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

INDEPENDENT AUDITOR'S REPORT

To,
The members of SMS ENVOCLEAN PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SMS ENVOCLEAN PRIVATE LIMITED** ('the Company') which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit & Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of financial statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at March 31, 2018 and its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 the paragraph 3 and 4 of the Order.

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 purpose of our audit.

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

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

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

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

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 on its financial position in its financial statements – Refer Note 30 to the financial statements.

(ii) The company did not have any long term contracts including derivatives contracts, which require provision for material foreseeable losses.

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

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

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

CA. Sudhir Surana
Partner
Membership No.043414
Nagpur, September 05, 2018

Annexure A to the Independent auditor's report referred to in paragraph 1 of even date to the financial statements of SMS ENVOCLEAN PRIVATE LIMITED for the year ended March 31, 2018:

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 explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the registered maintained u/s 189 of the Companies Act 2013 during the year and accordingly, Paragraph 3(iii)(a) ,3(iii)(b) and 3(iii)(c) of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are no transactions covered under section 185 of the act and the company has not made any investments, granted any loans, and providing guarantees and securities under section 186 of the Companies Act, 2013 and accordingly, Paragraph 3(iv) of the order are not applicable.

v) The Company has not accepted deposits within the meaning of section 73 and 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, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

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vii)

a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues 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, 2018 for a period of more than six months from the date they become payable.

b) According to the information and explanation given to us, there are no disputed dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, value added tax, which have not been deposited on account of any dispute.

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 does not have any outstanding loans or borrowings to government or debenture holders during the year.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

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

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 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 188 of companies act, 2013 and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, section 177 of the Act is not applicable to the company.

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

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

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

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

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

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

CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, September 05, 2018

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"Annexure B" referred to in Paragraph 1 of our report of even date to the members of SMS ENVOCLEAN PRIVATE LIMITED on the Accounts for the year ended 31st March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SMS ENVOCLEAN PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Director's are 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For 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
Nagpur, September 05, 2018

SMS ENVOCLEAN PRIVATE LIMITED
Balance Sheet as at 31 March 2018

SMS

(Amt in Lacs)

	Note No.	31 March 2018	31 March 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	176.19	245.28
(b) Capital work in progress	2	-	3.94
(c) Intangible Assets	2	1.94	0.18
(d) Financial Assets			
(i) Loans	3	621.38	302.31
(ii) Other Financial Assets	4	30.14	16.41
(e) Deferred tax assets (net)	5	402.21	331.78
Total Non-current assets		1,231.86	899.89
Current Assets			
(a) Inventories	6	47.73	14.24
(b) Financial Assets			
(i) Trade receivables	7	328.42	245.26
(ii) Cash and cash equivalent	8	64.29	338.94
(iii) Other current financial assets	9	0.95	0.41
(c) Current tax assets (Net)	10	25.04	19.13
(d) Other Current Assets	11	51.47	11.33
Total current assets		517.89	629.31
TOTAL ASSETS		**1,749.75**	**1,529.20**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	422.10	422.10
(b) Other Equity	13	614.51	166.70
Total Equity		1,036.61	588.80
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	248.31	336.77
(b) Provisions	15	20.14	32.16
Total Non Current Liabilities		268.45	368.93
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	0.61	70.34
(ii) Trade payables	17	79.11	36.00
(iii) Other financial liabilities	18	161.54	170.50
(b) Other Current Liabilities	19	185.71	286.71
(c) Provisions	20	17.71	7.90
Total Current Liabilities		444.69	571.46
TOTAL EQUITY AND LIABILITIES		**1,749.75**	**1,529.20**

Significant Accounting Policies & Additional Informartion 1
The accompanying notes are an integral part of the 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
Partner (Membership No. 043414)
Nagpur, dated the,
5 SEP 2018

For and on behalf of the Board of Directors of
SMS ENVOCLEAN PRIVATE LIMITED

Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Director
(DIN-03533453)

SMS

SMS ENVOCLEAN PRIVATE LIMITED
Statement of Profit and Loss for the Year ended 31 March 2018

(Amt. in Lacs)

		Note No.	31 March 2018	31 March 2017
I.	Income			
	Revenue from operations	21	1,629.33	1,536.52
	Other income	22	45.68	57.23
	Total income		1,675.01	1,593.75
II.	Expenses			
	Direct Expenes	23	555.30	525.80
	Purchases of Stock -in-Trade	24	140.69	63.26
	Changes in Inventories of Stock-in-Trade	25	-35.31	-4.63
	Employee benefits expense	26	261.83	218.88
	Finance costs	27	37.83	44.22
	Depreciation and amortization expense	28	110.76	117.99
	Other expenses	29	155.70	132.17
	Total expense		1,226.81	1,097.69
III	Profit/(loss) before exceptional items and tax		448.20	496.06
IV	Exceptional item		-	-6.37
V	Profit/(loss) before tax		448.20	489.69
VI	Tax Expense:			
	Current tax		91.38	100.01
	MAT Credit Available		-79.67	-81.57
	Deferred tax		3.95	-16.08
	Income tax expense		15.66	2.36
VII	Profit/(Loss) for the year from continuing operations		432.54	487.33
VIII	Other comprehensive income			
	Items will not be reclassified to profit or loss			
	Remeasurement Gain/(losses) on defined Benefit Plan		20.56	0.33
	Income Tax relating to item that will not be classified to Profit or Loss		-5.29	-0.10
	Items that will be reclassified to Profit or Loss			
	Income Tax relating to item that will be classified to Profit or Loss			
IX	Total comprehensive income for the year		447.81	487.56
	Earnings per equity share of ₹10/- each	37		
	(For continuing operation)			
	Basic		10.25	11.55
	Diluted		10.25	11.55

Significant Accounting Policies & Additional Informartion 1
The accompanying notes are an integral part of the financial statements.

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)
Nagpur, dated the,
- 5 SEP 2018

For and on behalf of the Board of Directors of
SMS ENVOCLEAN PRIVATE LIMITED

Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Director
(DIN-03533453)

SMS ENVOCLEAN PRIVATE LIMITED
Cash flow statement for the period ended 31st March 2018

(Amt in Lacs)

	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit before tax from continuing operations	448.20	489.69
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation & Amortisation Expenses	110.76	117.99
Finance Cost	37.83	50.68
Provisions	-2.21	7.90
Loss from Sale of Fixed Assets	-	6.37
Interest income	-42.95	-9.87
Operating profit before working capital changes	551.63	662.76
Movements in working capital :		
Increase/(decrease) in trade payables	43.11	1.08
Increase/(decrease) in other non Current Financial Liabilites	-	5.70
Increase/(decrease) in other Current Financial Liabilites	-8.96	-0.70
Increase/(decrease) in other Current Liabilites	-101.01	37.24
Decrease/(increase) in trade receivables	-83.15	-44.10
Decrease / (increase) in other non-current assets	-13.73	-8.57
Decrease / (increase) in Non Current Financial Assets	-319.07	299.07
Decrease / (increase) in other Current Financial Assets	-0.54	21.95
Decrease / (increase) in other current assets	-110.96	-2.93
Decrease / (increase) in Inventory	-33.49	-6.12
Cash generated from /(used in) operations	-76.18	965.38
Income tax paid/(net of refund)	-5.91	-75.35
Net cash flow from/ (used in) operating activities (A)	-82.09	890.03
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	-39.49	-95.63
Interest received	42.95	9.87
Net cash flow from/(used in) investing activities (B)	3.46	-85.76
Cash flow from financing activities		
Proceeds from issue of equity shares		
Proceeds/(Repayment) from long-term borrowings	-88.46	38.74
Proceeds/(Repayment) of short-term borrowings	-69.73	-6.72
Interest paid	-37.83	-50.68
Interim Dividend Paid	-	-506.52
Tax on Equity dividend paid	-	-103.12
Net cash flow from/(used in) in financing activities (C)	-196.02	-628.30
Net increase/(decrease) in cash and cash equivalents (A + B + C)	-274.65	175.96
Cash and cash equivalents at the beginning of the year	338.94	162.98
Cash and cash equivalents at the end of the year	64.29	338.94

The accompanying notes are an integral part of the 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
Partner (Membership No. 043414)
Nagpur, dated the,
- 5 SEP 2018

For and on behalf of the Board of Directors of
SMS ENVOCLEAN PRIVATE LIMITED

Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Director
(DIN-03533453)

SMS ENVOCLEAN PRIVATE LIMITED
Statement Of Changes In Equity For The Period Ended 31 March 2018

Amt. in Lacs

A. Equity Share Capital

As at 1st April, 2016	422.10
Changes in Equity Share Capital	-
As at 31st March, 2017	422.10
Changes in Equity Share Capital	-
As at 31st March, 2018	422.10

B. Other Equity

(Amt. in Lacs)

Particulars	Retained earnings	Other Comprehensive Income	Total
Balance as at 1st April, 2016	**290.04**		**290.04**
Profit for the year	487.33		487.33
Other Comprehensive Income for the year	-	0.23	0.23
Total Comprehensive Income	**487.33**	**0.23**	**487.56**
Interim Dividends	506.52		506.52
Dividend distribution tax	103.12		103.12
Earlier Year Tax	1.26		1.26
Balance as at 31st March, 2017	**166.47**	**0.23**	**166.70**
Profit for the year	432.54		432.54
Other Comprehensive Income for the year		15.26	15.26
Total Comprehensive Income	**432.54**	**15.26**	**447.81**
Balance as at 31st March, 2018	**599.02**	**15.49**	**614.51**

The accompanying notes are an integral part of the 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
Partner (Membership No. 043414)
Nagpur, dated the,
5 SEP 2018

For and on behalf of the Board of Directors of
SMS ENVOCLEAN PRIVATE LIMITED

Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Director
(DIN-03533453)

SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

2. Property, Plant and Equipment and Intangible assets

(Amt. in lakhs)

	Tangible asset							WIP	Intangible Asset
Particulars	**Building**	**Plant and Equipment**	**Office Equipments**	**Computers**	**Furniture & Fixture**	**Vehicle**	**Tangible Grand Total**	**Capital WIP**	**Intangible Asset**
A. Gross carring value									
At 1st April 2016	389.42	316.24	16.69	18.83	38.22	185.39	964.81	0.00	11.75
Additions	0.16	75.91	2.22	2.35	1.20	9.71	91.55	79.74	0.19
Disposals	-	35.81	1.39	3.28	-	-	40.49	75.80	
At 31st March 2017	389.59	356.34	17.51	17.90	39.43	195.10	1,015.87	3.94	11.93
At 1st April 2017	389.59	356.34	17.51	17.90	39.43	195.10	1,015.87	3.94	11.93
Additions	24.29	3.90	5.16	5.71	1.51	-	40.57	-	2.86
Transferred to FA								-3.94	
At 31st March 2018	413.88	360.25	22.67	23.61	40.94	195.10	1,056.45	-	14.79
B. Accumulated Depreciation									
At 1st April 2016	35.86	30.64	3.44	1.74	2.04	39.67	113.39	-	7.15
Disposals	-	29.48	1.33	3.26	-	-	34.07	-	4.60
At 31st March 2017	312.66	235.83	15.38	16.31	37.15	153.27	770.60	-	-
At 1st April 2017	312.66	235.83	15.38	16.31	37.15	153.27	770.60		11.76
Additions	24.69	51.23	4.09	5.10	1.82	22.74	109.66		11.76
Disposals									
At 31st March 2018	337.35	287.06	19.47	21.40	38.97	176.01	880.26		12.85
C. Net Block									
At 31st March 2017	76.93	120.52	2.13	1.60	2.27	41.83	245.28	3.94	11.93
At 31st March 2018	76.53	73.19	3.20	2.21	1.97	19.09	176.19	-	1.94

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SMS ENVOCLEAN PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2018

(Amt in Lacs)

		31 March 2018	31 March 2017
3) Loans			
Unsecured, considered good			
a) To Body Corporate			
Gaya Railway Infra Pvt Ltd		137.17	21.44
b) To others			
Chaitanya Bahuuddeshiya Sanstha		-	5.22
GHR Education Foundation Society		484.22	275.65
	Total :	621.38	302.31

Note: Loan to Gaya Railway Infra Pvt Ltd, Chaitanya Bahuuddeshiya Sanstha and GHR Education Foundation Society is given at 8% rate of interest p.a. There is no any specific repayment schedule, it is repayable on demand.

		31 March 2018	31 March 2017
4) Other Non Current Financial Assets:			
a) Other bank balances			
FDR with maturity of more than 12 months		18.82	5.50
	Total (a) :	18.82	5.50

4.a.1: The FDR is kept as a margin money with Bank.

		31 March 2018	31 March 2017
b) Security deposit			
Unsecured, considered good			
a) Security Deposit		9.33	7.91
b) Rental Deposit		2.00	3.00
	Total (b) :	11.33	10.91
	Total (a+b) :	30.14	16.41

5) Deferred Tax Assets (net)

a) Movement in deferred tax assets

Deferred Tax Assets/ (Liabilities) in relation to the year ended 31st March 2018

Particulars	Opening Balance	Recognised in Profit and loss	Recognised in OCI	Closing Balance
Deferred Tax Assets/ (Liabilities)				
Property, Plant and Equipment	92.82	-11.70		81.12
Employee Benefit	9.27	7.76	-5.29	11.73
Total Deferred Tax Assets/ (Liabilities)	102.09	-3.95	-5.29	92.84
Add:				
b) MAT credit receivable	229.69	79.67	0	309.36
	331.78	75.72	-5.29	402.21

Deferred Tax Assets/ (Liabilities) in relation to the year ended 31st March 2017

Particulars	Opening Balance	Recognised in Profit and loss	Recognised in OCI	Closing Balance
Deferred Tax Assets/ (Liabilities)				
Property, Plant and Equipment	77.50	15.32	-	92.82
Employee Benefit	8.60	0.76	-0.10	9.27
Total Deferred Tax Assets/ (Liabilities)	86.10	16.08	-0.10	102.08577
Add:				
b) MAT credit receivable	148.12	81.57	-	229.69
	234.22	97.65	-0.10	331.77670

		31 March 2018	31 March 2017
6) Inventories			
(At Cost or Net Realisable Value, Which ever is lower)			
Stores, Spares and Others		4.16	2.09
Stock-in-trade		43.57	12.15
	Total :	47.73	14.24
7) Trade receivables			
Unsecured, considered good		328.42	245.26
	Total :	328.42	245.26
8) Cash and cash equivalents			
Cash in hand		2.42	1.58
Balances with Banks :			
In Current Account		61.86	337.36
	Total :	64.29	338.94
9) Other Current Financial Assets			
Accrued interest on FDR		0.95	0.41
	Total :	0.95	0.41
10) Current tax assets (Net)			
Balance with Stautory Authorities		25.04	19.13
	Total :	25.04	19.13

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Notes to financial statements for the year ended 31 March 2018

(Amt in Lacs)

		31 March 2018	31 March 2017
11) Other Current Assets:			
Unsecured Considered good			
Capital Advances to Vendor		20.80	-
Advance to other Vendors		7.57	1.05
Advances to Employee		1.42	0.70
Prepaid expenses		10.03	9.58
Other Receivable		0.62	-
GST Receivable		11.03	-
	Total :	51.47	11.33

		31 March 2018	31 March 2017
12) Equity Share Capital :			
Authorised :			
42,50,000 (31 March 2017 : 42,50,000) Equity Shares of ₹ 10 each.		425.00	425.00
Issued, Subscribed and Fully Paid :			
42,21,000 (31 March 2017 : 42,21,000)Equity Shares of ₹ 10 each		422.10	422.10
	Total :	422.10	422.10

a) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the year :

	31-3-2018	31-3-2018	31-3-2017	31-3-2017
	No.of Shares	Amt in lacs	**No.of Shares**	Amt in lacs
At the beginning of the year	42,21,000	422.10	42,21,000	422.10
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	42,21,000	422.10	42,21,000	422.10

b) Terms/rights attached to equity shares :

The company has only one class of equity shares having par value of ₹ 10 per share. All Equity shares issued Rank Pari Passu in respect of distribution of dividend and repayment of capital. The company declares and pays dividend in Indian Rupees.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the no. of equity shares held by the shareholder.

c) The details of the Shareholders holding more than 5% of shares in the company are :

		31-3-2018	31-3-2018	31-3-2017	31-3-2017
		No.	**% holding in the class**	**No.**	**% holding in the class**
(i)	SMS Limited	23,64,558	56.02%	23,64,558	56.02%
(ii)	Shri Amit Nilawar	18,54,342	43.93%	18,54,342	43.93%

d) Details of share held by holding company

		31-3-2018	31-3-2018	31-3-2017	31-3-2017
		No.	**% holding in the class**	**No.**	**% holding in the class**
(i)	SMS Limited	23,64,558	56.02%	23,64,558	56.02%

		31 March 2018	31 March 2017
13) Other Equity			
i) Retained Earning			
Balance as per last Balance Sheet		166.70	290.04
Add : Profit for the year		432.54	487.33
Other Comprehensive Income		15.26	0.23
Less : Appropriations			
Interim Dividends		-	506.52
Dividend Distribution Tax		-	103.12
Earlier Year Tax		-	1.26
Net surplus in the statement of profit and loss	Total :	614.51	166.70

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Notes to financial statements for the year ended 31 March 2018

(Amt in Lacs)

14) Non-Current Borrowings :

		31 March 2018	31 March 2017
(i)	**Secured Loan From Bank**		
	1. Axis Bank	190.87	264.61
	2. Kotak Mahindra Prime Ltd.	2.93	5.74
	3. Tata Motors Finance Ltd.	20.43	29.66
	4. HDFC Bank Ltd	4.97	7.67
	Total (a) :	219.21	307.67
(ii)	**Unsecured Loan from Others**		
	From Realted Parties		
	1. Vishwanath Infrastructure Limited.	9.10	9.10
	2. Anup Nilawar	20.00	20.00
	Total (b) :	29.10	29.10
	Total (a+b):	248.31	336.77

14.1 Details of Securities and Terms of Repayments

I. Secured Loan

(1) Axis Bank Ltd.-Note No. 14.I.(1)

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 and land owners of above stated land. The current rate of interest is 10.30%(MCLR 1 +2% PA). Term Loan no 1 of Rs 75.00 Lacs installment to be payable in 60 installment (56 intsallment of Rs 131580 and 4 installment of Rs 131520) and term loan no 2 of Rs 250.00 Lacs installment to be payable in 60 installment of Rs 500000 each. The period of maturity w.r.t. balance sheet date for TErm Loan I is 1 years and 7 month and for Term Loan II is is 4 years and 1 month

(2) Kotak Mahindra Prime Ltd Note No. 14.I. (2)

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	Outstanding as on 31.03.2018	ROI %	No of instalments due	Amount of instalment
41910	1.26	10.5	17	0.08
42146	4.47	10.7	26	0.19

(3) TATA Motors Finance Note No. 14.I.(3)

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	Outstanding as on 31.03.2018	Rate of interest %	No of instalments due	Amount of instalment
41973	8.29	10.78	8	1.03
42004	26.36	10.78	9	2.48

(4) HDFC Bank Ltd Note No. 14.I.(4)

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	Outstanding as on 31.03.2018	Rate of interest %	No of instalments due	Amount of instalment
42144	1.99	10.49	26	0.08
42737	5.67	9.41	34	0.19

II. Unsecured

(a) Loans from Vishwanath Infrastructure Private Limited and Anup Nilawar are without any specified repayment , without any security and is interest free. No default reported at balance sheet date.

15) Non-Current Provisions :

Provision for Gratuity	20.14	32.16
Total :	20.14	32.16

16) Current Borrowings :

Secured Loan From Bank

(a) Cash credit Limit

Axis Bank Ltd	0.61	70.34
Total :	0.61	70.34

Note: 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 alogn with personal guarantee of Shri Paramveer Sancheti and land owners of above stated land. The current rate of interest is 10.30%(MCLR 1 +2% PA).

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Notes to financial statements for the year ended 31 March 2018

		(Amt in Lacs) 31 March 2018	31 March 2017
17) Trade Payables :			
Payable to Micro, Small or Medium Enterprises		-	-
Payable to Other		79.11	36.00
	Total :	79.11	36.00

Note : The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises.

		31 March 2018	31 March 2017
18) Other Financial Liabilities :			
Expenses Payable		33.87	33.60
Rent payable to Related Party		12.42	
Salary and Consultancy Payable		16.40	14.06
HDFC Credit card		0.66	-
Bonus Payable		7.69	7.41
Current maturities of long term debt			
Axis Bank Ltd		75.78	73.16
Kotak Mahindra Prime Ltd.		2.81	2.52
Tata Motors Finance Ltd.		9.22	37.31
HDFC Bank Ltd		2.70	2.45
	Total :	161.54	170.50
19) Other Current Liabilities :			
Statutory Dues Payables		10.14	5.20
Advance From Debtors		175.57	178.39
Dividend Distribution Tax Payable		-	103.12
	Total :	185.71	286.71
20) Current Provisions :			
Provision of Encashment of Leave		17.17	7.13
Provision for Gratuity		0.54	0.77
	Total :	17.71	7.90

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Notes to financial statements for the period ended 31st March 2018

		(Amt in Lacs) 31 March 2018	31 March 2017
21) Revenue from Operations			
A) Sale of Service			
Waste Disposal & Logistic Charges		1,343.33	1,331.71
Membership Fees		11.53	6.51
Transport Receipts		1.09	1.44
		1,355.95	1,339.65
B) Sale of Product			
Sale of Bags		176.36	105.23
Sale of Scrap		97.02	91.63
		273.38	196.86
	Total :	1,629.33	1,536.52
22) Other Income			
Interest income on :-			
Unsecured Loans		41.50	45.90
Deposits		1.45	9.87
Income Tax Refund		2.54	-
Account Written Back		0.20	-
Notice Pay Recovery		-	1.46
	Total :	45.68	57.23
23) Direct Expenes			
Transport Charges		136.85	145.59
Waste Liffting Expenses		108.61	121.62
Electricity Charges		68.32	58.05
Diesels / CNG / Engine Oil Exp for Logistic		60.08	41.46
Diesel Consumption For Plant		45.68	56.09
Repair & Maint. of Plant		38.92	24.02
GST Expenses		32.71	-
Safety & Medical Exp		14.55	8.97
Repair & Maintenance for Vehicle		12.69	15.08
Water Charges for site		11.07	12.02
Misc. Exp. of Logisitic Department		7.25	10.20
Landfill Charges		6.86	10.90
Chemical Consumption		5.33	6.29
Testing & Certification Expenses		3.33	4.15
Incentive		1.78	2.94
Bag commission		1.26	4.79
Refreashment Exp of Plant		-	3.41
Consumable Exp		-	0.22
Total	Total :	555.30	525.80
24) Purchases of Stock in Trade			
Bags		130.77	49.85
Consumables		9.93	13.41
	Total :	140.69	63.26
25) Changes in Inventories of Stock in trade			
Opening Stock :			
Bags		8.82	7.52
Consumables		3.33	-
	a.	12.15	7.52
Closing Stock :			
Bags		43.50	8.82
Consumables		3.95	3.33
	b.	47.46	12.15
	Total (a-b)	-35.31	-4.63

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Notes to financial statements for the period ended 31st March 2018

		(Amt in Lacs)	
		31 March 2018	**31 March 2017**
26) Employee Benefit Expense			
Salaries, Wages & Allowances		213.16	183.53
Contribution to provident and other funds		37.05	22.44
Staff welfare expenses		3.05	5.18
Gratuity expenses		8.57	7.73
	Total :	261.83	218.88
27) Finance Costs			
Interest on Term Loan		30.76	33.53
Interest on Vehicle Loan		7.08	10.68
	Total :	37.83	44.22
28) Depreciation and Amortization Expenses			
Depreciation		109.76	113.39
Amortization		1.00	4.60
Total	Total :	110.76	117.99
29) Other Expenses			
Guest House Exp		22.37	22.42
Consultancy & Professional Charges		16.88	12.11
Pantry & Housekeeping Expenses		15.85	9.74
Repair & Maint of Buiding		14.57	4.23
Security Charges		10.71	11.40
Conveyance Expenses		9.86	7.79
Insurance		8.68	3.97
Telephone & Communication Exp		7.83	5.89
Travelling & Tour Expenses		7.33	5.08
Repair & Maint. of Computer		6.35	5.13
Printing & Stationary		6.29	6.24
Bank charges & commisson		5.77	6.47
Advertisement		5.72	0.75
Office Expenses		5.58	1.42
Hotel Expenses		3.18	4.11
Donation		2.09	0.54
Refreshment Expenses		1.22	3.44
Mess & Fooding Exp.		0.94	1.42
Interest/Penalty on late payment of taxes		2.91	3.38
Audit Fees		0.83	0.75
Misc Expenses		0.45	1.93
Repair & Maintenance of Office		0.24	2.89
Legal / Other Expenses		0.04	6.38
Accounts Written Off		-	0.54
Freight & Octroi Charges		-	0.05
Service Tax Paid		-	4.04
	Total :	155.70	132.17

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1) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2018

I) Corporate information

SMS Envoclean Private Limited having its registered office in Nagpur was incorporated on 17th October 2005. The company is engaged in providing biomedical waste management & disposal Service. The company is providing total solutions for scientific treatment & disposal of various type of bio medical waste by the latest ecofriendly technologies.

II) Basis of preparation

i) **Compliance with IND AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all periods presented in financial statements.

ii) **Historical Cost Conventions**

The Financial Statements have been prepaered on historical cost basis.

iii) **Current Versus Non Current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months)and other criteria set out in the Schedule III to the Act.

iv) **Rounding off of Amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets & liabilities as at the day of financial statements and result of operation during a operation period. The estimates and judgements used in the preparation of financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

III. Significant Accounting Policies

a) Property Plant and equipment

i) Recognition & Measurement

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost of an item includes its purchase cot ,expenditure that is directly attributable to its cost of bringing the item to its intended use.

Advances paid towards acquisition of property plant & equipement 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". Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

ii) Depreciation Methods useful life and residual value

Depreciation is calculated on a Written Down value basis over the estimated useful life of the assets as per provided in Part C of schdule II of the company act 2013 or remaining life of the project which ever is less.

The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are same as the useful life prescribed in Schedule II to the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition/ disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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The residual value, useful life and method of deprecation of property plant and equipment are review at each financial year end and adjusted prospectively if appropriate. However the company has considered 0.2% as Residual value for all its fixed asset for caluclation of Depreciation.

b) Intangible Assets :-

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Cost of a nonmonetary asset acquired in exchange of another non-monetary asset is measured at fair value. Intangible assets are amortised over their respective individual estimated useful life on stright line basis from the date that they are available for use.

c) Inventories :-

Inventories of stores and spares & Traded items are valued at the cost or net realisable value whichever is lower . Cost comprise of all the cost of purchase and other costs incurred in bringing the inventories to present location and condition. Cost formulae used is Weighted Average Cost. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

d) Revenue Recognition:-

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.

Revenue has been recognized on accrual basis at the time of receipt of waste and billing done on monthly Basis

Interest income on deposits, Scrap, other misc. income are recognised in accrual basis

e) Borrwing Costs :-

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use as part of the cost of asset. All other borrowing costs are expensed in the period in which they incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Transaction cost in case of long term borrowings are amortised over the respective loans using effective interest method. Borrowing cost also includes exchange difference to the extend as an adjustment to the borrowing cost.

f) Leases :-

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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Lease rental are charged to the statement of Profit & Loss on accrual basis.

g) Cash & Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and fixed deposits with origional maturity of three months or less which are subject to an insignificant risk of change in value.

h) Financial Assets

(i) Financial Instruments:

Financial Assets

Initial Recogition and measurement

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets 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 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 recognised in the Statement of Profit and Loss.

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Financial assets at fair value through other comprehensive income

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

<u>EQUITY INSTRUMENT AND FINANCIAL LIABILITIES</u>

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.

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i) Impairment of Non-Financial Assets:

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

Recoverable amount is determined:
- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

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

j) Provisions, Contingent Liabilities and Contingent Assets:-

A provision is recognized when the company has the present obligation (legal and constructive) as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made.

Contingent liabilities are disclosed where there is possible outcomes from past obligation or present obligation that may probably not require an outflow of resources. When there is possible or a present obligation where there is likelihood of outflow of resource is remote.

Contingent Assets are not recognised and disclosed in the financial statements.

Provisions, Contingent Asset & Contingent Liabilities are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

k) Taxes on Income:

Income Tax comprises of current and deferred tax and is recognised in statement of P&L except to the extent that it relates to an item recognised in other comprehensive income or directly in equity.

i) Current Tax:-

The income tax expense or credit, if there is any for the period is the tax payable on the current period's taxable income based on the applicable income tax rate as per 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.

ii) Deferred Tax:-

Deferred income tax is provided in full, using the Balance sheet approach method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement, if there is any. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related defferred income tax assets is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

l) Employee Benefits :-

i) Short-term obligations :-

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Post-employment obligations :-

The Company operates the following post employment schemes:

a) Defined benefit plan such as gratuity; and
b) Defined contribution plan such as provident fund.

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iii) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

iv) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic plus DA as per regulations. The contributions are made to registered provident fund administered by the government. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme 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 balance sheet date, then excess is recognized as an asset.

m) Earning Per Share:-

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

Diluted EPS amounts are calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

n) Segment Reporting

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the segments of the Company. The Company has a single segment namely Bio medical waste treatment and related activity

Sr.	Particulars	Bio Medical Waste	
		F.Y. 2017-18	**F.Y. 2016-17**
1	**Segment Revenue**		
	External Turnover	1,629.33	1,536.52
	Net Turnover	1,629.33	1,536.52
2	**Segment Result Before Interest & Tax**	440.55	494.38
	Less : Interest Expenses	37.83	44.22
	Add : Interest Income	45.49	45.90
	Profit Before Tax and Exceptional Item	448.20	496.06
	Exceptional Item	-	(6.37)
	Profit Before Tax	448.20	489.69
	Current Tax	91.38	100.01
	MAT Credit Carried forward	(79.67)	(81.57)
	Adjustement of earlier period	-	-
	Deferred Tax	3.95	(16.08)
	Net Profit after Tax	432.54	487.33
3	**Other Information**		
	Segment Assets	1,749.75	1,529.20
	Segment Liabilities	713.14	940.39
	Capital Employed	1,036.61	588.80
	Depreciation	110.76	117.99

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Notes to financial statements for the year ended 31st March 2018

Notes forming part of accounts

30 Contingent Liabilities

(Amt in Lacs)

Particulars	**31 March 2018**	**31 March 2017**
Bank Guarantees	53.67	5.50
Commitmentts	-	-
	53.67	5.50

1.Mr Ganesh Rane logistic supervisor has filled case against his termination in the office of Labour Commissioner. The Labour Commissioner has refered the case in labour court on 19-11-14 and the Matter is pending in labour court. The Company does not expect to make any payment on this matter.

31 Deferred Tax

	31 March 2018	**31 March 2017**
Deferred tax assets	92.84	102.09
	92.84	102.09

32 Payment to Auditors

	31 March 2018	**31 March 2017**
Audit Fees (Excluding taxes)	0.83	0.75
	0.83	0.75

33 Related Party Transactions

Relationships

(a) **Holding Company**

SMS Limited

(b) **Key Management Personal**

1. Saurabh Gautam- Director
2. Anup Nilawar - Director
3. Chetan Bora - Director

(c) **Others**

Subsidiary of Holding Co.

SMS Envoclean Pvt. Ltd.
SMS Mine Developers Pvt. Ltd.
SMS Parking Solution Pvt. Ltd.
SMS Taxi Cabs Pvt. Ltd.
SMS Infolink Pvt. Ltd.
SMS Water Grace BMW Pvt. Ltd
MS Tolls And Developers Ltd.
SMS Shivnath Infrastructure Pvt. Ltd.
SMS-AABS India Tollways Private Limited
PT. SMS Minerals International
Solar Bhatgaon Extension Mines Pvt. Ltd.
Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
Patwardhan Infrastructure Pvt. Ltd.
Maharashtra Enviro Power Ltd.
SMS Waste Management Pvt. Ltd.

Enterprises having Significant Influence of Key Management Personnel

SMS Envocare Limited
Vishwanath Infrastructure Ltd.
Amit Nilawar
SMS Anamklean Greentech Pvt. Ltd

Joint Ventures of Holding Co.

SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)
SMS Infrastructure Ltd. & B. P. Construction Co. Pvt Ltd (JV)
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)
SMSIL KTCO (JV)
Bhartiya SMSIL (JV)
SMS Infrastructure Ltd. Shreenath Enterprises J.V.
KhareTarkunde Infrastructure Pvt. Ltd. A/c Parwana
GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd.
SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.

Associates of Holding Co.

RCCL Infrastructure Ltd.
SMS AAMW Tollways Pvt. Ltd.

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(Amt in Lacs)

Nature of Transactions	Related Parties		
	Referred in (a)	Referred in (b)	Referred in (c)
Payment of Salary	-	18.05	-
	-	17.20	-
Sale of Service/Assets	-	-	41.23
	-	-	29.22
Other Transaction Recd	-	-	-
	-	-	1.50
Rent paid	13.45	-	-
	12.00	-	-
Dividend Paid	-	-	-
	283.75	0.23	222.52
Outstanding Balances included in assets	2.00	-	-
	-	-	-
Outstanding Balances inclued in liabilites	12.42	20.00	9.10
	-	20.00	9.10

34 Employee Benefit

Gratuity

The Gratuity Expenses Amount of previous Year has been reinstated to Rs. 8.56 Lacs from Rs. 7.73 Lacs and recognised other comprehensive income of Rs.20.55 lacs according to grautity valuation as per requirement of IND AS -19.

A. Amount recognised in the Balance Sheet

(Amt in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(Present Value of Benefit Obligation at the end of the period)	(20.68)	(32.93)
Fair value of plan assets at the end of the period	-	-
Funded Status (Surplus/ (Deficit))	(20.68)	(32.93)
Net (Liability)/Asset Recognized in the Balance Sheet	(20.68)	(32.93)

B. Movements in plan assets and plan liabilities

There are no plan assets & liabilties since the the obligation is not funded.

C. Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses

(Amt in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Service Cost	6.17	5.53
Net Interest Cost	2.40	2.19
Past Service Cost		
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses / (Income) recognised For the Period	**8.57**	**7.73**

D. Amount recognised in the Other Comprehensive Income (OCI)

(Amt in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Actuarial (Gains)/Losses on Obligation For the Period	(20.56)	(0.33)
Return on Plan Assets, Excluding Interest Income		
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(20.56)	(0.33)

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Notes to financial statements for the year ended 31st March 2018

E. Assumptions

The assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

(Amt in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Expected Return on Plan Assets	N.A	N.A
Rate of Discounting	7.83%	7.29%
Rate of Salary Increase	6%	6%
Rate of Employee Turnover		
For Service 4 years and below	10%	10%
For Service 5 years and above	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A	N.A

F. Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

(Amt in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Projected Benefit Obligation on Current Assumptions	20.68	32.93
Delta Effect of +1% Change in Rate of Discounting	(2.52)	(4.00)
Delta Effect of -1% Change in Rate of Discounting	3.06	4.84
Delta Effect of +1% Change in Rate of Salary Increase	3.09	4.86
Delta Effect of -1% Change in Rate of Salary Increase	(2.58)	(4.08)
Delta Effect of +1% Change in Rate of Employee Turnover	0.51	0.47
Delta Effect of -1% Change in Rate of Employee Turnover	(0.61)	(0.56)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

35 Financial risk management objective and policies :-

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables and financial guarantee contracts The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investment and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below

I) Credit Risk :

Credit risk is the risk of financial loss arising from counter party failure to repay of srvice debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default & the risk of deterioration of credit worthness as well as concentration of risks. credit risk of existing customer is controlled by contineous monitoring of the collection trend of each customer on a periodical basis. with respect to new customer, the company uses external/internal sources to assess the potential customer credit quality.

Financial instruments that are subject to concentrations of credit risk principaly consist of trade receivables, loans, cash and cash equivalent, other balances with bank and other financial assets. None of the financial instruments of the company result in material concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally invest in fixed deposits with banks with high credit ratings.

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The Company's exposure to credit risk for trade receivables

(Amt in Lacs)

Particulars	Gross carrying amount	
	As at 31 March 2018	As at 31 March 2017
1-90 days past due	166.61	156.29
91 to 180 days past due	72.61	27.91
More than 180 days past due	89.20	61.06
Total	**328.42**	**245.26**

ii) Market risk :-

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

Interest Rate Risk:-

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates, however the company does not have any long-term debt obligation with floating interest rates.

iii) Liquidity Risk :-

Liquidity risk refers to the risk that the company can not meet its financials obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by contineously monitoring forecast and actual cash flow, and by matching the maturity profiles of financial assets and liabilities.

Liquidity Risk

(Amt in Lacs)

As at 31st March, 2018	6 months or less	6-12 months	Beyond 12 months	Total
Trade payable	64.78		14.34	**79.11**
Other Financial Liability	161.54		-	**161.54**
Total	**226.32**	-	**14.34**	**240.66**

As at 31st March, 2017	6 months or less	6-12 months	Beyond 12 months	Total
Trade payable	36.00	-	-	**36.00**
Other Financial Liability	170.50	-	-	**170.50**
Total	**206.51**	-	-	**206.51**

36 Capital Management

The capital structure of the company consists of net debt and total equity of the company. The company manages its capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

(Amt in Lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings other than convertible preference	248.92	407.11
Trade payables	79.11	36.00
Other financial liabilities	161.54	170.50
Less: cash and cash equivalents	64.29	338.94
Net debt	**346.18**	**238.67**
Convertible preference shares	-	-
Equity	**1,036.61**	**588.80**
Total capital	**1,036.61**	**588.80**
Capital and net debt	**1,382.79**	**827.48**
Gearing Ratio	**25.03%**	**28.84%**

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37 Earnings Per Share:

(Amt in Lacs)

The Working is as under:-	31 March 2018	31 March 2017
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Continuing operations		
Profit/(loss) after tax	432.54	487.33
Less : dividends on convertible preference shares & tax thereon		-
Net profit for calculation of basic EPS	432.54	487.33
Net profit as above	432.54	487.33
Add : dividends on convertible preference shares & tax thereon		-
Add : interest on bonds convertible into equity shares (net of tax)		-
Net profit/(loss) for calculation of diluted EPS	432.54	487.33
Weighted average number of equity shares in calculating basic EPS	42,21,000	42,21,000
Effect of dilution:		
Convertible preference shares	-	-
Convertible bonds	-	-
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating diluted EPS	42,21,000	42,21,000
Earnings per equity share in Rupees (Face Value of Rs. 10 each)		
Basic	10.25	11.55
Diluted	10.25	11.55

38 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Tax Expense:	31 March 2018	31 March 2017
Profit Before Tax	448.20	489.69
Other comprehensive income before tax	20.56	0.33
Total comprehensive income before tax	468.76	490.02
Indian Statutory Income Tax Rate	25.75%	33.06%
Expected Income Tax Expenses	**120.71**	**162.01**
Tax Effect of adjustments to reconcile expected Income Tax Expenses		
Tax Effect of Tax Holidays *	(119.76)	(161.55)
Tax Effect of Non Deductible expenses	0.54	1.30
Restatement of earlier year DTA due to change in tax rate	22.58	-
Other adjustments	(3.12)	0.70
Total income tax expense recognised in Profit & Loss	**20.95**	**2.46**
a) Tax on normal income recognised in profit and loss	15.66	2.36
b) Tax on other comprehensive income recognised in profit and loss	5.29	0.10
Total tax recognised in profit and loss	**20.95**	**2.46**

* The company has availed deduction of Income Tax Section 80 IA for being a "Infrastructural Facility" as defined in the section and hence the company is liable to pay Tax under Section 115 JB Minimum Alternate Tax.

39 Reconciliation of Comprehensive Income

Particulars	31 March 2018	31 March 2017
Profit as per audited finacial statements	432.54	486.80
Adjustments Impact : Gain/(Loss)		
Prior Period item	-	(0.50)
Earlier year tax	-	1.26
Total Comprehensive Income reflected in profit & loss	**432.54**	**487.56**

40 Reconciliation of Other Equity

Particulars	31 March 2018	31 March 2017
Other equity as per audited finacial statements	614.51	167.20
Prior period item	-	(0.50)
Total Comprehensive Income reflected in Other Equity	**614.51**	**166.70**

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SMS

41 Party balances are subject to confirmation and the balances shown under Trade Receivables, Trade Payables, Loan and advances have approximately the same realisable value as shown in the financials.

42 The company is not required to spent on CSR Expenditure as the company is not fulfilling any of the following criteria stipiulated as per provision of section 135 of the companies act a. net worh of or more than five hundred crores or b. turnover of one thousand crores rupees or more c. net profit of rupees five crore or more during any financial year.

43 Previous year's figures have been regrouped/recasted, wherever necessary.

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
Nagpur, dated the,

5 SEP 2018

For and on behalf of the Board of Directors of
SMS ENVOCLEAN PRIVATE LIMITED

Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Director
(DIN-03533453)