

INDEPENDENT AUDITOR'S REPORT

To the Members of SMS Mining Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SMS Mining Limited** ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.



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

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

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

Responsibilities of Management and Those Charged with Governance for 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.



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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.



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(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.

(g) 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:

Based on our examination of Books of accounts and other relevant records, the company has not paid / provided any remuneration to its directors during the current year. Accordingly, the provisions of section 197(16) of the Act is not applicable during the current year.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

(h) 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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement
- v. The Company has not declared any dividend (i.e. interim or final) during current financial year 2022-23, previous financial year 2021-22 and upto the date of our audit report. Accordingly provisions of section 123 of the Companies Act 2013 is not applicable during current financial year 2022-23.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.



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2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For V. K. Surana & Co.

Chartered Accountants

Firm Registration No.110634W

S. Suresh Galani
CA. Suresh Galani

Partner

Membership No. 168192

Nagpur, August 28, 2023

UDIN: 23168192B6XTWJ1360



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“Annexure A” To the Independent Auditor’s Report referred to in Paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of SMS MINING LIMITED on the Accounts for the year ended 31st March 2023.

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statement over financial reporting of **SMS MINING LIMITED** (“the Company”) as of March 31, 2023 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 Directors 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 to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial 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 Registration No.110634W

Suresh Galani

CA. Suresh Galani

Partner

Membership No. 168192

Nagpur, August 28, 2023

UDIN: 23168192B4XJWJ1360



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“Annexure B” paragraph 2 under the heading ‘Report on Other Legal & Regulatory requirement’ of our report of even date to the financial statements of SMS Mining Limited for the year ended March 31, 2023:

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

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

i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

The Company does not have any Property, Plant and Equipment, right-to-use Assets. Accordingly, the Paragraph 3(i)(a)(A), 3(i)(b),3(i)(c) and 3(i)(e) of the order are not applicable.

In respect of paragraph 3(i)(a)(B) of the order, the Company has maintained proper records showing full particulars of intangible assets.

In respect of paragraph 3(i)(d), the Company has not revalued any of its intangible assets during the year.

ii) (a) The Company does not have any inventory. Accordingly, the Paragraph 3 (ii) of the order are not applicable.

(b) As per the financial statements, the Company do not have any working capital limits in excess of Rs. 5 crore in aggregate from banks during the year on the basis of security of current assets of the Company. Accordingly, the provisions of Clause 3 (ii) (b) of the order are not applicable.

iii) According to the information and explanation given to us, the company has not made investments or providing guarantees / securities or granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties during the year and accordingly, Paragraph 3(iii)(a) ,3(iii)(b), 3(iii)(c),3(iii)(d),3(iii)(e) and 3(iii)(f) 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 186 of the Companies Act, 2013 and accordingly, Paragraph 3(iv) of the order are not applicable.



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- 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, 2023 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.
- 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, 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 statutory dues were outstanding as on 31st March, 2023 for a period of more than six months from the date they become payable. Further Sales Tax, Service Tax, Duties 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 Service Tax.
- 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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) The Company does not have any outstanding dues to any lenders during the year. Accordingly, the provisions of Clause are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not raise any money by way of term loans, so the question of application of funds does not arise. Accordingly, paragraph 3 (ix) (c) of the Order is not applicable.



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(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the Company has not raised any funds during current financial year, so the question of application of funds does not arise. Accordingly, paragraph 3 (ix) (d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person and there are no subsidiaries, associates or joint ventures of the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year and there are no subsidiaries, associates or joint ventures of the Company.

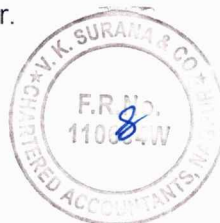
x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), so the question of application of funds does not arise. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.

(b) As per information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under audit. Accordingly paragraph 3(x)(b)) of the Order is not applicable to company.

xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and 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 has been noticed or reported during the year.

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

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



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- xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 and hence reporting under clause 3 (xii)(a),(b) and (c) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us transactions with related parties are in compliance with the provisions of section 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.
- xiv) In our opinion and based on our examination, the company is not required to comply with norms of internal audit system. Accordingly reporting under clause 3 (xiv)(a) & (b) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, 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 Companies Act 2013 are not applicable to the company. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash losses of Rs. 304.78 thousands in the current year and Rs. 113.40 thousands in the immediately preceding financial year.



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- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) The Company is not required to comply with norms of Corporate Social Responsibility as per section 135 of the Act and accordingly reporting under clause 3(xx) (a) and (b) of the Order is not applicable.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial Statements and there are no subsidiaries, associates or joint ventures of the Company.

For V. K. Surana & Co.

Chartered Accountants

Firm Registration No.110634W

Suresh Galani
CA. Suresh Galani

Partner

Membership No. 168192

Nagpur, August 28, 2023

UDIN: 23168192B6XTWJ1360



SMS MINING LIMITED
Balance Sheet as at 31st March 2023

(Rs in '000)

	Particulars	Note No.	As at 31-Mar-23	As at 31-Mar-22
(I)	ASSETS			
1.	Non Current assets			
	(a) Intangible Asset	2	41.43	52.23
	(b) Deferred Tax Asset (Net)	9	106.13	28.98
	Total (a)		147.55	81.20
2.	Current assets			
	(a) Financial assets			
	(i) Cash and cash equivalent	3	11.94	40.94
	(b) Other Current Assets	4	50.19	63.89
	Total (b)		62.13	104.82
	Total Assets (a+b)		209.69	186.02
(II)	EQUITY AND LIABILITIES			
1.	Equity			
	(a) Equity Share Capital	5	100.00	100.00
	(b) Other Equity	6	(324.62)	(86.20)
	Total (a)		(224.62)	13.80
2.	Liabilities:			
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	7	308.40	122.72
	(b) Other Current Liabilities	8	125.91	49.50
	Total (b)		434.31	172.22
	Total Liability (a+b)		209.69	186.02

Significant Accounting Policies

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



For and on behalf of the Board of Directors of

SMS MINING LIMITED

CIN:U14290MH2021PLC368362

Suresh Galani
CA. SURESH GALANI

Partner (M.No.168192)

Place: Nagpur

Date: 28/08/2023

Nirbhay A. Sancheti
NIRBHAY A. SANCHETI

Director

DIN : 08338308

Rajesh Kumar Gupta
RAJESH KUMAR GUPTA

Director

DIN : 09338014

UDIN : 23168192BQXJWJ1360

SMS MINING LIMITED
Statement of Profit and Loss for the year ended on 31st March 2023

(Rs in '000)

	Particulars	Note No	Year ended 31-Mar-23	Year ended 31-Mar-22
	Income			
I.	Revenue from operations		-	-
II.	Other income		-	-
	Total income (I+II)		-	-
	Expenses			
	Depreciation and Amortization expenses	10	10.80	1.78
	Finance Cost	11	8.00	-
	Other Expenses	12	296.78	113.40
III.	Total expenses		315.58	115.17
IV.	Profit/(loss) before tax		(315.58)	(115.17)
	Current tax		-	-
	Deferred tax	9	(77.15)	(28.98)
V.	Profit/(Loss) for the year		(238.42)	(86.20)
VI.	Other comprehensive income			
	I. Items That Will Not Be Reclassified To Profit Or Loss		-	-
	Income Tax relating to item that will not be reclassified to Profit or Loss		-	-
	II. Items That Will Be Reclassified To Profit Or Loss		-	-
	Income Tax relating to item that will be reclassified to Profit or Loss		-	-
VII.	Total comprehensive income for the year		(238.42)	(86.20)

VIII. Earnings per equity share of par value ₹ 10/- each

Basic earning per share	17	(23.84)	(8.62)
Diluted earning per share		(23.84)	(8.62)

Significant Accounting Policies

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



CA. SURESH GALANI

Partner (M.No.168192)


Place: Nagpur

Date: 28/08/2023

For and on behalf of the Board of Directors of

SMS MINING LIMITED

CIN:U14290MH2021PLG368362



NIRBHAY A. SANCHETI

Director

DIN : 08338308



RAJESH KUMAR GUPTA

Director

DIN : 09338014

UDIN : 23168192 BGRJWJ 1360

SMS MINING LIMITED
Cash flow statement for the year ended on 31st March 2023

(Rs in '000)

particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
a) Cash flow from operating activities		
Profit before tax	(315.58)	(115.17)
Add: Depreciation & Ammortization	10.80	1.78
Add: Finance Cost	8.00	-
Operating profit before working capital changes	(296.78)	(113.40)
Movements in working capital :		
Increase/(Decrease) in Other current Assets	13.69	(63.89)
Increase/(Decrease) in Other current financial liabilities	76.41	172.22
Net cash flow from/ (used in) operating activities (A)	(206.68)	(5.06)
b) Cash flow from investing activities		
Purchase of Intangible Asset	-	(54.00)
Net cash flow from/(used in) investing activities (B)	-	(54.00)
c) Cash flow from financing activities		
Issue of Share Capital	-	100.00
Borrowing	185.68	-
Finance Cost	(8.00)	-
Net cash flow from/(used in) in financing activities (C)	177.68	100.00
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(29.00)	40.94
Cash and cash equivalents at the beginning of the year	40.94	-
Cash and cash equivalents at the end of the year	11.94	40.94

The cash flow statement is prepare as per Indirect Method in accordance with Ind AS-7 cash Flow statement.

Significant Accounting Policies: 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



Suresh Galani
CA. SURESH GALANI
Partner (M.No.168192)
Place: Nagpur
Date: 28/08/2023

For and on behalf of the Board of Directors of
SMS MINING LIMITED
CIN:U14290MH2021PLC368362

Nirbhay A. Sancheti

NIRBHAY A. SANCHETI
Director
(DIN : 08338308)

Rajesh Kumar Gupta

RAJESH KUMAR GUPTA
Director
(DIN : 09338014)

UDIN : 23168192B6XJWJ1360

SMS MINING LIMITED
Statement of Changes in Equity for the year ended on 31st March 2023

	Note No.	Number of shares	(Rs in '000) Amount
A. Equity Share Capital			
Balance as on 1st April,22	5	10000	100
Changes in Equity Share Capital During the year		-	-
Balance as at 31st March, 2023		10000	100
Balance as on 1st April,21		-	-
Changes in Equity Share Capital During the year	5	10000	100
Balance as at 31st March, 2022		10000	100

B. Other Equity
Reserve & Surplus
Refer Note No 6

Particulars	Retained earnings	Total
Opening Balance as on 1st April, 2021	-	-
Profit/(Loss) for the year	(86.20)	(86.20)
Balance as at 31st March, 2022	(86.20)	(86.20)

Particulars	Retained earnings	Total
Opening Balance as on 1st April, 2022	(86.20)	(86.20)
Profit/(Loss) for the year	(238.42)	(238.42)
Balance as at 31st March, 2023	(324.62)	(324.62)

Significant Accounting Policies
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

Suresh Galani
CA. SURESH GALANI
Partner (M.No.168192)
Place: Nagpur
Date: 28/08/2023



For and on behalf of the Board of Directors of
SMS MINING LIMITED
CIN:U14290MH2021PLC368362

Nirbhay A. Sancheti
NIRBHAY A. SANCHETI
Director
(DIN : 08338308)

Rajesh Kumar Gupta
RAJESH KUMAR GUPTA
Director
(DIN : 09338014)

UDIN : 23168192B9XJWJ1360

1) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2023

I) **Corporate information :**

SMS Mining Limited, ('the company) is a closely held Company domiciled in India and Incorporated on 28th September 2021 under the provisions of companies Act, 2013. The business of the Company is to mine, quarry, beneficiate, concentrate, dress, smelt, refine, manufacture, process, fabricate, purchase or otherwise acquire, sell or otherwise dispose of or deal in ores containing copper, lead or cadmium, concentrates of Coal, Uranium, copper, lead and zinc, copper, lead and zinc alloys and compounds, copper, lead and zinc, goods, wares, and products of all kinds, fertilizer, chemicals, compounds of metals and minerals or other material of every kind needed for or resulting from the mining, production, purchase or processing of ores containing copper, lead and zinc; cadmium metals and their products of every kind. However, the company has not commenced its business till date. It is a wholly owned subsidiary Company of SMS Ltd.

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 except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use

(ii) **Historical Cost Conventions**

The financial statements have been prepared on a 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 INR Rupees Thousand as per the requirement of Schedule III, unless otherwise stated.

III) **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 liabilities, at the end of the reporting 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. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The areas involving estimation of uncertainty and judgement at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year given below

- a) Useful lives of property, plant and equipment
- b) Current Tax Payable
- c) Valuation of deferred tax assets
- d) Fair value measurement of financial instruments
- e) Defined Benefit Obligation
- f) Probable outcome of matters included under Contingent Liabilities

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item affected in financial Statements

IV) **Significant Accounting Policies :**

a) **Property, Plant & Equipment :**

i) **Recognition & Measurement**

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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". 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.



SMS MINING LIMITED

Notes to financial statements for the year ended 31st March 2023

ii) **Depreciation Method and residual value :**

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 on Straight Line basis which are same as the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

Particulars	Max of Life	Min of Life
Intangible Assets	5	5

b) **Investment in Properties :-**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

c) **Intangible Assets :-**

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Cost of a non-monetary 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 Straight Line basis from the date that they are available for use.

d) **Inventories :-**

Inventories 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.

e) **Investment in Subsidiaries, Partnership firm, Joint Ventures and Associates**

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

f) **Leases :-**

The company has applied Ind AS 116 using the modified retrospective approach.

g) **Cash & Cash Equivalents**

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

h) **Borrowings :-**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

i) **Financial Instruments:**

(i) **Financial Assets**

1) **Classification**

The company classifies its financial Assets in the following measurement categories:

- a Those measured at amortised cost.
- b Those to be measured subsequently at fair value (either through other comprehensive or through statement of profit and Loss), and

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

2) **Initial Recognition and measurement**

All financial assets are recognised initially at fair value, transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.



SMS MINING LIMITED

Notes to financial statements for the year ended 31st March 2023

3) Subsequent Measurement

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

a 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.

b 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.

c) Financial assets at fair value through

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.

4) 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).

5) 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.

ii) 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.

a) 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.

b) Financial Liabilities

1 Initial recognition and Measurement

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

2 Subsequent measurement

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.



3 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.

4 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.

j) 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.

k) 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. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When a company expects provision to be reimbursed, the reimbursement is recognized as a separate asset only when reimbursement is virtually certain.

A disclosure of contingent liabilities is made where there is possible 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, no provision or disclosure is made.

Contingent Assets are not recognized 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.

l) Revenue Recognition:

The Company has recognised revenue in accordance with Ind AS 115 "Revenue-From Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

m) Government Grants :-

Grants from the government are recognised 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 straight - line basis over the remaining period of the project and presented within other income.



SMS MINING LIMITED

Notes to financial statements for the year ended 31st March 2023

n) Foreign currency Translation :-

i) Functional and presentation currency :-

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) Transactions and balances :-

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

o) Borrowing 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 expenses in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p) Taxes on Income:

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 expected to apply when the related deferred 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.

q) Employee Benefits :-

i) Short-term obligations :-

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Leave Encashment

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.

ii) Post-employment obligations :-

The Company operates the following post employment schemes:

- a Defined benefit plan such as gratuity;
- b Defined contribution plan such as provident fund

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.



SMS MINING LIMITED

Notes to financial statements for the year ended 31st March 2023

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 salary 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.

r) 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.

s) Earnings Per Share:

Basic EPS amounts are calculated by dividing the 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 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.



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

2 Intangible Asset

		Rs In '000'	
		Computer Software	Total
A	Gross carrying amount		
	Balance as at 1st April 2022	54.00	54.00
	Additions	-	-
	Balance as at 31st March 2023	54.00	54.00
B	Accumulated Depreciation/impairment		
	Balance as at 1st April 2021	-	-
	Charge for the year	1.78	1.78
	Disposal	-	-
	Balance as at 31st March 2022	1.78	1.78
	Balance as at 1st April 2022	1.78	1.78
	Charge for the year	10.80	10.80
	Disposal	-	-
	Balance as at 31st March 2023	12.58	12.58
C	Net carrying amounts		
	Balance as at 31st March 2022	52.23	52.23
	Balance as at 31st March 2023	41.43	41.43



SMS MINING LIMITED

Notes to financial statements for the year ended on 31st March 2023

	(Rs in '000)	(Rs in '000)
	As at 31-Mar-23	As at 31-Mar-22
3) Cash and cash equivalents :-		
(A) Balances with banks:		
In current accounts	11.94	40.94
Total :	11.94	40.94
4) Other Current Assets :-		
GST Receivable	50.19	27.67
Prepaid Expenses	-	36.22
Total :	50.19	63.89
5) Share capital :-		
Authorized shares Capital		
1,50,000 Equity shares of par value of ₹ 10/- each	1,500.00	1,500.00
Total :	1,500.00	1,500.00
Issued, subscribed and fully paid-up shares		
10,000 Equity shares of par value of ₹ 10/- each	100.00	100.00
Total :	100.00	100.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31-Mar-23	As at 31-Mar-22
	No. of Shares	No. of Shares
At the beginning of the period	10,000	-
Issued during the period	-	10,000
Outstanding at the end of the period	10,000	10,000

b. Terms/Rights attached to 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 at the time of liquidation.

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

	As at 31-Mar-23		As at 31-Mar-22	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SMS Limited	9,994	99.94%	9,994	99.94%

d. The details of Shares held by holding Company

	As at 31-Mar-23		As at 31-Mar-22	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SMS Limited	9,994	99.94%	9,994	99.94%

e. The details of Shareholding of promoters in the company as under:

S.No.	Promoter Name	31-Mar-23			31-Mar-22		
		No. of Shares	% of Total Shares	% Change During the year	No. of Shares	% of Total Shares	% Change During the year
Share held by Promoters at the end of the year							
1	SMS Limited	9,994	99.94%	NIL	9,994	99.94%	NIL
2	Anand Shaktikumar sancheti	1	0.01%	NIL	1	0.01%	NIL
3	Nirbhay Ajay Sancheti	1	0.01%	NIL	1	0.01%	NIL
4	Paramveer Abhay Sancheti	1	0.01%	NIL	1	0.01%	NIL
5	Bharti Abhay Sancheti	1	0.01%	NIL	1	0.01%	NIL
6	Raveena Nirbhay sancheti	1	0.01%	NIL	1	0.01%	NIL
7	Akshay Abhay Sancheti	1	0.01%	NIL	1	0.01%	NIL
	Total	10,000	100.00%		10,000	100.00%	



SMS MINING LIMITED

Notes to financial statements for the year ended on 31st March 2023

	(Rs in '000) As at 31-Mar-23	(Rs in '000) As at 31-Mar-22
6) Other Equity :-		
Retained Earnings		
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance	(86.20)	-
Add: Profit/(loss) for the year	(238.42)	(86.20)
Net surplus / (deficit) in the statement of profit and loss	<u>(324.62)</u>	<u>(86.20)</u>
7) Borrowings:		
SMS Limited Related party-Holding unsecured-Non Interest bearing loans repayable on demand	308.40	122.72
Total:	<u>308.40</u>	<u>122.72</u>
8) Other Current Liabilities :-		
Expenses payable	113.92	-
TDS Payable	11.99	49.50
Total:	<u>125.91</u>	<u>49.50</u>
9) Deferred Tax Liability		
Deferred tax on account of profit/(loss) of current year		
Profit Before Tax	(315.58)	
Add: Depreciation as per Companies Act, 2013	10.80	
Less: Depreciation as per Income Tax Act, 1961	17.28	
Profit/(Loss) as per Income Tax Act, 1961	(322.06)	
Income Tax @ 22%	(70.85)	
Surcharge	(7.09)	
Education Cess	(3.12)	
Deferred Tax Asset	81.05	
WDV as on 31-03-2023		
As per Companies Act	41.43	-
As per Income Tax Act	25.92	-
Timing Difference	<u>15.51</u>	-
Tax @ 22%	3.41	-
Add: Surcharge	0.34	-
Add: Education Cess	0.15	-
Deferred Tax Liability due to Depreciation as on 31-03-2023	<u>3.90</u>	-
Net Deferred Tax asset to be created	<u>77.15</u>	
Opening Balance	<u>28.98</u>	
Closing Balance	<u>106.13</u>	
10) Depreciation and Amortization :-		
Ammortization on intangible asset	10.80	1.78
11) Finance Cost		
Interest & Late Fee-PF/PT/ESIC	8.00	-
	<u>8.00</u>	-
12) Other Expenses :-		
Payment to Auditor	59.40	49.50
Bank charges & commission	0.65	0.42
GST expenses	8.91	-
Rent Expenses	120.00	50.00
Subscription fees	100.02	13.48
Administrative Expenses	7.80	-
Total :	<u>296.78</u>	<u>113.40</u>



SMS MINING LIMITED
Notes to financial statements for the year ended on 31st March 2023
13. Contingent Liability, Commitment & Contingent Assets :-

	(Rs in '000)	(Rs in '000)
	31-Mar-23	31-Mar-22
a) Claims against the company not acknowledged as debt	-	-
b) Corporate Guarantees & Other Guarantees	-	-
c) Other Money for which the Company is Contingently Liabile	-	-
d) Revenue & Capital Commitments	-	-
e) Contingent Assets	-	-

14. Auditors Remuneration (including taxes) :-

Audit fee	59.40	49.50
	59.40	49.50

15. Deferred Tax :-

As explained by 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.

Opening Deferred Tax Asset/(Liability)		28.98	NIL
Deferred Tax charged/(credited) during the year		77.15	28.98
Closing Deferred Tax Asset/(Liability)		106.13	28.98

16. Related Party Transactions :-

Relationships

(a) **Holding Company**
SMS Limited

(b) **Key Management Personal**
Anand Sancheti - Director
Rajesh Kumar Gupta - Director

Nirbhay Sancheti - Director

(c) **Group Entities**

Subsidiary of Holding Co.

SMS Envoclean Pvt. Ltd.
SMS Mine Developers Pvt. Ltd.
Spark Mall and Parking Pvt. Ltd.
SMS Taxi Cabs Pvt. Ltd.
Maharashtra Enviro Power Ltd.
SMS Water Grace BMW Pvt. Ltd
SMS Tolls And Developers Ltd.
SMS Vidyut Pvt Ltd.
SMS-AABS India Tollways Private Ltd.
PT. SMS Minerals International
Solar Bhatgaon Extension Mines Pvt. Ltd.
Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
Patwardhan Infrastructure Pvt. Ltd.
SMS Waste Management Pvt. Ltd.
PT. SMS Mines Indonesia
SMS Bhatgaon Mines Extension 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.
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.
SMSIL-Westcoast Engineering Corp. (JV)
GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.
SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
SMSIL-MBPL-BRAPL (JV)
GDCL-SMSIL (JV)
SMSL-SRRCIPL (JV)
SMSIL-MBPL (JV)
BSS Associates

SMS Infolink Pvt. Ltd.

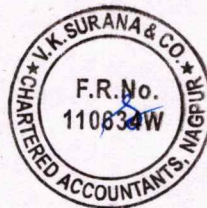
Meghe SMS Health Sciences Consortium (Spv)

SMSL Ketki MDO Project Ltd

SRRCIPL-SMSL-BEKEM (JV)

Associates of Holding Co.

RCCL Infrastructure Ltd.
SMS AAMW Tollways Pvt. Ltd.



d) Other related parties of Holding Company

1. Dilip B Surana	15. Adianubhav Developers Pvt. Ltd.
2. Ramendra Gupta	16. Bio-waste Management (U) Ltd.
3. Ajay Kumar Lakhota	17. Grey Mountain Private Limited
4. Hemant Lodha	18. San Finance Corporation
5. Nirbhay Sancheti	19. Sanson Developers
6. Ponda Envocare Limited	20. KPANV Mines and Mineral LLP
7. SMS Envocare Ltd.	21. SPANV Medisearch Life Science Private Limited
8. SMS Waluj CETP Pvt. Ltd.	22. Best Power Plus Private Limited
9. SMS Multi Objective Organisation	23. Kingsway Foundation
10. Atul Multi Objective Organisation	24. Pinnacle
11. Valencia Constructions Pvt. Ltd.	25. BSS Associates
12. Veet Rag Exploration & Minerals Pvt. Ltd.	26. Nilawar Water Grace Waste Management Private Limited
13. Veet Rag Hospitality Pvt. Ltd.	
14. San Commercials Pvt. Ltd.	

(Rs in '000)

Name of Related party Nature of Transactions		Related Parties		
		Holding Company	Key Management Personal	Group Entities and Enterprises (c & d)
Other Income	31-Mar-23	-	-	-
	31-Mar-22	-	-	-
Rent paid	31-Mar-23	120.00	-	-
	31-Mar-22	-	-	-
Loan Received during the year	31-Mar-23	-	-	-
	31-Mar-22	-	-	-
Loan Repaid during the year	31-Mar-23	-	-	-
	31-Mar-22	-	-	-
Deposits & Advances Received	31-Mar-23	-	-	-
	31-Mar-22	-	-	-
Deposits & Advances Repaid	31-Mar-23	-	-	-
	31-Mar-22	-	-	-
Outstanding Balances included in liabilities	31-Mar-23	308.40	-	-
	31-Mar-22	122.72	-	-
Outstanding Balances included in Assets	31-Mar-23	-	-	-
	31-Mar-22	-	-	-

17. Earnings Per Share :-

	(Rs in '000)	
	31-Mar-23	31-Mar-22
Net Profit available for Equity Shareholders as per statement of profit and loss before other comprehensive income	(238.42)	(86.20)
Net profit for calculation of basic & Diluted EPS	(238.42)	(86.20)
Weighted average number of equity shares in calculating Basic & diluted EPS	10,000	10,000
10,000 equity shares of par value of ₹ 10/- each		
Earnings per equity share:		
Basic	(23.84)	(8.62)
Diluted	(23.84)	(8.62)

18. Capital Management :-

For the purpose of the company's capital management, capital includes issued equity capital, attributable to the equity holders of the holding company. 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.

(Rs in '000)

Particulars	As at 31st March 2023	As at 31st March 2022
Current Borrowings	308.40	122.72
Total Debt	308.40	122.72
Less: cash and cash equivalents (Note 1)	11.94	40.94
Net debt	296.46	81.78
Equity		
Equity Share Capital	100.00	100.00
Other Equity	(324.62)	(86.20)
Total capital	(224.62)	13.80
Capital and net debt	71.84	95.59



19. **Segment Reporting :-**

As the Company's business activity falls within a single segment viz. "Mining Division", and the services are rendered in the domestic market, hence the disclosure requirements of IND AS 108. "Operating Segements", issued by the Institute of Chartered Accountants of India is not applicable.

20. **Financial Instrument :-**

Financial Risk Management

The Company's principal financial liabilities comprise of short term borrowings. The main purpose of these financial liability is to finance the Company's operations.

The company is exposed to credit risk and liquidity risk, market risk.

The management of these risks is overseen by the senior management on a regular basis to reflect changes in market conditions, company's activities and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

a) **Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and Financial Guarantees). The trade receivable includes receivables from PSU's. further the company expects the recovery of all the receivable.

i) **Trade receivables**

Nil

b) **Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facility and bank loans. Liquidity risk 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 corporate 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.

c) **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.

21. **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 :-**

	(Rs in '000)	
	31-Mar-23	31-Mar-22
Tax Expense:		
Profit Before Tax	(315.58)	(115.17)
Other comprehensive income before tax	-	-
Total comprehensive income before tax	-	-
Indian Statutory Income Tax Rate	25.17%	25.17%
Expected Income Tax Expenses	(79.42)	(28.99)
Tax Effect of adjustments to reconcile expected Income Tax Expenses		
Tax Effect of setoff of earlier year losses	-	-
Tax Effect of losses not recognised (refer note of deferred tax)	-	-
Total income tax expense recognised in Profit & Loss	(79.42)	(28.99)
a) Tax on normal income recognised in profit and loss	(77.15)	(28.99)
b) Tax on other comprehensive income recognised in profit and loss	-	-
Total tax recognised in profit and loss	(77.15)	(28.99)

22. Company is not required to spent on CSR Expenditure as the company is not fulfilling any of the following criteria stipulated in provision of section 135 of the company Act 2013 :

- Net worth Rs. Five hundred crores or more,
- Turnover of Rs. One thousand crores or more,
- Net profit of Rs. Five crores or more, during the any preceeding three financial year.



SMS MINING LIMITED
Notes To Financial Statements For The Year Ended 31st March 2023
23. Fair value measurement :-

The fair values of the financial assets and liabilities are included at the amount at which the instrument 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 values:

- 1) Fair value of current assets which includes loans given, cash and cash equivalents, other bank balances and other financial assets approximate their carrying amounts largely due to short term maturities of these instruments.
- 2) 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, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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).

(Rs in '000)						
Financial Assets & Liabilities as at 31st March, 2023	Current	Total	Fair Value through Profit & Loss	Fair Value through OCI	Carried at amortised Cost	Total Amount
Financial Assests						
Cash & cash Equivalents	11.94	11.94	-	-	11.94	11.94
Total	11.94	11.94	-	-	11.94	11.94
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Other Current Liabilities	125.91	125.91	-	-	125.91	125.91
Total	125.91	125.91	-	-	125.91	125.91

FOR V. K. SURANA & CO
Chartered Accountants
Firm Registration No. :110634W

For and on behalf of the Board of Directors of
SMS MINING LIMITED
CIN:U14290MH2021PLC368362

Suresh Galani
CA. SURESH GALANI
Partner (M.No.168192)
Place: Nagpur
Date: 28/08/2023



Nirbhay A. Sancheti
NIRBHAY A. SANCHETI
Director
DIN : 08338308

Rajesh Kumar Gupta
RAJESH KUMAR GUPTA
Director
(DIN : 09338014)

UDIN : 23168192BQXJWJ366

SMS MINING LIMITED

Notes to financial statements for the year ended 31st March 2023

24. Ratios:

S.No.	Particulars	item Included in Numerator	item Included in denominator	As at 31.03.2023	As at 31.03.2022	% Variance in Ratio	Reason For variation
1	Current Ratio	Current Assets	Current Liabilities	0.49	2.12	76.70%	Due To reduction of Bank Balance and Increase of Trade Payables
2	Debt-Equity Ratio	Outstanding Borrowings	Shareholder Equity	-	-	0	Not Applicable
3	Debt-Service Coverage Ratio	Net Profit After Taxes+Non Cash Operating Exp.+Interest (Net)	Debt Service=Interest (Net) + Principal Repayments		-	0	Not Applicable
4	Return on Equity Ratio	Net Profit After Taxes	Average Shareholders Equity	-0.05	0	0.05	Not Applicable
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	0	0		Not Applicable
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	0	0		Not Applicable
7	Trade Payable Turnover Ratio	Net credit Purchases	Average Payables	0	0		Not Applicable
8	Net Capital Turnover Ratio	Net Sales	Working Capital=(Current Assets-Current Liabilities)	0	0		Not Applicable
9	Net Profit Ratio	Net Profit	Net sales	0	0		Not Applicable
10	Return on capital employed	Earning before interest and taxes	Capital Employed= Tangible net worth+Total debt+Deferred tax liability	-367.12%	-84.4%	-335.17%	Due to decrease in EBIT
11	Return on Investment	Income Generated from Invested Funds	Average Cost of Invested Funds in investment	0	0		Company does not have any investment as well as any fixed returns.

25. The Company does not have any benami property, where any proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made there under.
26. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
27. There has not been any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
28. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
29. The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
30. The Company does not have any subsidiary as prescribed under Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
31. The Company has not traded or invested in crypto currency or virtual currency during the financial year.



32.

The Company during the current year has not made any Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

33.

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(intermediaries) with the understanding that the intermediary shall :

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(Ultimate beneficiaries) or
- (b) provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

34.

The company has not received any fund from any person(s) or entity(ies), including foreign entities(Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee ,security or the like on behalf of the Ultimate Beneficiary.

FOR V. K. SURANA & CO
Chartered Accountants
Firm Registration No. :110634W

Suresh Galani

CA. SURESH GALANI
Partner (M.No.168192)
Place: Nagpur
Date: 28/08/2023



Nirbhay A. Sancheti

NIRBHAY A. SANCHETI
Director
(DIN : 08338308)

For and on behalf of the Board of Directors of
SMS MINING LIMITED
CIN:U14290MH2021PLC368362

Rajesh Kumar Gupta

RAJESH KUMAR GUPTA
Director
(DIN : 09338014)

UDIN : 23168192B4XJWJ1360