remark
Kamthi Khairy	2	1.5 Ha	RBC Hydro power projects
Deoli	1	3 Ha	LBC Hydro power projects

iv.Terms and condition of lease.

1 The term of the lease shall be same as that of Hydro Power Development Agreement dated 22"d October,200T If Hydro Power Development Agreement is terminated for any of the reasons as mentioned in Hydro Power Development Agreement Land Lease shall stand terminated accordingly..

2 Generating company shall pay to GOMWRD land lease charges. Land lease shall be RS. 1(Rupee One) per kw per annum to be calculated on the basis of installed capacity of the project as approved 'in Techno Economic Feasibility Report for the first year.

3 Land Lease charges will be increased in .every subsequent year by5 % by compounding. Year for the calculation of Land Lease,shall be from 1st of April to 31st of March. Land Lease charges from the first year shall be applicable. from the first. date of; month in which GOMWRD intimates Generating Company about site, being ready for delivery to 31st March of next calendar year. Generating company shall pay the Lease Rent of first year till advance within 30 days from the date on which it is intimated about readiness of the land for delivery Land Lease charges of subsequent years shall also be paid in advance up to 30thof April of every subsequent year.

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 days. And failure of the Generating Company to recoup Performance Security Deposit within stipulated period it will be treated as event of default and the agreement shall be terminated.

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 Componet at intact position.Also the Generating Company shall provide for access in leased area to the dam authorities for inspection of Dam components.

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

(₹ in lacs)

45 Employees Benefit

A **Define Contribution Plan**

SMS TAXICABS PRIVATE LIMITED

Amount recognized as an expense in the Profit and Loss Account in respect of Defined Contribution Plans (Provident Fund) is Rs. 273,498/- (P.Y. 183,013/-).

B **Define benefit plan**

This section provides the Report under IND AS 19 in respect of Gratuity Plan.

Table I: Assumptions

	Gratuity plan		Leave encashment plan	
Assumptions	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Discount Rate	7.77% per annum	7.77% per annum	6.88% per annum	NA
Rate of increase in Compensation levels	7.00% per annum	7.00% per annum	7.00% per annum	NA
Rate of Return on Plan Assets	7.74% per annum	7.74% per annum	NA	NA
Average future service (in years)	24.76 Years	25.06 Years	24.76 Years	NA

Table II: Service Cost

All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Current Service Cost	367.17	264.79	133.20	NA
Past Service Cost (including curtailment Gains/Losses)*	-	-	377.15	NA
Gains or losses on Non Routine settlements	-	-	-	NA
Total	**367.17**	**264.79**	**510.35**	NA

*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.

Table III: Net Interest Cost

All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Interest Cost on Defined Benefit Obligation	74.89	53.74	-	NA
Interest Income on Plan Assets	11.99	11.30	-	NA
Net Interest Cost (Income)	**62.90**	**42.44**	-	NA

Table IV: Change in Present Value of Obligations

All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Opening of defined benefit obligations	1,295.59	975.11	-	NA
Service cost	440.01	324.83	510.35	NA
Interest Cost	100.22	75.46	-	NA
Benefit Paid	(71.80)	(86.78)	-	NA
Actuarial (Gain)/Loss on total liabilities:	(3.71)	6.98	-	NA
- due to change in financial assumptions	284.58	(13.66)	-	NA
- due to change in demographic assumptions	(36.39)	-	-	NA
- due to experience variance	(251.89)	20.64	-	NA
Closing of defined benefit obligation	**1,796.71**	**1,295.60**	**510.35**	NA

Table V: Change in Fair Value of Plan Assets

All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Opening fair value of plan assets	154.36	145.94	-	NA
Actual Return on Plan Assets	11.41	8.42	-	NA
Employer Contribution	63.34	73.18	-	NA
Benefit Paid	(63.34)	(73.18)	-	NA
Closing fair value of plan assets	**165.77**	**154.36**	-	NA

Table VI: Actuarial (Gain)/Loss on Plan Asset

All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Expected Interest Income	11.99	11.30	-	NA
Actual Income on Plan Asset	11.40	8.42	-	NA
Actuarial gain /(loss) on Assets	**0.59**	**2.88**	-	NA

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

45 Employees Benefit (₹ in lacs)

Table VII: Other Comprehensive Income

All Figures in INR	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening amount recognized in OCI outside P&L account	-	-	-	NA
Actuarial (gain) / loss on liabilities	26.47	(22.91)	-	NA
Actuarial (gain) / loss on assets	(0.60)	(2.88)	-	NA
Closing amount recognized in OCI outside P&L account	**25.87**	**(25.78)**	**-**	**NA**

Table VIII: The amount to be recognized in Balance Sheet Statement

All Figures in INR	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present Value of Obligations	1,235.72	893.11	510.35	NA
Fair value of plan assets	165.75	154.36	-	NA
Net Obligations	1,069.97	738.75	510.35	NA
Amount not recognized due to asset limit	-	-	-	NA
Net defined benefit liability / (assets) recognized in	**1,069.97**	**738.75**	**510.35**	**NA**

Table IX: Expense Recognized in Statement of Profit and Loss

All Figures in INR	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Service cost	497.36	324.83	510.35	NA
Net Interest Cost	88.23	64.16	-	NA
Expenses Recognized in the statement of Profit & Loss	**585.58**	**388.99**	**510.35**	**NA**

Table X: Change in Net Defined Obligations

All Figures in INR	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening of Net defined benefit liability	870.95	599.63	-	NA
Service cost	438.90	274.21	510.35	NA
Net Interest Cost	67.23	46.26	-	NA
Re-measurements	(13.87)	25.52	-	NA
Employer Contribution	(65.99)	(74.67)	-	NA
Closing of Net defined benefit liability	**1,297.22**	**870.95**	**510.35**	**NA**

Note:- While preparing consolidated disclosure of Employee benefit we considered only financial of those subsidiaries in which these disclosures are avaialble.

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

46 Segment Reporting

a The company's primary business segments comprises of EPC,Toll and Mining. The business segments have been identified in line with IND AS 108 on Segment Reporting.

b Segment Revenue Results & Other Information

(₹ in lacs)

	2019-20						2018-19					
Particulars	**EPC**	**Toll**	**Mining**	**Hazardous**	**Other**	**Total**	**EPC**	**Toll**	**Mining**	**Hazardous**	**Other**	**Total**
Revenue												
External sales	65,555.21	47,490.20	34,538.26	14,645.64	929.51	1,63,158.81	87,909.65	43,457.19	30,252.53	15,492.77	1,333.88	1,78,446.02
Inter segment sales	-	968.29	-	35.96	26.42	1,030.67	-	-	-	-	14.12	14.12
Total revenue	65,555.21	46,521.91	34,538.26	14,609.67	903.09	1,62,128.14	87,909.65	43,457.19	30,252.53	15,492.77	1,319.75	1,78,431.89
Results												
Segment results	8,311.65	31,296.27	11,290.86	7,048.99	(190.40)	57,757.37	9,310.68	29,303.06	4,844.54	8,262.36	(105.14)	51,615.50
Unallocated expenses	-	-	-	-	-	6,179.29	-	-	-	-	-	-
Inter segment Expenses	1,018.67	37.13	-	3.00	-	1,058.80	14.12	32.88	-	12.00	-	59.00
Operating profit	**7,292.98**	**31,259.14**	**11,290.86**	**7,045.99**	**(190.40)**	**50,519.29**	**9,296.56**	**29,270.18**	**4,844.54**	**8,250.36**	**(105.14)**	**51,556.50**
Other Income	1,214.43	525.09	438.67	1,175.78	504.76	3,858.73	1,158.61	447.82	155.40	1,269.39	140.37	3,171.59
Finance costs	5,502.22	3,415.14	3,331.39	4,472.42	2,749.19	19,470.35	6,492.60	2,916.32	2,211.56	4,813.99	2,223.61	18,658.07
Depreciation / Amortisation	1,009.32	16,364.69	1,392.06	1,800.41	2,051.19	22,617.68	969.29	15,729.43	1,185.48	2,384.26	2,957.06	23,225.52
Profit before tax	**1,995.88**	**12,004.40**	**7,006.08**	**1,948.94**	**(4,486.01)**	**12,290.00**	**2,993.28**	**11,072.26**	**1,602.90**	**2,321.50**	**-5,145.44**	**12,844.49**
Segment assets	1,29,628.40	84,391.58	51,132.22	54,498.69	42,246.77	3,61,897.65	1,43,328.16	92,849.24	40,368.89	53,193.02	40,869.02	3,71,108.33
Intercompany assets	11,248.48	5,202.15	491.77	824.64	2,332.54	20,099.59	12,304.39	2,954.46	192.84	1,218.67	17.87	16,688.23
Unallocated assets							-	-	-	-	-	-
Total assets	**1,18,379.92**	**79,189.43**	**50,640.45**	**53,674.05**	**39,914.22**	**3,41,798.06**	**1,31,023.77**	**89,894.78**	**40,676.05**	**51,974.35**	**40,851.15**	**3,54,420.10**
Segement liabilities	1,07,140.13	55,397.16	13,391.13	43,386.30	48,245.36	2,67,560.07	1,14,314.91	70,179.83	13,802.83	43,801.60	43,139.60	2,85,238.77
Intercompany liablities	250.74	5,879.70	5,817.24	235.00	7,606.70	19,789.39	3,358.40	709.34	5,709.65	7.63	6,697.76	16,482.78
Unallocated liabilities							-	-	-	-	-	-
Total liabilities	**1,06,889.39**	**49,517.45**	**7,573.89**	**43,151.29**	**40,638.66**	**2,47,770.69**	**1,10,956.51**	**69,470.50**	**8,093.18**	**43,793.98**	**36,441.33**	**2,68,755.99**

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

47 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:

1 Relationships (Related Party relationships are as identified by the Company and relied upon by the auditors)

A Subsidiary companies

1 SMS Envoclean Pvt. Ltd.
2 SMS Infolink Pvt. Ltd.
3 SMS Mine Developers Pvt. Ltd.
4 Spark Mall & Parking Pvt. Ltd.
5 SMS Taxi Cabs Pvt. Ltd.
6 SMS Vidyut Pvt. Ltd.
7 SMS Water Grace BMW Pvt. Ltd
8 SMS Tolls And Developers Ltd.
9 SMS-AABS India Tollways Private Limited
10 SMS Waste Management Pvt. Ltd.
11 PT. SMS Minerals International
12 Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
13 Patwardhan Infrastructure Pvt. Ltd.
14 Maharashtra Enviro Power Ltd.
15 PT. SMS Mines Indonesia

B Joint Ventures

1 SMSIL-MBPL-BRAPL (J.V)
2 SMSIL-KTCO (JV)
3 SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
4 Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
5 SMS Infrastructure Ltd. Shreenath Enterprises J.V.
6 SRRCIPL-SMSL-BEKEM-JV
7 SMSL-SRRCIPL (J V)
8 GDCL-SMSIL (J.V.)
9 Bhartiya SMSIL (JV)
10 SMSIL-West Coast Engineering Corp-JV
11 SMSIL-BIL JV-(BRAMHAPUTRA PROJET)
12 SMSIL-BCL JV-(BRAMHAPUTRA PROJET)
13 SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
14 GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd.
15 Sanbro Corporation
16 SMSIL-MBPL(J.V)
17 Meghe Sms Health Sciences Consortium (SPV)

C Associates

1 RCCL Infrastructure Ltd.
2 SMS AAMW Tollways Pvt. Ltd.

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

47 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:

D Key Management Personnel-Holding Company

1 Abhay H. Sancheti - Chairman & Director (ceased w.e.f. 22/01/2020)
2 Anand S. Sancheti -Managing Director
3 Ajay Shaktikumar Sancheti-Non executive Director (ceased w.e.f. 29/02/2020)
4 Dilip B Surana - Whole Time Director
5 Paramveer A Sancheti- Whole Time Director (Appointed w.e.f. 01/03/2020)
6 Nirbhay A Sancheti- Whole Time Director (Appointed w.e.f. 01/03/2020)
7 Akshay A Sancheti- Whole Time Director (Appointed w.e.f. 01/03/2020)
8 Renu Challu-Independent Director (ceased w.e.f. 30/03/2020)
9 Ajay Kumar Lakhotia-Independent Director
10 Ramendra Gupta-Independent Director
11 Hemant Lodha-Additional Direclor (Non Executive) (Appointed w.e.f. 01/03/2020)

E Key Management Personnel-Subsidiary Company

1 Arun Patil
2 Vijay Kisanlal Sancheti
3 Dattatrya Laxmanrao Kinage
4 Saurabh Gautam
5 Chetan Bora
6 Amit Nilawar
7 Anup Nilawar
8 Asif Hussain
9 Chittaranjan Sarkar
10 Rajesh Kawale
11 Pranav Akhileshwar Kumar
12 Amit Kedarnath Somani
13 Abhishek Mehta
14 Rakesh Mishra
15 Prashant Maske
16 Avinash Sankholkar
17 Prabal Pratap Singh
18 Dilip Ganguly
19 Jayant Padgilwar
20 Shailendra Singhal
21 Ajay Agrawal
22 Ayush Agrawal
23 Shakuntala Agrawal
24 Usha Agrawal
25 Neha Agrawal
26 Kishor Malviya-Director
27 Sushant Mukherjee
28 Bhavika Shah
29 Navneet Kumar Pandey

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

47 **Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:**

30 Jagdish Purohit
31 Aditya Nilawar
32 Shantanu Mohite
33 Shikhar Thakur

F Other Related Parties

1 SMS Envocare Ltd.
2 SMS Waluj CETP Pvt. Ltd.
3 SMS Multi Objective Organisation
4 Atul Multi Objective Organisation
5 Valencia Constructions Pvt. Ltd.
6 Veetrag Explorations & Minerals Pvt. Ltd. (Formerly known as Veet Rag Homes Pvt. Ltd.)
7 Veetrag Hospitality Pvt. Ltd.
8 San Commercials Pvt. Ltd.
9 Adianubhav Developers Pvt. Ltd.
10 Bio-waste Management (U) Ltd.
11 M/s San Finance Corporation
12 M/s Sanson Developers
13 M/s Sanbro Corporation
14 Anil H. Sancheti
15 KPANV Mines & Minerals LLP
16 SPANV Medisearch Life Secience Private Limited
17 M/s Best Power Plus Private Limited
18 Kingsway Foundation
19 Pinnacle
20 Ayushajay Construction Private Limited
21 SMS Infrastructure PTE Ltd.
22 Divinutty
23 Oracity Life Sciences Private Limited
24 SMS Aanamklean Greentech Pvt. Ltcl
25 Butibori CETP Pvt. Ltd
26 SMS Wate Grace Enviroprotect Pvt Ltd.
27 Mrs Sheetal Somani
28 Nilawars Water Grace Waste Management Pvt Ltd
29 Agroh Infrastructure Developers Private Limited
30 Khalghat Manawar Toll Private Limited
31 BE Infratech Private Limited
32 Surya International Private Limited
33 Sarangpur Agar Road Private Limited
34 Yash Shree Real Estate Private Limited
35 M/s Precinct Concorde Private Limited
36 Vishwanath Infrastructure Ltd.

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

47 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:

37 BSS Associates
38 Rishik (Motors) India Private Limited
39 Reel Cine squares Cinemas LLP
40 Reel Cine Entertainment Private Limited
41 KPNAV Ventures

SMS Limited
Notes to Consolidated financial statements for the year ended 31 March 2020

2 Related Party transactions during the year are as follows:

(₹ in lacs)

SR. NO.	Particulars	Joint Venture		Associates		Key management personnel and relatives		Other Related Parties	
		2020	2019	2020	2019	2020	2019	2020	2019
1	Advances Given/ Repaid	196.29	315.29	-	-	1.09	288.95	1,361.53	19.53
2	Advances taken/recovered	525.11	256.85	-	-	-	-	205.20	1.14
3	Loan Granted/Repaid	3,216.36	2738.58	1.28	-	5.60	9.4	36,237.01	57,975.35
4	Loan Taken/Recovered	3,989.13	6261.13	-	178.59	207.84	3.00	34,125.03	34,150.36
5	Sale of Services	-	-	-	-	-	-	-	536.46
6	Contractual payment	14,641.63	16150.55	-	-	-	-	1.17	182.80
7	Interest Paid	-	-	-	-	-	-	1,218.38	547.38
8	Interest Received	-	-	-	-	2.22		80.11	5.35
9	Bonus	-	-	-	-	-	3.55	-	-
10	Conveyance Reimbursement	-	-	-	-	2.40	2.40	-	-
11	Managerial Remuneration	-	-	-	-	816.24	561.82	-	-
12	Purchase of Service	-	-	-	-	18.00	-	-	-
13	Remuneration	-	-	-	-	-	54.40	-	147.58
14	Rent	14.40	-	-	-	-	10.00	-	14.40
18	Purchase of Material/Services	-	-	-	-	-	-	184.00	-
19	Advances Written off	-	-	7.06	-	-	-	-	-
20	Royalty Expense	6.25	-	-	-	-	-	-	-
21	Sale of Services/Assets/Material	1.54	-	-	-	-	-	2,136.66	276.83
22	Share Purchase/(sold)	-	-	-	-	-	-	2,381.71	-
23	Director Sitting Fees	-	-	-	-	131.40	12.00	-	-
24	Investment	1.40	226.41	-	-	-	-	2,723.69	6,410.15
25	Investment Sold	-		-	-	31.46	-	43.04	-
27	Other Income	96.08	-	-	-	-	-	2.73	-
28	Payment Made against Services	-	-	-	-	-	-	-	12.07
29	Payment Received against Services	-	-	-	-	-	-	-	76.01
30	Sale	-	-	-	-	-	-	-	266.28
31	Business Support Servicess	-	-	-	-	-	-	300.00	-
32	Dividend Paid During the year	-	-	-	-	-	-	687.80	-
33	Monitoring & Analysis charges	-	-	-	-	-	-	1.48	-
34	Operation & Support Charges	-	-	-	-	-	-	232.06	-
35	Rent Income	-	-	-	-	-	-	0.32	-
36	Testing Charges	-	-	-	-	-	-	0.36	-
37	Outstanding Balances included in Assets/liabilities	3,755.59	5397.8917	1,038.89	1044.67	-8,762.94	49.86	27,706.74	379.76

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

48 Financial instruments (₹ in lacs)

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

a Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

b Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if required allowances are taken to account for the expected losses of these receivables. Accordingly fair value such instrument is not materially different from there carrying amount.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1:

Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2:

Other techniques for which major inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3:

Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (Unobservable input data).

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	37,803.64	835.38	721.7385	39,360.75	39,360.75
Trade receivables	36,781.50	-	-	36,781.50	36,781.50
Loans	22,882.92	-	-	22,882.92	22,882.92
Others financial assets	33,949.32	-	-	33,949.32	33,949.32
Cash and cash equivalents	2,491.48	-	-	2,491.48	2,491.48
Other bank balances	4,815.43	-	-	4,815.43	4,815.43
Liabilities:					
Borrowings	1,25,369.87	-	-	1,25,369.87	1,25,369.87
Trade payables	22,768.39	-	-	22,768.39	22,768.39
Other financial liabilities	39,492.88	-	-	39,492.88	39,492.88

The carrying value and fair value of financial instruments by categories as at 31 March 2019 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	34,577.56	2589.41	441.71	37,608.68	37,608.68
Trade receivables	33,914.79	-	-	33,914.79	33,914.79
Loans	18,826.79	-	-	18,826.79	18,826.79
Others financial assets	47,228.67	-	-	47,228.67	47,228.67
Cash and cash equivalents	3,414.67	-	-	3,414.67	3,414.67
Other bank balances	3,077.24		-	3,077.24	3,077.24
Liabilities:					
Borrowings	1,24,964.75		-	1,24,964.75	1,24,964.75
Trade payables	27,980.06		-	27,980.06	27,980.06
Other financial liabilities	38,781.66		-	38,781.66	38,781.66

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

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.

(₹ in lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	36,781.50	33,914.79
Work in progress	21,091.12	23,122.93
Total	**57,872.62**	**57,037.72**

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 2020	As at 31 March 2019
Letter of Credit	4,009.82	5,024.58
Bank Guarantees	84,120.16	72,787.57
Total	**88,129.98**	**77,812.15**

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
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 2020	As at 31 March 2019
Cash and cash equivalent	2,491.48	3,414.67
Bank balance other cash and cash equivalent	4,815.43	3,077.24
Total	**7,306.91**	**6,491.91**

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

Maturity patterns of borrowings

At 31st March 2020	Up to 1 year	1 to 5 years	Beyond 5 Years	Total
Long term borrowings	812.01	32,042.08	19,141.91	51,996.00
Short term borrowings	4,951.38	-	-	4,951.38
Other	-	-	-	68,422.49
Total	**5,763.39**	**32,042.08**	**19,141.91**	**1,25,369.87**

At 31st March 2019	Up to 1 year	1 to 5 years	Beyond 5 Years	Total
Long term borrowings	1,460.90	18,280.16	19,963.96	39,705.02
Short term borrowings	13,219.07	-	-	13,219.07
Other	-	-	-	72,040.66
Total	**14,679.97**	**18,280.16**	**19,963.96**	**1,24,964.75**

Maturity patterns of other Financial Liabilities ₹ in Lacs

As at 31st March, 2020	6 months or less	6-12 months	Beyond 12 months	Total
Trade payable	999.02	21,769.37	-	22,768.39
Creditors for Capital goods	-	-	-	-
Other Financial Liability (Current	6,626.51	25,256.14	7,610.22	39,492.88
Total	**7,625.53**	**47,025.51**	**7,610.22**	**62,261.27**

As at 31st March, 2019	6 months or less	6-12 months	Beyond 12 months	Total
Trade payable	540.42	27,439.64	-	27,980.06
Creditors for Capital goods	80.81	40.52	-	121.33
Other Financial Liability (Current	1,141.46	29,276.97	8,363.23	38,781.66
Total	**1,762.69**	**56,757.13**	**8,363.23**	**66,883.05**

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:-

Particulars	31.03.2020	31.03.2019
Variable Rate borrowings	2,672.96	1,822.92

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

Price Risk

Price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is exposed to price risk due to investments in equity shares and classified as fair value through profit and loss.

The company measures risk through sensitivity analysis.

Particulars	31.03.2020	31.03.2019
Investments in Listed Equity Shares	835.38	2,589.41
	835.38	**2,589.41**

Sensitivity Analysis

Price Risk Analysis	Impact on profit/loss	
	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Increase or decrease in Share Price by 5%	41.77	129.47

Note - In case of decrease in Share Price, profit will reduce and vice versa

C Market Risk

Foreign excahnge rates

The Company has balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

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

50 Interest in other entities

i Subsidiaries

The Group's subsidiaries as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest held by the group (%)		Ownership interest held by non controlling		Principal activities
			31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019	
1	SMS Bhatgaon Mines Extension Pvt. Ltd.	India	0.00%	51.00%	0.00%	49.00%	Mining Contractor
2	SMS Envoclean Pvt. Ltd.	India	56.02%	56.02%	43.98%	43.98%	Bio Medical Waste Treatement Service
3	SMS Infolink Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Information Technology
4	SMS Mine Developers Pvt. Ltd.	India	51.00%	51.00%	49.00%	49.00%	Mining Contractor
5	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
6	SMS Taxi Cabs Pvt. Ltd.	India	60.00%	60.00%	40.00%	40.00%	Rent A Cab
7	SMS Vidyut Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Hydro Power Plant
8	SMS Water Grace BMW Pvt. Ltd	India	56.03%	56.03%	43.97%	43.97%	Bio Medical Waste Treatement Service
9	SMS Tolls And Developers Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
10	SMS-AABS India Tollways Private Limited	India	51.00%	51.00%	49.00%	49.00%	Toll Activity
11	SMS Waste Management Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Hazardous Waste Treatement Service
12	PT. SMS Minerals International*	Indonesia	80.00%	80.00%	20.00%	20.00%	Trading of Mineral
13	Solar Bhatgaon Extension Mines Pvt. Ltd.	India	0.00%	51.00%	0.00%	49.00%	Mining Contractor
14	Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
15	Patwardhan Infrastructure Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
16	Maharashtra Enviro Power Ltd.	India	92.08%	92.08%	7.92%	7.92%	Hazardous Waste Treatement Service
17	PT. SMS Mines Indonasia*	Indonesia	100%	100%	0.00%	0.00%	Trading of Mineral

Note:- * While preapring the consolidated financial statement the unaudited figures are considered. This is because, in these companies the operating revenue is NIL and as per the rules and regulation existing in that country, if the operating revnue is NIL then audit is not required.

The subsidiaries had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

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

50 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 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019
Non-current assets	746.01	530.72	2,107.07	1,729.13	10,801.47	12,464.38
Current assets	448.54	325.54	844.67	664.96	418.80	472.28
Non-current liabilities	26.02	29.77	191.16	186.87	525.46	480.21
Current liabilities	198.49	198.20	587.54	558.93	16,242.87	16,400.68
Net assets	**970.04**	**628.28**	**2,173.03**	**1,648.29**	**(5,548.05)**	**(3,944.22)**
Net assets attributable to NCI	426.53	276.26	955.70	724.92	(2,219.22)	(1,577.69)
Revenue	979.84	806.19	2,133.23	2,037.89	266.41	493.87
Profit for the year	342.30	249.61	527.57	609.20	(1,603.83)	(3,087.16)
Other comprehensive income	(0.53)	(0.33)	(2.83)	0.40	-	-
Total comprehensive income	341.77	249.28	524.74	609.60	(1,603.83)	(3,087.16)
Profit/(Loss) allocated to NCI	150.51	109.75	232.03	267.93	(641.53)	(1,234.86)
OCI allocated to NCI	-0.23	(0.15)	(1.24)	0.18	-	-
Total comprehensive income allocated to NCI	150.28	109.61	230.78	268.10	(641.53)	(1,234.86)

Non-controlling interests (NCI)	Maharashtra Enviro Power Ltd.		Solar Bhatgaon Mines Extension		SMS-AABS India Tollways Private	
	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019
Non-current assets	43,190.05	41,322.79	-	-	15,867.71	17,343.41
Current assets	6,745.13	7,991.52	-	0.32	8,367.98	5,163.34
Non-current liabilities	37,352.93	36,942.03	-	-	492.19	3,925.10
Current liabilities	4,606.53	5,252.25	-	0.30	1,200.49	2,523.19
Net assets	**7,975.72**	**7,120.03**	**-**	**0.02**	**22,543.00**	**16,058.46**
Net assets attributable to NCI	631.68	563.91	-	0.01	11,046.07	7,868.64
Revenue	12,708.35	13,918.07	-	-	25,857.86	23,294.11
Profit for the year	857.07	1,436.01	-	(93.97)	9,930.49	7,584.15
Other comprehensive income	(1.38)	21.54	-	-	(2,240.91)	(1,930.21)
Total comprehensive income	855.69	1,457.55	-	(93.97)	7,689.58	5,653.94
Profit/(Loss) allocated to NCI	67.88	113.73	-	(46.05)	4,865.94	3,716.23
OCI allocated to NCI	(0.11)	1.71	-	-	(1,098.05)	(945.80)
Total comprehensive income allocated to NCI	67.77	115.44	-	(46.05)	3,767.90	2,770.43

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

50 Interest in other entities

ii **Non-controlling interests (NCI)** (₹ in lacs)

Non-controlling interests (NCI)	SMS Bhatgaon Extension Mines Pvt. Ltd.		PT. SMS Minerals International		SMS Mine Developers Pvt. Ltd.	
	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019
Non-current assets	-	-	3.91	11.18	-	-
Current assets	-	0.35	3,253.97	3,401.79	37.20	37.30
Non-current liabilities	-	-	3,833.22	3,438.99	-	-
Current liabilities	-	4.85	2,253.01	2,438.41	37.35	37.02
Net assets	-	**(4.50)**	**(2,828.35)**	**(2,464.45)**	**(0.15)**	**0.28**
Net assets attributable to NCI	-	(2.20)	(565.67)	(492.89)	(0.07)	0.14
Revenue	-	-	36.07	394.84	-	-
Profit for the year	-	18.97	(516.06)	(193.23)	(0.43)	(0.21)
Other comprehensive income	-	-			-	-
Total comprehensive income	-	18.97	(516.06)	(193.23)	(0.43)	(0.21)
Profit/(Loss) allocated to NCI	-	9.30	(103.21)	(38.65)	(0.21)	(0.10)
OCI allocated to NCI	-	-	-	-	-	-
Total comprehensive income allocated to NCI	-	9.30	(103.21)	(38.65)	(0.21)	(0.10)

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

50 Interest in joint ventures

iii The Group's joint ventures as at 31 March 2020 are set out below.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at		Principal activities
				31-Mar 2020	31-Mar 2019	
1	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV*	India	70.00%	535.53	535.63	Infrastructure
2	SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)*	India	51.00%	-	-	Infrastructure
3	SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)*	India	51.00%	-	-	Infrastructure
4	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	India	51.00%	51.99	52.02	Infrastructure
5	SMS Infrastructure Ltd. Shreenath Enterprises J.V.*	India	36.50%	-	-	Infrastructure
6	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	India	65.00%	280.15	278.47	Infrastructure
7	GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd. (AOP)	India	70.00%	175.16	165.01	Infrastructure
8	SMSIL KTCO (JV)	India	50.00%	3.87	4.22	Infrastructure
9	Bhartia SMSIL (JV)	India	49.00%	11.27	4.27	Infrastructure
10	SMSIL-MBPL-BRAPL (JV)	India	63.33%	21.58	18.00	Infrastructure
11	GDCL-SMSIL (J.V.)	India	40.00%	-	-	Infrastructure
12	SMSL-SRRCIPL (J V)	India	60.00%	-	-	Infrastructure
13	SRRCIPL-SMSL-BEKEM JV	India	20.00%	-	-	Infrastructure
14	SMSIL-WESTCOAST ENGINEERING CORP. (JV)*	India	51.00%	-	-	Infrastructure
15	SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)*	India	61.00%	-	-	Infrastructure
16	Sanbro Corporation	India	26.00%	-	-	Infrastructure
17	SMSIL-MBPL (JV)	India	66.66%	226.41	226.41	Infrastructure
				1,305.96	**1,284.05**	

Note:- * Due to unavalability of financial statement the financial effect of these six Joint Controlled Entities are not considered in the consolidated financial statement and balances appearing in the books of accounts of the holding company is considered as investment.

The Jointly controlled entities had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

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

50 Interest in other entities (₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SMS & SNT		SMS & DTC		SMS & AIPPL	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2020	2019	2020	2019	2020	2019
Non-current assets	-	-	14.99	14.99	-	-
Current assets						
Cash and cash equivalents	1.65	1.95	148.58	148.58	0.67	4.69
Other assets	1589.54	1558.85	10,422.25	10,422.25	816.29	812.29
Current assets	**1,591.19**	**1,560.80**	**10,570.83**	**10,570.83**	**816.96**	**816.98**
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	5,483.21	5,483.21	-	-
Other liabilities			-			
Non-current liabilities	-	-	**5,483.21**	**5,483.21**	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	0.08	0.08	-		567.60	567.60
Other liabilities	1,152.99	1,125.19	4,339.43	4,339.43	1.37	1.32
Current liabilities	**1,153.07**	**1,125.26**	**4,339.43**	**4,339.43**	**568.98**	**568.93**
Net assets	**438.12**	**435.54**	**763.18**	**763.18**	**247.99**	**248.06**
Group share of net assets	**280.15**	**278.47**	**535.53**	**535.63**	**51.99**	**52.02**
Revenue	349.52	451.61	-	4,235.40	-	-
Works Direct Expenses	344.28	434.95	-	3,811.77	-	-
Administrative Expenses	1.27	1.38	-	3.77	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	-	372.78	-	-
Other Expense	-	-	-	-	0.07	0.07
Profit/ (Loss) for the year before tax	**3.98**	**15.28**	-	**47.07**	**(0.07)**	**(0.07)**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	3.98	15.28	-	47.07	-0.07	-0.07
Group share of profit/ (Loss)	2.58	9.93	-	32.95	-0.03	-0.04
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	2.58	9.93	-	32.95	-0.03	-0.04

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

(₹ in lacs)

50 **Interest in other entities**

iv **Table below provide summarised financial information for Joint venture**

Particulars	SMS-BEKEM		SMSL-MBPL JV		SMS & KTCO	
	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019
Non-current assets	3,248.35	1,595.05	252.09	296.57	4.99	4.99
Current assets						
Cash and cash equivalents	0.33	0.27	-	-	3.22	0.48
Other assets	1,544.06	2,379.34	126.39	81.83	0.57	3.93
Current assets	**1,544.40**	**2,379.62**	**126.39**	**81.83**	**3.79**	**4.40**
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	1,562.71	-	-	-	-
Other liabilities	1,982.25					
Non-current liabilities	**1,982.25**	**1,562.71**	-	-	-	-
Current liabilities						
Financial liabilities (excluding trade payables)	-	-	-	-	-	-
Other liabilities	2,369.06	1,971.81	0.15	0.08	1.04	0.95
Current liabilities	**2,369.06**	**1,971.81**	**0.15**	**0.08**	**1.04**	**0.95**
Net assets	**441.43**	**440.15**	**378.33**	**378.33**	**7.74**	**8.44**
Group share of net assets	-	-	**226.41**	**226.41**	**3.87**	**4.22**
Revenue	3,600.48	8,861.53	44.56	24.12	0.03	2.97
Works Direct Expenses	3,599.08	8,861.53	-	-	-	-
Administrative Expenses	0.73	2.10	-	-	0.57	0.59
Depreciation and amortisation	-	-	44.49	24.05	-	-
Finance cost	-	0.02	-	-	-	-
Other expenses	-	10.19	0.08	0.08	0.17	0.43
Profit/ (Loss) for the year before tax	-	-	**0.00**	**(0.00)**	**(0.71)**	**1.95**
Other comprehensive income	**0.67**	**(12.30)**	-	-	-	-
Total comprehensive income	0.67	-12.30	0.00	(0.00)	(0.71)	1.95
Group share of profit/ (Loss)	-	-	0.00	(0.00)	(0.35)	0.97
Group share of OCI	0.13	(2.46)	-	-	-	-
Group share of total comprehensive income	0.13	(2.46)	0.00	(0.00)	(0.35)	0.97

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

50 Interest in other entities (₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	GDCL-SMSIL JV		SMSIL & GSJ		SMSIL & Bhartiya	
	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019	31-Mar 2020	31-Mar 2019
Non-current assets			8.82	9.64	20.77	236.95
Current assets						
Cash and cash equivalents	955.46	48.37	20.09	12.03	0.14	0.15
Other assets	4,256.54	2,809.49	1,891.03	2,819.37	89.06	530.00
Current assets	**5,212.00**	**2,857.86**	**1,911.12**	**2,831.40**	**89.20**	**530.14**
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	1,691.80	2,575.32	72.70	416.46
Other liabilities	-	-	-		-	-
Non-current liabilities	-	-	**1,691.80**	**2,575.32**	**72.70**	**416.46**
Current liabilities						
Financial liabilities (excluding trade payables)	6.07	5.65	-	-	-	-
Other liabilities	5,205.93	2,852.22	52.97	100.72	-	340.45
Current liabilities	**5,212.00**	**2,857.86**	**52.97**	**100.72**	-	**340.45**
Net assets	-	-	**175.16**	**165.01**	**37.28**	**10.19**
Group share of net assets	-	-	175.16	165.01	11.27	4.27
Revenue	7,155.50	7,730.27	398.03	186.25	21.05	546.62
Works Direct Expenses	7,155.50	7,730.27	160.93	187.59	0.03	540.89
Administrative Expenses	-	-	16.72	110.55	6.57	1.79
Depreciation and amortisation	-	-	1.38	1.38	-	-
Finance cost	-	-	208.85	16.54	0.18	-
Profit/ (Loss) for the year before tax	-	-	**10.16**	**(129.81)**	**14.28**	**3.95**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	10.16	(129.81)	14.28	3.95
Group share of profit/ (Loss)	-	-	7.11	(90.87)	7.00	1.93
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-	-	7.11	(90.87)	7.00	1.93
	-	-				

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

50 Interest in other entities

(₹ in lacs)

iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-MBPL-BRAPL		SMSL-SRRCIPL JV		M/s Sanbro Corporation	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2020	2019	2020	2019	2020	2019
Non-current assets	59.75	61.73	802.50	-	0.08	0.10
Current assets						
Cash and cash equivalents	2.35	8.85	0.35	0.19	0.15	0.15
Other assets	3,585.36	3,698.22	777.01	1,159.55	12.06	12.06
Current assets	**3,587.71**	**3,707.08**	**777.37**	**1,159.74**	**12.20**	**12.21**
Non-current liabilities						
Financial liabilities (excluding trade payables)	-	-	-	-	220.38	220.23
Other liabilities			802.50			
Non-current liabilities	-	-	**802.50**	-	**220.38**	**220.23**
Current liabilities						
Financial liabilities (excluding trade payables)	2,090.39	2,011.12	-	1,033.06	-	-
Other liabilities	1,519.97	1,726.86	648.77	797.26	0.40	0.15
Current liabilities	**3,610.36**	**3,737.98**	**648.77**	**1,830.31**	**0.40**	**0.15**
Net assets	**37.10**	**30.83**	**128.60**	**(670.57)**	**(208.50)**	**(208.08)**
Group share of net assets	**21.58**	**18.00**	-	-	-	-
Revenue	11,491.08	8,957.32	790.41	3,861.47	-	-
Works Direct Expenses	11,285.31	8,830.69	790.22	3,861.47	-	-
Administrative Expenses	13.42	8.87	0.18	0.68	0.40	0.15
Depreciation and amortisation	9.91	10.77	-	-	0.01	0.02
Finance cost	-	-	-	0.01	-	-
Other Expenses	173.32	74.69	-	-	-	-
Profit/ (Loss) for the year before tax	**9.12**	**32.30**	**(0.00)**	**(0.69)**	**(0.42)**	**(0.17)**
Other comprehensive income	-	-	-	-		
Total comprehensive income	9.12	32.30	(0.00)	(0.69)	(0.42)	(0.17)
Group share of profit/ (Loss)	5.20	18.41	(0.00)	(0.42)	(0.11)	(0.04)
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	5.20	18.41	(0.00)	(0.42)	(0.11)	(0.04)

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

50 Interest in other entities

v Table below provide summarised financial information for Associates (₹ in lacs)

The Group's associates as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at 31-Mar 2020	Carrying amount as at 31-Mar 2019	Principal activities
RCCL Infrastructure Pvt. Ltd.*	India	34%	(298.36)	(298.36)	Infrastructure
SMS-AAMW Tollways Pvt. Ltd.	India	26%	(810.61)	(810.15)	Toll
			(1,108.97)	(1,108.51)	

Note:-The Associates company had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

*Due to non availability of Financial Statement, this financial statement not considered for consolidated financial statement. Therefore, the networth for current year considered from last year financial statement.

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

SMS Limited

Notes to Consolidated financial statements for the year ended 31 March 2020

50 Interest in other entities

(₹ in lacs)

vi Table below provide summarised financial information for Associates

Particulars	RCCL Infrastructure		SMS-AAMW	
	31-Mar	31-Mar	31-Mar	31-Mar
	2020	2019	2020	2019
Non-current assets	-	3,306	4.25	4.25
Current assets			-	-
Cash and cash equivalents	-	1.19	137.49	137.63
Other assets	-	1.09	131.25	131.25
Current assets	-	**2.28**	**268.74**	**268.88**
Non-current liabilities	-	121.44	**3,388.25**	**3,386.97**
Current liabilities	-	**4,064.32**	**2.49**	**2.15**
Revenue	-	-	-	-
Profit/ (Loss) for the year before ta	-	**(65.59)**	**(1.76)**	**(0.24)**
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(65.59)	(1.76)	(0.24)

F.R.No.
110634W

51 Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

SMS Limited

a) Gross amount required to be spend by the company during the year Rs 99.06 Lacs (Previous year March 31st 2019, Rs 102.62 Lacs)

b) The company has spend Rs 5.02 Lacs during the current financial year (Previous year March 31st 2019: Rs 410 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

SMS ENVOCLEAN PRIVATE LIMITED

Gross amount required to be spend by the company during the year Rs 10.38 Lacs (Previous year March 31st 2019, Rs NIL Lacs) The company has spend Rs 15 Lacs during the current financial year (Previous year March 31st 2019: NIL) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses". The amount is contributed in the Maharashtra Chief Minister relief Fund (Other than acquisition of assets).

MAHARASIHTRA ENVIRO POWER LIMITED

Gross amount required to be spend by the company during the year Rs 23.43 Lacs (Previous year March 31st 2019, Rs 25.08 Lacs). The company has spend Rs 23.64 Lacs during the current financial year (Previous year March 31st 2019: Rs 19.83 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

(₹ in lacs)

	Amount Spent
Year Ended March 31, 2020	
i) Construction/ acquisition of any Asset	2.85
ii) On Purpose other than (i) above	61.32
TOTAL	**64.17**
Year Ended March 31, 2019	
i) Construction/ acquisition of any Asset	184.82
ii) On Purpose other than (i) above	250.26
TOTAL	**435.08**

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 Water Grace BMW Private Limited
ii SMS Infolink Private Limited
iii Patwardhan Infrastructure Private Limited
iv Spark Mall & Parking Private Limited
v SMS Mine Developers Private Limited
vi SMS Bhatgaon Mines extension private Limited
vii Solar Bhatgaon Extension Mines Private Limited
viii Pt. SMS Mines Indonasia
ix SMS Tolls & Developers private Limited
x SMS-AABS Tollways Private Limited
xi Sms Taxicabs Private Limited
xii SMS Vidhyut Private limited
xiii SMS Waste Management Private Limited
xiv Pt. SMS Minerals International

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

As per section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profits for the immediately preceeding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

F.R.No. 110634W CHARTERED ACCOUNTANTS NAGPUR

A Gross amount required to be spent by the Company for FY 2018-19 was Rs 33,60,326 and for the current year is Rs 43,01,697/- totalling to an amount of Rs 76,62,023. Out of this the company has spend an amount of Rs 20,00,000 towards the CSR expenditure through organisation Annamrita Foundation for Mid-day Meal Scheme which is a school meal programme by the Government of India designed to improve the nutritional status of school-age children nationwide.

B The Balance CSR amount of Rs. 56,62,023/- is proposed to be spent towards Education promotion or Health care facilities/ programme and espousing social causes in prospective FY.

C As per disclosure in Anuual Report the Company could not spend the required amount on CSR activities due to certain limitations under Concession Agreement entered with NHAI to whom subsequent amount of cash inflows are to be paid each month on or before particular date with a significant escalation periodically. And this when combined with other liabilities of day to day operations, the company is left with little scope for contribution in CSR activities.

52 **Spark Mall & Parking Private Limited**

Food court unconsumed balance-Food Court collection (unconsumed balance) Rs. 8.13/- Lakhs (previous year: Rs. 8.62/- Lakhs) shown in other current liabilities consist of the amount payable to the consumers availing the food court facility. The consumer has the right to claim the unconsumed amount within a period of 1 year from the date of last transaction failing which his amount is forfeited. Since, the number of consumers availing the food court facility is huge; it is difficult to trace the individual consumer's expired amount which should have otherwise been transferred to revenue.

During the year company has transfer the amount of Rs. 8.13/- Lakhs to revenue on the expiry of card on or before 31st March 2020.

Other Financial Assest includes Amount due from NBFC toward TDS payable, amounting Rs 131.59 Lacs (PY 50.87 Lacs) which is under continous follow-up with Indiabulls Housing Finance Pvt Ltd and expected to be reimbursed by next F.Y.

53 **SMS Vidhyut Private Limited**

In case of SMS Vidhyut Private Limited Other Financial Assest includes Amount due from NBFC toward TDS payable, amounting Rs 151.48 Lacs (PY 60.88 Lacs) which is under continous follow-up with Indiabulls Housing Finance Pvt Ltd and expected to be reimbursed by next F.Y.

53A Company is having verious works contract, some of which are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st July, 2017, exempt cotract become taxable and also in cases of inclusive contract there in increase in tax rate from the original contract. This resulted in increased tax liability on the company against which company filed the claim with the concerned Department. Outcome of this claim is still pending with the Department. But on the basis of opinion taken from the legal advisior, the company made the provision for the GST impact turnover in books of account.

54 The company had made investments to the tune of Rs. 1,747 lacs and 3,320.67 lacs in two subsidiaries, SMS Taxicabs Pvt Ltd and SMS Parking Solutions P Ltd.

SMS Taxicabs P Ltd. (STPL) was floated to run a fleet of Radiocabs in the city of Mumbai for 2800 taxis. STPL owns licenses to run taxis and the same are perpetual in nature. STPL, though was making good profits in the initial years, is in to losses due to severe competition from large corporates. However, the licenses owned by the company are of perpetual in nature and SMS will be able to recoup substantial money by sale of these licenses.

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

Spark Mall And Parking Private Limited (Formerly SMS Parking Solutions Private Limited) was floated to Develop and Operate a Multilevel Fully Automated Car Parking System and Commercial Complex in Kamlanagar, Delhi. Since inception, SPSPL is in losses. This was due to recession in the retail sales of the malls across India. However, recently, the SPV has changed the product mix and had shifted its focus from retail trade to services. Hence, food outlets and gaming zones are being introduced. The company is also in an advanced stage of starting two 40 seater miniplexes. The managemnt is hopeful of revival of economy and boost to property market and consequently will be able to generate revenue to repay the loan.

Hence, the parent company is very optimistic that over the period of the project, it will make good money over and above the invested amount.Considering these facts, despite substantial losses in these two companies, the managemnt intends to carry these investments at its historical cost without any impairment.

55 SMS Ltd had invested an amount of Rs. 134.90 lacs towards equity and Rs. 5288.46 lacs as unsecured loan to its foreign JV in Indonesia with the name Pt. SMS Minerals International. The company is in the business of trading coal in the province of Sumatra. In the past, this JV company had huge reserves of coal and substantial portion of the same has been mined and sold with good returns. Since last few years, there is no business in the JV company as the balance portion of the coal reserves is stuck beneath a river. The approval for river diversion is already put with the concerned authorities in Indonesia. SMS Ltd is optimistic that once the approval for diversion of river is obtained, it can extract the balance portion of coal and recoup its entire investment in the JV company along with the recovery loan advanced.

56 SMS Limited had invested an amount of Rs. 992 lacs in SMS Vidyut Private Limited. The company is engaged in the business of Hydro Power generation across the river Pench. The concessioning authority had ensured a minimum guaranteed supply of water and a power purchase agreement was already in place. However, the concessioning authority had failed to supply the minimum guaranteed water, owing to which desired output was not generated, resulting into losses to the company on a year or year basis. The company had already taken up this matter with the concessioning authority and claimed compensation for the losses of the previous years. The company is confident of getting an award and hence, The management intends to carry the value of investment in SMS Vidyut Private Limited at its historical cost.

57 The Company has praposed & paid 25.10% Dividend amounting to 257.56 Lacs (Rs. 2.51/- per share) which will be distributed to equity share holders for the financial year 2019-20.

58 The Company has granted Loans & Advances from time to time to SMS AAMW Tollways Pvt. Ltd. (hereinafter referred as an 'associate company'). As at year end the outstanding amount is Rs. 1,038.89 Lakhs.

Associate company has raised a claim of Rs. 8,046.31 Lacs on South Delhi Municipal Corporation which is disputed by later. Against this, Associate company had approached Hon. High Court of Delhi, for appointment of Arbitrator to resolve the dispute.

Hon. High Court vide its order dated 17.06.2016, appointed Sole Arbitrator. However, the same was challenged by South Delhi Municipal Corporation in Hon. Supreme Court and the same was granted by Hon. Court in their favour.

Thereafter on 22/11/2018, the Associate company had again filed a Special Leave Petition for clarification of earlier Order of the Hon. Supreme Court. The company is of view that Hon. Supreme Court will allow appointment of Arbitrator. The Company is hopeful of outcome of claim of Associate company and consequently the money will be recovered from it associate company.

F.R.No. 110634W
CHARTERED ACCOUNTANTS

59 SMS Bhatgaon Mines Extension Pvt Ltd & Solar Bhatgaon Extention Mines Pvt Ltd strike off during the year. Due to which the investment in respect of those subsidiaries have been written off during current financial year.

60 The World Health Organisation declared a global pandemic of the Novel CORONAVIRUS disease COVID-19 on Feb-2020. The same has impacted India too and on 22nd March'2020 the Government of India had declared a nationwide lockdown. During the last few weeks of March 2020 the company has witnessed the impact of covid-19. Due to this the movement of people and work has stopped, no work is executed and billing is affected in this period, which otherwise generally contributes to major work execution in infrastructure industry. This has impacted the cash flow of the Company. Due to this, the turnover and profit of the Company is also affected.

Post March 2020, the Covid has impacted severely with continued restriction on movement of workforce and closure of work places. Due to lockdown the work of major site like Tumlapalli and KCC (Hindustan copper) is reduced while the work at Malajkhand has not started in time. The work is impacted and the recovery is reduced substantially against the work done in the past. There is always substantial inflow in the months of March and April due to settlement of dues by the year end.

The Covid has impacted the current period and will also have impact on the future work. All the Government resources are diverted to the Corona relief work. The likely award of fresh work / extension of the work is stopped which will impact working / turnover and profits of the company.

The Supply Chain interruptions are likely to continue, affecting the availability and cost of material and equipment, and eventually may impact project profitability. The pandemic and lock down across the country has threatened the workforce and many of them have left the workplace and shifted to their native places. This has resulted in shortfall of workforce to execute the existing work and also increased the cost due to shortage in availability. This has resulted in extra cost to the company on transportation of workforce to their native places and bringing them back as well as cost of arrangement of additional campus at site.

However to overcome this, the management has taken various measures to reduce the cost. The company is intending to buy more machines to mechanise the work and cover the shortfall of manpower. Also the efforts are being made to increase the work with the new machines, rigorous efforts and follow up. As such the management is hopeful that part the adverse impact will be offset by this. As such the management do not envisage the threat on its going concern basis on any of its project and the Company as a whole.

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations at all toll plazas of the various Project SPVs across the country had been closed down w.e.f. 26th March, 2020 till 19th April, 2020 mid-night. This was done as per the directives issued by Ministry of Road Transport & private establishment in the wake of COVID-19 pandemic. The construction activities of the Company were resumed gradually in the phased manner as per the directives issued by NHAI and by ensuring compliance with preventive measures in terms of guidelines/ instructions issued by Govt. of India to contain spread of Covid -19. The Company has availed the relief provided by its lender by way of moratorium on certain principal repayments.

The Company believes the current level of operations are temporary in nature and based on the various initiatives announced by the respective Central and State governments, and therefore this may not result in any significant financial impact on the Company. The management has considered internal and external sources of information up to the date of approval of these standalone financial results, in assessing the recoverability of investments and assets, liquidity, financial position and operations of the Company including impact on estimated construction cost to be incurred towards projects under execution and based on the management's assessment, there is no material impact on the standalone financial results of the Company.

Considering the uncertainities involved in estimating the impact pf of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these standalone financial statements and this will continue to be monitored in future period.

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

MAHARASHTRA ENVIRO POWER LIMITED

The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted future outlook of the business operation of the Company.

Overall, with corresponding partial reduction in operational cost and other expenditure control measures initiated, the Company expects to sustain and overcome the impact and recover from the present slowdown shortly. In view of this, the standalone financial statement has been prepared on Going Concern Basis.

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

The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down announced on 22nd March 2020 and all mall were closed by the Government of India which has significantly impacted business operation. During this period the citizens stopped going out for shopping due to that parking and mall footfall suddenly dropped drastically.

This Lockdown impacted revenue of the Company in March'2020 by around 40 Lakhs.

Further the Covid has impacted current period and will also have impact on future business. Revenue for April to Oct 2020 impacted by around Rs 246 lakhs.

Even after unlock, the interrupted supply chain are likely to continue which impacts stock and purchase of Tenants of Mall. Non availability of stock results into lower sale which consequently affects rental income of the Company. Even though the mall business started but due to lower footfall and customer base the tenants of mall are unable to sustain. By giving waiver on rent & cam charges company is trying to help tenants to sustain in the market.

However to overcome this, management has taken various measures to reduce the cost of maintenance. Also expedited the pending work of food court to operational so that income source can be enhanced.

SMS WATER GRACE BMW PRIVATE LIMITED

The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted future outlook of the business operation of the Company.

Being in Business of Biomedical waste collection trasportation and disposal company has significant favourable impact with respect to Income which will increase substantially. However since high amount of Humane risk involved in the process due corona infected waste is also received for disposal the overall cost will also increase significantly.

61 **Change in Accounting Estimates:**

In case of Maharashtra Enviro Power Limited, during the year compnay has changed the accounting estimates for Lanfill Capping charges and Post Monitoring Charges based on increased estimated capacity of Landfill according to the technical estimation.

62 During the year the company has derecognised the Landfill -IV at Ranjangaon amounting to Net Block Rs. Nil (Gross Carrying Value Rs. 2788.61 Lacs & Accumulated depreciation Rs.2788.61 Lakhs.)

63 In case of Spark Mall and Parking Private Limited, during the year company entered into an LLP agreement with Cine Square Entertainment Pvt Ltd but has not made any investment till date as LLP has not yet started its commercial operation.

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

64 Overdue 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 and at Left Bank canal near reservoir on Pench river. The evacuation/ transmission of power from power plant to nearby relay station have to be done through a 33 KVA transmission line. The company has erected this facility for Maharashtra State Electricity Distribution Company Ltd. for evacuation/ transmission of power from RBC power plant and handed over to Maharashtra State Electricity Distribution Company Ltd. For this 33 KVA transmission line the company has incurred and claimed expense of Rs 2.30 Cr. Against this claim the Maharashtra State Electricity Distribution Company Ltd has approved and paid a total due of Rs. 1.10 Cr only. The company has taken up the matter with MSEDCL for recovery of balance amount and hopeful of its recovery.

Similarly the construction work of 33 KVA transmission line for evacuation/ transmission of power from Left Bank Canal power plant is complete and handed over to MSEDCL. Till 31st Mar 2018 the company has incurred expenditure of Rs 0.50 Cr for this LBC transmission line and management is hopeful of its Recovery.

65 There was a fraud/misappropriation of funds identifies by the company on 02/09/2019 of Rs 57 lacs carried oiut by employee of the company through its vigil mechanism. The company is in the process of verifying the exact quantum of the fraud/misappropriation. The compnay is evaluating necessary action for recovery of the amount and action against the employee.

In case of AGSTPL Subsequest Events- As per RBI's Statement on Developmental and Regulatory Policies issued on May 22, 2020, the Company has availed the relief provided by its lender by way of moratorium on certain principal repayments and repayment schedule has been modified accordingly.

66 The Balance Confirmations of some parties are not received as on the date of signing of Financial Statement.
67 Any other acoounting policy not specifically referred to are consistent with Indian GAAP
68 Previous Years figures are regrouped and rearranged wherever necessary.
69 Figures in bracket denotes figures of previous year.

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

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

CA Sudhir Surana
Partner
Membership No. 043414
Place : Nagpur
Date : 17/12/2020
UDIN : 20043414AAAAEX2724

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

SUSHANT S. MUKHERJEE
Chief Financial Officer

Notice to the 23RD Annual General Meeting

NOTICE is hereby given that the Twenty Third Annual General Meeting (AGM) of the Members of SMS Limited will be held at Shorter Notice on Monday the 28th day of December 2020 at 1.30 P.M. at IT Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, to transact the following business:-

ORDINARY BUSINESS:

Item no. 1

To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2020 along with the reports of the Board of Directors and Auditors thereon.

b) The Audited Consolidated Financial Statements of the Company for the Financial year ended 31 March 2020 together with the Report of the Auditors thereon.

Item no. 2

To declare a dividend for the financial year 2019-20 on Equity Shares.

Item no. 3

To appoint a Director in place of Mr Anand Sancheti (DIN: 00953362) and Mr Dilip Surana (00953495) who retires by rotation and being eligible offers themselves for re-appointment.

SPECIAL BUSINESS:-

Item no. 4

Regularisation of appointment of Mr Hemant Lodha, (DIN: 01654145) Additional Director as Director:

To confirm the appointment of Mr Hemant Lodha, (DIN: 01654145) as Director who was appointed as an Additional Director and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr Hemant Lodha, **(DIN: 01654145),** who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company with effect from 1st March 2020 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, shall be liable to retire by rotation."

Item no. 5

Re-Appointment and Remuneration of MR Akshay Sancheti (DIN: 07564977), as Whole Time Director of the Company w.e.f. 31st October 2020.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 2(78), 2(94), 196, 197 198 read with Schedule V and other applicable provisions, of the Companies Act, 2013 and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee vide its 13th meeting February 29, 2020, and approval of the Board of Directors of the Company vide its 426th meeting dated August 29, 2020, consent of the members of the Company be and is hereby accorded to re-appoint **MR. Akshay Sancheti (DIN: 07564977),** as Whole Time Director of the company for a period of 5 (Five) years commencing from **31st October 2020 to 30th October 2025** on terms and conditions including remuneration to be paid in the event of loss inadequacy of profits in any financial year during the period of 3(three) years from the date of his re-appointment as detailed below, with the authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said re-appointment in such manner as may be agreed to between the Board of Directors and MR. Akshay Abhay Sancheti.

The salary structure of MR Akshay Sancheti as follows:-

Sr.no.	Particulars	Composition
i	Annual Gross Salary	` 1,50,83,700/-
ii	Annual CTC (inclusive of Employers Provident Fund + Annual Bonus)	` 1,56,35,700/-
iii.	Perquisites	

	a) Leave Travel Allowance	NIL
	b) Club Fees	Fees (excluding initial joining fees) subject to a maximum of two clubs.
	c) Car/Telephone	Two chauffers driven Car and a landline telephone facility at the residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.
	d) Electricity & Water bill	Payment for electricity bill for one meter and water bill at appointee's residence.
	e) Security Guard	The expenditure incurred in Security Guard at residence shall be borne by the Company.
iv	Other Conditions	For all other terms and conditions not specifically mentioned above, the Rules and Order of the Company shall apply.

I - Terms and Conditions:

1. **CONSOLIDATED SALARY INCLUDING ALLOWANCES** –

` 1,56,35,700/- (Rupees One Crore Fifty-Six Lac Thirty-Five Thousand Seven Hundred) Per Annum (CTC).

2. **SPECIFIC TERMS & CONDITIONS:**

1. Subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to you by the Board and shall exercise such powers as are delegated to you by the Board of Directors from time to time.

2. You shall be responsible for the operations of the company which, interalia, involve:

i. To Sign on behalf of the company forms, documents and papers, execute and file all applications, documents, returns, objections and other papers that may be required from or in relation to the business of the Company.

ii. Ensuring that the main objectives of the company are effectively implemented keeping in view the profitability and other corporate objectives.

iii. You will do all acts always in the best interest of the company.

iv. To make optimum utilization of funds of the company.

3. You shall throughout the said term devote your entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect confirm to and comply with the directions and regulations made by the Board, and shall faithfully serve the company and use your utmost endeavors to promote the interests of the company.

4. You shall not, during the period of your employment and without the previous consent in writing of the Board, engage or involve yourself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.

Tenure: Commencing from 31st October 2020 to 30th October 2025

Other terms and conditions of re-appointment not specifically spelt out above, rules and order of the company shall apply.

Maximum Remuneration: The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but wherein any financial year the Company has adequate profits, such remuneration may be paid to the Whole Time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.

RESOLVED FURTHER THAT the above terms and conditions of the said appointment may be altered/ varied including enhancement in remuneration from time to time by the Board of Directors as it may in its discretion deem fit within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter.

RESOLVED FURTHER THAT the Board of Directors and the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto in the best interest of the Company."

Item no. 6

To consider and approve enhancement of Performance-based commission/bonus to Mr Dilip Surana (DIN: 00953495), WTD from AGSTPL (WOS) in term of section 197 and schedule V of Companies Act, 2013:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT FURTHER** to the resolution no. 12 passed vide Board meeting dated 31st March, 2020 and further to the approval of the members passed via Special Resolution at the Extra Ordinary General Meeting dated 22nd June, 2020 and approval of the Audit Committee vide it's 54th meeting and recommendations of the Nomination and Remuneration Committee vide 14th Meeting and approval of the Board meeting vide 427th dated 17th December, 2020, consent of the members be and is hereby accorded for enhancement of Performance based commission/bonus to Mr. Dilip Surana, Whole-time Director for his achievement of performance target in Ayodhya Gorakhpur SMS Tolls Private Limited (Wholly Owned Subsidiary Company) functioning as Managing Director in said subsidiary and that the said performance based commission/bonus shall not exceed ` 5,50,00,000/- (Rupees Five Crore Fifty Lac only) (includes ` 2,00,00,000/- approved by Board on 31.03.2020) in any of the financial year commencing from 2020-21 which may be paid to him on monthly/quarterly/six monthly/yearly basis provided, that the overall managerial remuneration including performance based commission shall be in accordance with Schedule V and any other applicable provisions of the Companies Act 2013 and all the terms and conditions of his appointment and remuneration existing presently shall be the same.

RESOLVED FURTHER THAT the Board of Directors and the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto in the best interest of the Company."

Item no. 7

To approve the enhancement in prescribed limit of remuneration payable to related party's appointment to any office or place of profit in its subsidiary - 188(1) (f):

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:

"**RESOLVED THAT** further to the approval of the Board vide it's meeting dated 19th December, 2016, for Appointment of Mr. Dilip Surana as the Managing Director in Ayodhya Ghorakhpur SMS Toll Private Limited, w.e.f 9th of January, 2017 the Wholly Owned Subsidiary (WOS) of the Company (SMS Limited) and pursuant to the provisions of Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) and further to the approval of Audit Committee vide its 54th meeting dated 17th December, 2020 and approval of Board vide its 427th meeting dated 17th December, 2020, the consent of the members be and is hereby accorded for the related party transactions for payment of ` 5,50,00,000/- (Rupees Five Crore Fifty Lac only) (includes ` 2,00,00,000/- approved by Board on 31.03.2020) as 'Performance Bonus' to Mr. Dilip Surana (Managing Director of WOS) from Ayodhya Ghorakhpur SMS Toll Private Limited, holds office or place of profit pursuant to section 188(1) (f) of the companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company."

By Order of the Board | **For SMS Limited**

Place: Nagpur
Date: 17.12.2020

Sd/-

Smita Agarkar
Company Secretary

NOTE:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAT TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY PERSON OR MEMBER.

   IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCE OF THE MEETING.

2. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORISED REPRESENTATIVES TO ATTEND THE ANNUAL GENERAL MEETING, PURSUANT TO SECTION 113 OF THE COMPANIES ACT, 2013, ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE AGM.

3. MEMBERS, PROXIES AND AUTHORISED REPRESENTATIVES ARE REQUESTED TO BRING TO THE MEETING, THE ATTENDANCE SLIP ENCLOSED HEREWITH DULY COMPLETED AND SIGNED FOR ATTENDING THE MEETING.

4. A ROUTE MAP SHOWING THE DIRECTIONS TO REACH THE VENUE OF THE ANNUAL GENERAL MEETING IS GIVEN AT THE END OF THIS NOTICE AS PER THE REQUIREMENT OF THE SECRETARIAL STANDARDS-2 ON 'GENERAL MEETING'.

5. THE REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING, MAINTAINED UNDER SECTION 170 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.

6. THE REGISTER OF CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS ARE INTERESTED, MAINTAINED UNDER SECTION 189 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.

7. IN COMPLIANCE WITH THE PROVISIONS OF SECTION 129(3) OF THE COMPANIES ACT, 2013, (THE ACT) THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY INCLUDE THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ALL ITS SUBSIDIARIES AS DEFINED IN THE ACT FOR CONSIDERATION AND ADOPTION BY THE MEMBERS OF THE COMPANY.

8. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') RELATING TO THE SPECIAL BUSINESS (IF ANY) TO BE TRANSACTED AT THE ENSUING ANNUAL GENERAL MEETING IS ANNEXED HERETO AND FORMS PART OF THIS NOTICE.

9. MEMBERS MAY ALSO NOTE THAT THE NOTICE OF ANNUAL GENERAL MEETING AND THE ANNUAL REPORT 2019-20 WILL ALSO BE AVAILABLE ON COMPANY'S WEBSITE: WWW.SMSL.CO.IN FOR DOWNLOAD.

10. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2019-20 IS BEING SENT TO ALL MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY FOR COMMUNICATION PURPOSES UNLESS ANY MEMBER HAS REQUESTED FOR A HARD

COPY OF THE SAME. FOR MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESS (IF ANY), PHYSICAL COPIES OF THE ANNUAL REPORT FOR 2019-20 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: 17.12.2020

Smita Agarkar
Company Secretary

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

-Form No. MGT-11

SMS Limited

CIN: U80100MH1997PLC107906
Registered Office: IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022

Name of the member (s): ____

Registered address :____

E-mail Id :____

Folio No :____

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name...E-mail Id:..
Address:.. Signature:...
or failing him

2. Name.. E-mail Id:..
Address:.. Signature:...

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 28th day of December 2020 At 1.30 p.m. at "IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote optional see note 2 (Please mention no. of shares)		
		For	Against	Abstain
1.	To receive, consider and adopt: a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2020 along with the reports of the Board of Directors and Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the Financial year ended 31 March 2020 together with the Report of the Auditors thereon.			
2.	To declare a dividend for the financial year 2019-20 on Equity Shares.			
3.	To appoint a Director in place of Mr Anand Sancheti (DIN: 00953362) and Mr Dilip Surana (00953495) who retires by rotation and being eligible offers themselves for re-appointment.			
4.	Regularisation of appointment of Mr Hemant Lodha, (DIN: 01654145) Additional Director as Director:			
5.	Re-Appointment and Remuneration of MR Akshay Sancheti (DIN: 07564977), as Whole Time Director of the Company w.e.f. 31st October 2020.			
6.	To consider and approve enhancement of Performance-based commission/bonus to Mr Dilip Surana (DIN: 00953495), WTD from AGSTPL (WOS) in term of section 197 and schedule V of Companies			

	Act, 2013:			
7.	To approve the enhancement in prescribed limit of remuneration payable to related party's appointment to any office or place of profit in its subsidiary - 188(1) (f):			

Signed this ....day of...........................2020

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.

Explanatory Statement annexed to the notice pursuant to section 102 of the Companies Act, 2013:

As required under Section 102 of the Companies Act, 2013 (hereinafter referred to as 'the Act') the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 4 to 7 of the accompanying Notice dated December 28, 2020.

For Item No. 4:

The members are informed that Mr Hemant Lodha was appointed as additional director w.e.f. 1st March 2020 vide resolution passed by the Board of Directors on its meeting held on 29th February 2020. In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, the office of the Additional Director viz., Mr Hemant Lodha, was to end at the forthcoming Annual General Meeting and has offered himself for re-appointment.

The members are further informed that regularization of appointment of Mr Hemant Lodha, as the director requires your approval in the general meeting and therefore, the board commends the above resolution for your approval.

None of the director and their relatives is interested or concerned, financially or otherwise in the resolution except Mr Hemant Lodha.

For Item No. 5:

MR. Akshay Sancheti pursued Bachelor degree in Civil Engineering, from Unversity of Pune. MR. Akshay Sancheti has been associated with the Company since 2012, he joins as a Management Trainee w.e.f 1st November 2012 and currently associated as Project Coordinator w.e.f. 20th March 2015. He was also appointed as an Alternate Director to MR. Abhay Sancheti, erstwhile Chairman and Director from 1st July 2016 till 22nd January 2020. He was actively involved in various projects as awarded to him from time to time and also appointed as an alternate director in other Group Companies.

Members are requested to note that upon recommendation of the Nomination and Remuneration Committee vide its 13th Meeting dated February 29 2020, and approval of the Board of Directors at its 426th meeting dated August 29, 2020, re-appointed Mr Akshay Sancheti as a Whole Time Director of the Company for 5 (Five) years with effect from 31st October 2020 to 30th October 2025, subject to the approval of the Members of the Company.

Broad particulars of the terms of re-appointment of and remuneration payable to MR Akshay Sancheti are as under:

Designation: MR. Akshay Sancheti shall hold the office of Whole Time Director of the Company.

Term: MR. Akshay Sancheti shall hold office of Whole-Time Director of the Company for a period of 5 years with effect from 31st October 2020 to 30th October 2025. He shall be liable to retirement by rotation in terms of the Act and the Articles of Association of the Company."

Remuneration / Perquisites / Allowances: MR. Akshay Sancheti shall be entitled to Annual CTC (inclusive of Employers Provident Fund + Annual Bonus) of ` 15635700/- p.a.

Club Fees -Fees (excluding initial joining fees) subject to a maximum of two clubs.

Car/Telephone- Two chauffers drove Car and a landline telephone facility at the residence along with two mobile connections in the name of appointee through Corporate plan will be provided to the appointee.

Electricity & Water bill- Payment for electricity bill for one meter and water bill at appointee's residence.

Security Guard - The expenditure incurred in Security Guard at residence shall be borne by the Company.

II) Other Conditions:

1) For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

Members are requested to note that the Company has received consent in writing from MR. Akshay Sancheti to act as a Whole Time Director of the Company and declaration(s) and confirmation stating that he satisfies all the conditions of appointment as a Whole Time Director as set out in section 196(3) and Part-I of schedule V to the Act and that he is not disqualified from being appointed as a Director of the Company in terms section 164 and other provisions of the Act. Therefore, the Board of Directors at its 426th meeting dated August 29, 2020, on the recommendation of Nomination remuneration committee vide its meeting held on 29th February 2020 proposes to re-appoint Mr Akshay Sancheti as Whole Time Director of the Company to hold the office for a term of 5 (Five) consecutive years from 31st October 2020 to 30th October 2025 and place before the meeting, the resolution set out in Item No. 5 for approval by Members, pursuant to the provisions of section 2(78), 2(94), 196, 197 and 198 of the Companies Act, 2013 as "Special resolution"

Maximum Remuneration: The Remuneration shall not exceed the limit specified in Part II Section II of Schedule V of the Companies Act, 2013 as the profits of the Company are inadequate, but wherein any financial year the Company has adequate profits, such remuneration may be paid to the Whole Time Director which the Board as it may, in its discretion deem fit, within the limits as specified in the provisions of Section 197 read Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any amendment made thereafter in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.

Disclosure, as required under Schedule V to the Companies Act, 2013, is given hereunder.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However, due to inadequacy of profit, the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following.

(i) Payment of remuneration is approved by a resolution passed by the Board of Directors.

(ii) The Company has not committed any defaulted in payment of its dues and not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

The Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information	
(1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contribute to nation-building. SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development.
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8th May 1997.

<table>
<tr><td>(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions</td><td>NA</td></tr>
<tr><td>(4) Financial performance based on given indicators</td><td>
<table>
<tr><th colspan="4">As per audited financial results for the year</th></tr>
<tr><td colspan="4" align="right">(` in Lac)</td></tr>
<tr><td>Particulars</td><td>FY 17-18</td><td>FY 18-19</td><td>FY 19-20</td></tr>
<tr><td>Paid up Capital</td><td>1026.14</td><td>1026.14</td><td>1026.14</td></tr>
<tr><td>Reserves & Surplus</td><td>55,357.75</td><td>58,757.73</td><td>63333.60</td></tr>
<tr><td>Statement of Profit and Loss</td><td>2810.64</td><td>3,027.56</td><td>4,830.98</td></tr>
<tr><td>Total Revenue</td><td>93,143.28</td><td>1,03,357.02</td><td>90769.45</td></tr>
<tr><td>Profit/(loss) before tax</td><td>4263.31</td><td>4837.49</td><td>6,136.89</td></tr>
<tr><td>Managerial Remuneration</td><td>397.12</td><td>375.46</td><td>588.04</td></tr>
</table>
</td></tr>
<tr><td>(5)Export Performance and net foreign exchange collaborations</td><td>NA</td></tr>
<tr><td>(6)Foreign investments or collaborators, if any.</td><td>NA</td></tr>
<tr><td>II. Information about the appointee :</td><td></td></tr>
<tr><td>(1) Background details</td><td>MR. Akshay Sancheti pursued Bachelor degree in Civil Engineering, he joined the company as a Management Trainee w.e.f 1st November 2012 and was re-designated as a Project Coordinator w.e.f 20th March 2015. He was also appointed as an Alternate Director to MR. Abhay Sancheti, erstwhile Chairman & Director from 1st July 2016 till 22nd January 2020. He was actively involved in various projects as awarded to him from time to time and also appointed as an alternate director in other Group Companies.</td></tr>
<tr><td>(2) Past remuneration</td><td>` 1,56,35,700/- Annual CTC</td></tr>
<tr><td>(3) Recognition or awards</td><td>NA</td></tr>
<tr><td>(4)Job profile and his suitability</td><td>Name: Akshay Abhay Sancheti
DOB: 16/07/1990
Qualification: Bachelor of Engineering (Civil) from the University of Pune</td></tr>
</table>

(5)Remuneration proposed	` 1,56,35,700/- Annual CTC
(6)Comparative remuneration profile with respect to the industry, size of the company, profile of the position and person	As per industry norms
(7)Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	MR. Paramveer Sancheti, Whole Time Director.
III. Other information :	
(1)Reasons of loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high-interest rates, etc. The Company has a severe downfall in earning and have no adequate profits.
(2) Steps taken or proposed to be taken for improvement.	The Company is taking necessary steps to mitigate the losses and is confident that in F.Y. 2021-22 such factors would be managed by the Company.
(3)Expected increase in productivity and profits in measurable terms.	The Company has drawn up an annual basis plan which it will endeavor to achieve.

Details, as required under Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, is given hereunder.

Age	29 years
Qualification	Bachelor of Engineering (Civil) from University of Pune
Experience	Management Trainee- 2 Years 4 months Project Coordinator- 20th March 2015 till date Alternate Director to MR. Abhay Sancheti, erstwhile Chairman and Whole Time Director of the Company -1st July 2016 till 22nd January, 2020 along with other group companies.
Terms and Conditions of Appointment	As per Appointment Letter
Remuneration (Proposed)	` 1,56,35,700/- including allowances per annum
Remuneration (Last Drawn)	` 88,84,500/- Annual CTC
Date of First Appointment on the Board	1st July 2016

Shareholding in the Company	NIL
Remuneration (Proposed)	` 1,56,35,700/- including allowances per annum
Remuneration (Last Drawn)	` 1,56,35,700/- Annual CTC
Date of First Appointment on the Board	1st July 2016
Shareholding in the Company	NIL
Relationship with other Director	MR. Paramveer Abhay Sancheti (Brother)
Number of Board Meeting Attended during the Year	ONE
Manager / Other Directorship/ ~~Chairmanship of Committees of the Board~~	SMS Mine Developers Pvt. Ltd.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013 and is available for inspection by the members at the registered office of the Company. The Resolution at Item No. 5 is recommended for approval of the Members in the best interest of the Company.

Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than MR Akshay Sancheti and MR Paramveer Sancheti, in their capacity is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

For Item No. 6:

MR. Dilip Surana is Diploma in Civil Engineering, He has been associated with the SMS Group since 1984 and was appointed as Whole Time Director in 2007. He has vast experience of 35 years and has been involved in planning and execution of all types construction projects like construction of Earthen Dams, Concrete/Masonry Dams, Canals, Pipelines, Bridges, Roads and Highways, Tunnels and operation and maintenance of Tollways. He is currently responsible for the P&L of all the ongoing infrastructure projects including its planning, monitoring & progress. His rich knowledge has provided the necessary support for smooth execution of the projects directly monitored by him and to other projects, the company has undertaken.

The Board Vide its meeting dated 17th December 2020 approved the enhancement of Performance-based commission/bonus subject to the approval of member via special resolution to Mr Dilip Surana, Whole-time Director for his achievement of performance target in Ayodhya Gorakhpur SMS Tolls Private Limited (Wholly

Owned Subsidiary Company) functioning as Managing Director in said subsidiary and that the said performance-based commission/bonus shall not exceed ` 5,50,00,000/- (Rupees Five Crore Fifty Lac only) (includes ` 2,00,00,000/- approved by Board on 31.03.2020) in any of the financial year commencing from 2020-21 which may be paid to him on monthly/quarterly/six monthly/yearly basis provided, that the overall managerial remuneration including performance-based commission shall be in accordance with Schedule V and any other applicable provisions of the Companies Act 2013 and all the terms and conditions of his appointment and remuneration existing presently shall be the same.

Disclosure, as required under Schedule V to the Companies Act, 2013, is given hereunder.

The payment of remuneration was approved by the resolution passed by the Board of Directors. However, due to inadequacy of profit, the Company requires to comply with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid exceeding the limits arrived at in accordance with the requirements of the said section II subject to the following.

(i) Payment of remuneration is approved by a resolution passed by the Board of Directors.

(ii) The Company has not committed any defaulted in payment of its dues and not required to obtain prior approval from any bank or public financial institution or any other secured creditor, before the date of appointment.

The Information as require d under Section II, Part II of Schedule V of the Companies Act, 2013 is given below:

I. General Information	
(1) Nature of industry	SMS Limited has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. SMS has gone on to diversify into all the major sectors of infrastructure that contribute to nation-building. SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development.
(2) Date or expected date of commencement of commercial production	Commercial Operation Started on 8th May 1997.
(3) In case of new companies, expected	NA

date of commencement of activities as per project approved by financial institutions	
(4) Financial performance based on given indicators	As per audited financial results for the year

As per audited financial results for the year			
			(` in Lac)
Particulars	**FY 17-18**	**FY 18-19**	**FY 19-20**
Paid up Capital	1026.14	1026.14	1026.14
Reserves & Surplus	55,357.75	58,757.73	63333.60
Statement of Profit and Loss	2810.64	3,027.56	4,830.98
Total Revenue	93,143.28	1,03,357.02	90769.45
Profit/(loss) before tax	4263.31	4837.49	6,136.89
Managerial Remuneration	397.12	375.46	588.04

(5)Export Performance and net foreign exchange collaborations	NA
(6)Foreign investments or collaborators, if any.	NA
II. Information about the appointee :	
(1) Background details	MR. Dilip Surana is Whole Time Director. He is has done Diploma in Civil Engineering. He is associate with the Company since incorporation however was appointed as Whole Time Director in 2007. He has vast experience of 35 years and has been involved in planning and execution of all types construction projects like construction of Earthen Dams, Concrete / Masonry Dams, Canals, Pipelines, Bridges, Roads and Highways, Tunnels and operation and maintenance of Tollways. He is currently responsible for the P&L of all the ongoing infrastructure projects including its planning, monitoring & progress. His rich knowledge has provided the necessary support for smooth execution of the projects directly monitored by him and to other projects, the company has undertaken.
(2) Past remuneration	` 1,50,44,000/- Annual CTC
(3) Recognition or awards	NA
(4)Job profile and his	Name: Dilip Surana

suitability	DOB: 24.05.1965 His current term of appointment as a Whole Time Director of the Company will expire on 23rd May 2022. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors are of the opinion that for the smooth and efficient running of the business, the services of Mr Dilip Surana should be available to the Company.
(5)Remuneration proposed	` 1,50,44,000/- Annual CTC
(6)Comparative remuneration profile with respect to the industry, size of the company, profile of the position and person	As per industry norms
(7)Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr Dilip Surana has a relationship with the Company as Whole Time Director. He does not hold any shares in the Company
III. Other information :	
(1)Reasons of loss or inadequate profits	Due to external factors such as recession, general economic slowdown, high-interest rates, etc. The Company has a severe downfall in earning and have no adequate profits.
(2) Steps taken or proposed to be taken for improvement.	The Company is taking necessary steps to mitigate the losses and is confident that in F.Y. 2021-22 such factors would be managed by the Company.
(3)Expected increase in productivity and profits in measurable terms.	The Company has drawn up an annual basis plan which it will endeavor to achieve.

Details, as required under Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, is given hereunder.

Name	MR. Dilip Surana
Age	55 years
Qualification	Diploma in Civil Engineering
Experience	Mr Dilip Surana is associated with the Company as since its incorporation and was appointed as Whole Time Director of the Company since May 24, 2007, and continues as Whole Time Director in the Company. Diploma in Civil Engineering. He is associate with the Company since incorporation however was appointed as Whole Time

	Director in 2007. He is involved in planning and execution of all types construction projects like construction of Earthen Dams, Concrete/Masonry Dams, Canals, Pipelines, Bridges, Roads and Highways, Tunnels and operation and maintenance of Tollways. He is currently responsible for the P&L of all the ongoing infrastructure projects including its planning, monitoring & progress. His rich knowledge has provided the necessary support for smooth execution of the projects directly monitored by him and to other projects, the company has undertaken.
Terms and Conditions of Appointment	As per Appointment Letter
Remuneration (Proposed)	` 1,50,44,000/- including allowances per annum
Remuneration (Last Drawn)	` 1,50,44,000/- Annual CTC
Date of First Appointment on the Board	24th May 2007
Relationship with other Director	NONE
Number of Board Meeting Attended during the Year	TWO
Manager / Other Directorship/ Chairmanship of Committees of the Board	1.Patwardhan Infrastructure Private Limited 2. Ayodhya Gorakhpur SMS Tolls Private Limited (MD) 3. SMS Toll And Developers Limited

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013 and is available for inspection by the members at the registered office of the Company. The Resolution at Item No. 6 is recommended for approval of the Members in the best interest of the Company.

Memorandum of Interest

None of the Director or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special resolution set out at Item No. 6 of the Notice for approval by the members.

For Item No. 7:

Mr. Dilip Surana, Whole Time Director who is appointed as the Managing Director in Ayodhya Ghorakhpur SMS Toll Private Limited (AGSTPL), w.e.f 9th of January, 2017 the Wholly Owned Subsidiary (WOS) of the Company (SMS Limited) holds office or place of profit pursuant to section 188(1) (f) of the companies Act, 2013

To ensure transparency in the transactions and dealings with related parties the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15 (3) (b) of the Companies (Meeting of Board and its Power) Rules, 2014 require prior approval of the member's by means of Ordinary Resolution for enhancement in prescribed limit of salary payable to such related party's appointment to any office or place of profit in the Company or its subsidiary or its associates .

The Management after considering the aforementioned provision of the Companies Act, 2013 propose for grant of performance bonus of payment of ` 5,50,00,000/- (Rupees Five Crore Fifty Lac only) (includes ` 2,00,00,000/- approved by Board on 31.03.2020) to Mr. Dilip Surana from Ayodhya Ghorakhpur SMS Toll Private Limited (WOS) for extraordinary performance and efforts in ensuring more than normal project surplus for O & M of Ayodhya-Gorakhpur Section (km, 137.970 to km 252.860) stretch of NH-28 (Total length 116.101 km) in the state of Uttar Pradesh on OMT basis (Pkg; No. NHAI/OMT/Pkg-11/2011) project

None of the Director or Key Managerial Personnel of the Company and/or their relatives other than Mr. Dilip Surana, in his personal capacity is concerned or interested, financially or otherwise, in this resolution.

None of the Directors are concerned or interested financial or otherwise, in respect of passing of the Resolution set out at Item No. 7

The Board recommends the resolution for approval of the members.

By Order of the Board

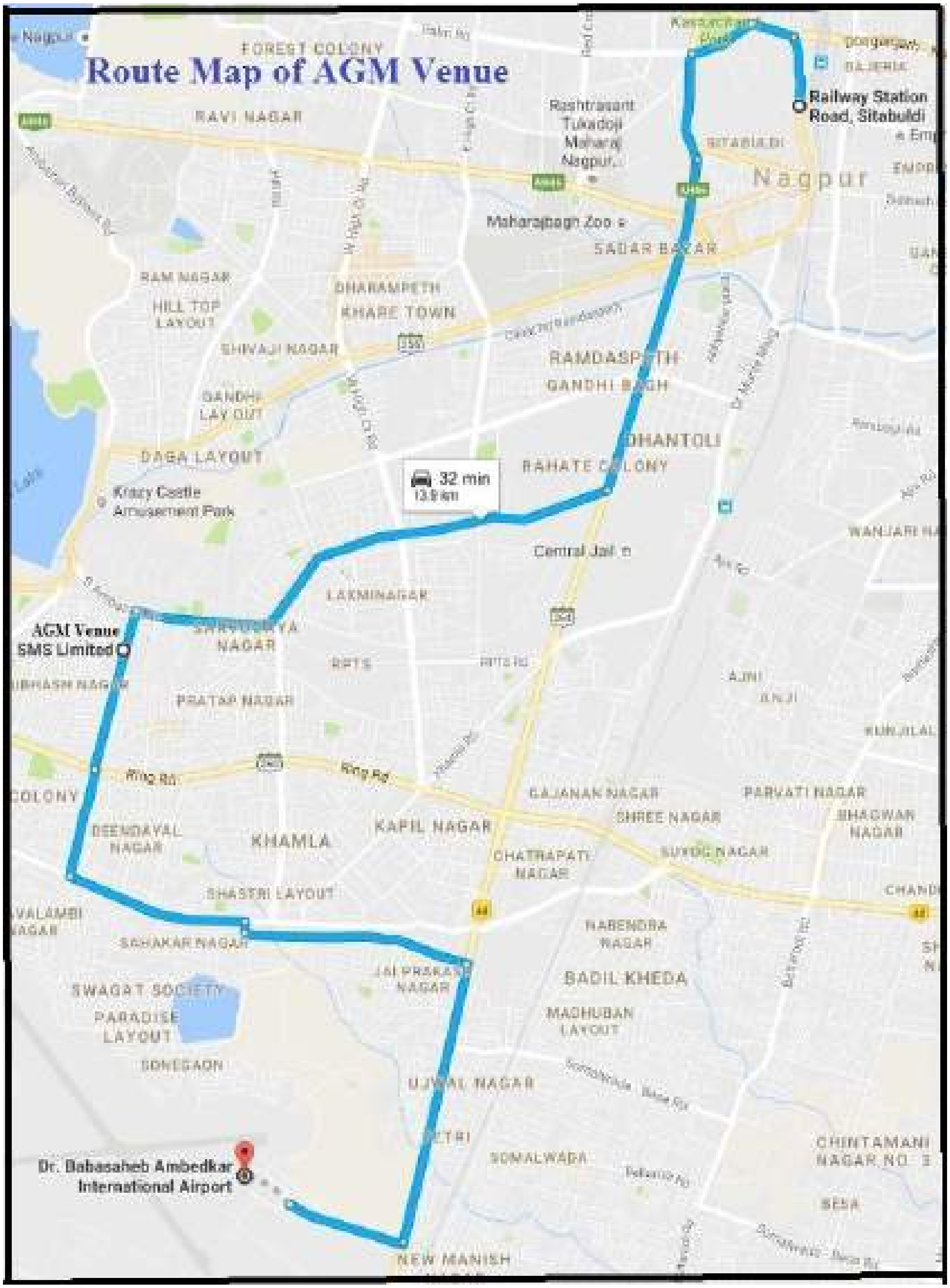
FOR SMS LIMITED

Sd/-

PLACE: NAGPUR
DATE: 17.12.2020

SMITA AGARKAR
COMPANY SECRETARY

ROUTE MAP TO AGM VENUE



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SMS LIMITED

CIN: U80100MH1997PLC107906