

INDEPENDENT AUDITOR'S REPORT

To the Members of SMS Envoclean Private Limited

Report on the Audit of the Financial Statements

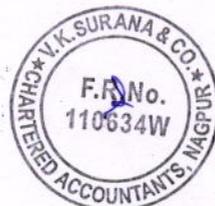
Opinion

We have audited the financial statements of SMS Envoclean Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, 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, 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 opinion on the financial statement.



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

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

The Company's Board of Directors is responsible for Preparation of other information. The other information comprises the information included in the Company's annual report, but does not include the 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for 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.

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



V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

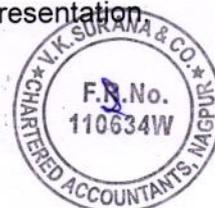
e-mail:info@vksca.com

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.
- 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.



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

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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



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

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634W

S. Suresh Galani
CA. Suresh Galani

Partner

Membership No. 168192

Nagpur, August 28, 2021

UDIN: 21168192AAAAD94819



V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

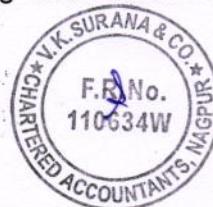
V.C.A. COMPLEX, CIVIL LINES, NAGPUR – 440 001

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

e-mail:info@vksca.com

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, 2021:

- 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 Company is having fixed assets in the form of building, against which the necessary documents 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, 2021 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.



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

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, 2021 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) 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 did not raised by the way of by way of initial public offer or further public offer (including debt instruments), so the question of application of the funds does not arise. During the year the company has raised money by the way of terms loans and the amount was applied for the purposes for which the loan was availed.

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.



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

- 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.
- 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

Suresh Galani
CA. Suresh Galani

Partner

Membership No. 168192

Nagpur, August 28, 2021

UDIN: 2168192AAAA-DG 4819



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

“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 2021.

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, 2021 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.



V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com, Website: www.vksca.com

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.

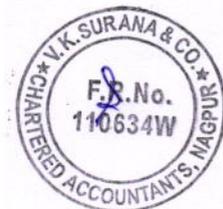
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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.



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

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, 2021, 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

S. Suresh Galani
CA. Suresh Galani

Partner

Membership No. 168192

Nagpur, August 28, 2021

UDIN: 21168192 AAAA DO 4819



SMS ENVOCLEAN PRIVATE LIMITED
Balance Sheet as at 31st March 2021

Particulars	Note No.	As at	As at
		31st Mar 2021	31st Mar 2020
		₹ in Lacs	₹ in Lacs
(I) ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2	315.17	336.32
(b) Capital work in progress		12.10	25.99
(c) Intangible Assets	3	0.02	0.19
(d) Financial Assets			
(i) Loans	4	625.15	1,024.15
(ii) Other Financial Assets	5	15.68	15.06
(e) Deferred tax assets (net)	6	1,000.90	600.67
(f) Other Non-current assets	7	109.31	124.30
Total Non-current assets		2,078.34	2,126.67
2. Current Assets			
(a) Inventories	8	100.62	81.77
(b) Financial Assets			
(i) Trade receivables	9	1,811.43	511.05
(ii) Cash and cash equivalent	10	1,052.15	127.32
(iii) Bank balances other than (ii) above	11	18.88	17.02
(iv) Other financial assets	12	48.65	11.00
(c) Current tax assets (Net)	13	18.16	7.80
(d) Other Current Assets	14	11.85	59.23
Total current assets		3,061.73	815.19
TOTAL ASSETS		5,140.07	2,941.87
(II) EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	15	422.10	422.10
(b) Other Equity	16	3,985.29	1,739.09
Total Equity		4,407.39	2,161.19
2 Liabilities			
2.1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	118.76	158.05
(b) Provisions	18	41.33	37.71
Total Non Current Liabilities		160.09	195.76
2.2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	9.10	9.10
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		5.53	0.93
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	104.03	70.75
(iii) Other Financial Liabilities	21	189.53	261.81
(b) Other Current Liabilities	22	262.06	234.28
(c) Provisions	23	2.35	3.46
(d) Current tax liabilities (Net)	24	-	4.58
Total Current Liabilities		572.59	584.92
TOTAL EQUITY AND LIABILITIES		5,140.07	2,941.87

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)

Nagpur, dated

28 AUG 2021

UDIN E1168192AAAA004819



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 Profit and Loss for the Year ended 31st March 2021

Particulars	Note No.	Year ended	Year ended
		31st Mar 2021	31st Mar 2020
		₹ in Lacs	₹ in Lacs
INCOME :			
I. Revenue from operations	25	4,827.60	2,038.10
II. Other income	26	22.88	96.46
III. Total income (I+II)		4,850.47	2,134.56
EXPENSES :			
Direct Expenses	27	1,677.63	735.36
Purchases of Stock -in-Trade	28	209.68	209.41
Changes in Inventories of Stock-in-Trade	29	-8.68	-22.88
Employee benefits expense	30	331.01	289.98
Finance costs	31	22.69	31.10
Depreciation and amortization expense	32	179.32	110.20
Other expenses	33	228.63	235.52
IV. Total expenses		2,640.27	1,588.68
V. Profit/(loss) before tax (III-IV)		2,210.20	545.87
VI. Tax Expenses			
Current tax		365.93	111.72
Deferred tax		(400.68)	(92.78)
Total Tax Expenses		-34.75	18.95
VII. Profit for the year (V-VI)		2,244.95	526.92
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		1.69	-3.82
Income Tax relating to items that will not be reclassified to Profit or Loss		-0.44	0.99
Total of Other comprehensive income Items that will not be reclassified to profit or loss (Net of tax)		1.25	-2.83
IX. Total comprehensive income for the year (VII+VIII)		2,246.20	524.09
X. Earning Per Equity Share of Face Value of Rs. 10/- each			
Basic		53.19	12.48
Diluted		53.19	12.48

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)
Nagpur, dated

128 AUG 2021

UDIN 21168192AAAA004819

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 Year Ended 31st March 2021

A. Equity Share Capital	Note No.	₹ in Lacs
	15	
As at 31st March, 2019		422.10
Changes in Equity Share Capital		-
As at 31st March, 2020		422.10
Changes in Equity Share Capital		-
As at 31st March, 2021		422.10

B. Other Equity	16	₹ in Lacs
-----------------	----	-----------

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance as at 31st March, 2019	1,210.29	15.90	1,226.19
Prior Period Errors	(11.19)	-	(11.19)
Restated balance as at 31st March, 2019	1,199.10	15.90	1,215.00
Profit for the year	526.93	-	526.93
Other Comprehensive Income for the year	-	(2.83)	(2.83)
Total Comprehensive Income	526.93	(2.83)	524.10
Balance as at 31st March, 2020	1,726.03	13.07	1,739.09
Profit for the year	2,244.95	-	2,244.95
Other Comprehensive Income for the year	-	1.25	1.25
Total Comprehensive Income	2,244.95	1.25	2,246.20
Balance as at 31st March, 2021	3,970.97	14.32	3,985.29

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)
Nagpur, dated the,

12 8 AUG 2021

UDIN **21168192 AAAADQ4819**

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

Saurabh Gautam
Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Anup Nilawar
Director
(DIN-03533453)

SMS ENVOCLEAN PRIVATE LIMITED**Cash flow statement for the year ended 31st March 2021**

Particular	31st Mar 2021	31st Mar 2020
	₹ in Lacs	₹ in Lacs
Cash flow from operating activities		
Profit before tax	2211.45	545.87
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	179.32	110.20
Interest expense	22.69	30.56
Interest income	(22.88)	(82.51)
Operating profit before working capital changes	2390.59	604.12
Movements in working capital :		
Decrease/(increase) in long term other financial assets	-0.63	-
Decrease / (increase) in other non current assets	14.99	(93.00)
Decrease/(increase) in inventories	(18.84)	(32.18)
Decrease/(increase) in trade receivables	(1300.38)	(113.88)
Decrease / (increase) in Other Financial Assets	(37.65)	1.48
Decrease / (increase) in other current assets	47.38	(36.40)
Increase / (decrease) in non current Provisions	3.62	11.74
Increase/(decrease) in trade payables	37.88	26.67
Increase/(decrease) in Other financial liabilities	(84.08)	22.73
Increase/(decrease) in other current liabilities	27.78	16.62
Increase/(decrease) in current provisions	(1.11)	(10.13)
Cash generated from /(used in) operations	1079.53	397.77
Direct taxes paid (net of refunds)	(380.43)	(119.81)
Net cash flow from/ (used in) operating activities (A)	699.11	277.96
Cash flow from investing activities		
Purchase of property, plant and equipments including capital advances	(158.00)	(263.25)
Decrease/(increase) in long term loans	399.00	(124.16)
Investment in Fixed Deposits with Bank	(1.86)	(5.57)
Purchase of Work In Progress	13.90	85.13
Purchase of Intangible Assets	(0.00)	0.91
Interest received	22.88	82.51
Net cash flow from/(used in) investing activities (B)	275.90	(224.43)
Cash flow from financing activities		
Repayment / Proceeds of long-term borrowings	(39.29)	(4.70)
Repayment / Proceeds of short-term borrowings	0.00	(20.00)
Current Maturity of long term debt	11.80	14.63
Interest paid	(22.69)	(31.10)
Net cash flow from/(used in) in financing activities (C)	(50.18)	(41.17)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	924.83	12.36
Cash and cash equivalents at the beginning of the year	127.32	114.97
Cash and cash equivalents at the end of the year	1052.15	127.32

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)

Nagpur, dated the,

UDIN

28 AUG 2021
21158192AAAAADQ4819

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

Saurabh Gautam

Director

(DIN - 06872622)

Anup Nilawar

Director

(DIN-03533453)

1) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2021

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 except where a newly issued accounting standard is initially adopted or a 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 lakhs 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.

Non-monetary grant has been recognised at a nominal amount as per Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the 'Rules') on 20 September 2018.



ii) Depreciation Method 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 schedule 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. 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.

Useful life considered for calculation of depreciation for various assets class are as follows-

Asset Class	Useful Life
Building	10-30 Years
Plant and Equipment	8.92 - 15 Years
Furniture and Fixtures	8 -10 Years
Office Equipments	5-8 Years
Vehicles	8- 10 Years
Computers	3 Years

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.

Hence residual value of the asset is considered at 0.20% of Gross Block of Asset.

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 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 written down values basis from the date that they are available for use.

Useful life considered for calculation of depreciation is as follows-

Asset Class	Useful Life
Intangible Assets	3 Years

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 and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee :-

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.



Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

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

Arrangements in the nature of lease

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

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.

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 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.

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.



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

l) Revenue Recognition:

The Company earns revenue primarily from Bio Medical Waste Disposal Services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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 written down value basis over the remaining period of the project and presented within other income.

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 leave obligations cover the Company's liability for sick, casual and earned leave. The Liabilities for sick and casual Leave are treated as current liabilities since there is no policy for the payment of these liabilities and right to avail these leave expires within 12 Months. The liabilities for earned leave are classified as non-current, however no discounting is done for these as company expects the discounting rate and salary increase rate to be similar i.e 6%.

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.



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.

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 ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

2. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Building	Plant and Equipment	Furniture and Fixtures	Vehicle	Office Equipments	Computers	Total
Gross Carrying Amount:							
As at 1st April 2019	436.08	367.05	45.13	186.51	26.67	29.90	1,091.36
Additions	75.07	90.23	2.82	130.35	5.41	5.10	308.99
Disposals	-	2.75	-	-	-	-	2.75
As at 31st March 2020	511.15	454.54	47.96	316.87	32.08	35.01	1,397.60
As at 1st April 2020	511.15	454.54	47.96	316.87	32.08	35.01	1,397.60
Additions	15.31	17.68	2.87	111.95	5.97	4.21	158.00
Disposals	-	-	-	-	-	-	-
As at 31st March 2021	526.46	472.22	50.83	428.82	38.05	39.22	1,555.60
Accumulated Depreciation :							
As at 1st April 2019	369.99	317.72	40.18	177.76	23.06	26.26	954.97
Charge for the year	33.47	42.70	2.90	20.93	4.02	4.97	108.99
Disposals	-	2.68	-	-	-	-	2.68
As at 31st March 2020	403.45	357.74	43.09	198.69	27.08	31.23	1,061.28
As at 1st April 2020	403.45	357.74	43.09	198.69	27.08	31.23	1,061.28
Charge for the year	43.58	39.06	2.47	84.11	5.30	4.63	179.15
Disposals	-	-	-	-	-	-	-
As at 31st March 2021	447.03	396.80	45.56	282.80	32.38	35.86	1,240.43
Net Carrying Amount							
As at 31st March 2020	107.70	96.79	4.87	118.18	5.00	3.78	336.32
As at 31st March 2021	79.43	75.42	5.27	146.02	5.67	3.36	315.17



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

3. Intangible Asset (Computer Software)

(₹ in Lacs)

Particulars	Amount
Gross Carrying Amount:	
As at 1st April 2019	16.88
Additions	0.30
Disposals	-
As at 31st March 2020	<u>17.18</u>
As at 1st April 2020	17.18
Additions	-
Disposals	-
As at 31st March 2021	<u>17.18</u>
Accumulated Amortisation :	
As at 1st April 2019	15.78
Charge for the year	1.21
Disposals	-
As at 31st March 2020	<u>16.98</u>
As at 1st April 2020	16.98
Charge for the year	0.17
Disposals	-
As at 31st March 2021	<u>17.15</u>
Net Carrying Amount	
As at 31st March 2020	<u>0.19</u>
As at 31st March 2021	<u>0.02</u>



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2021

	31st March 2021	31st March 2020
	₹ in Lacs	₹ in Lacs

4) Non-Current Loans

Loans receivables - Considered Good- Unsecured
Other Loans

GHR Education Foundation Society	425.00	706.27
SGR Education Foundation	200.15	-
Gaya Railway Infra Pvt Ltd	-	171.55
Active Infrastructure Pvt Ltd	-	146.33
Total :	625.15	1,024.15

Additional Information to Unsecured Long Term Borrowings :

Loan given to Gaya Railway Infra Pvt Ltd @8%, GHR Education Foundation Society @ 6.78%, Active Infrastructure Pvt Ltd @8% and SGR Education Foundation @ 5% and these loan doesnot have specific repayment term but the company expects the repayment after 12 month from the date of Balance Sheet.

5) Other Non Current Financial Assets:

Security Deposits for Electricity	5.55	5.47
Fixed Deposit With Bank (Remaining maturity of more than 12 months and kept as security against bank guarantee and other commitment)	10.14	9.58
Total :	15.68	15.06

6) Deferred Tax Assets (net)

Movement in deferred tax assets

Deferred Tax Assets/ (Liabilities) in relation to the year ended 31st March 2021

Particulars	Opening Balance	Recognised in Profit and loss	Recognised in OCI	Closing Balance
Deferred Tax Assets/ (Liabilities)				
Property, Plant and Equipment	88.62	19.21	-	107.83
Employee Benefit	12.11	0.96	-0.44	12.62
	100.73	20.16	-0.44	120.45
Add:				
MAT credit receivable	499.94	380.51	-	880.45
Total	600.67	400.68	-0.44	1,000.90

Deferred Tax Assets/ (Liabilities) in relation to the year ended 31st March 2020

Particulars	Opening Balance	Recognised in Profit and loss	Recognised in OCI	Closing Balance
Deferred Tax Assets/ (Liabilities)				
Property, Plant and Equipment	84.95	3.68	-	88.62
Employee Benefit	12.29	-1.17	0.99	12.11
	97.23	2.50	0.99	100.73
Add:				
MAT credit receivable	409.67	90.27	-	499.94
Total	506.90	93.77	0.99	600.67

7) Other Non-Current Assets

Considered Good - Unsecured

Capital Advances

Advances to Suppliers against capital goods	107.26	122.64
Advance other than capital advance - Prepaid Expenses	0.56	1.65
Security deposit for rent	1.50	-
Total	109.31	124.30

8) Inventories

(As taken, valued & certified by the management at Lower of Cost (calculated at weighted average basis) or Net Realisable Value)

Stores and Spares	31.40	21.24
Stock-In-Trade	69.21	60.53
Total :	100.62	81.77

9) Trade receivables

Trade Receivables - Considered Good- Unsecured

Related Party	94.22	108.55
Others Trade Receivable	1,717.21	402.49
Total :	1,811.43	511.05



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2021

	31st March 2021	31st March 2020
	₹ in Lacs	₹ in Lacs
10) Cash and cash equivalents		
Balances with Banks In Current Account:	924.66	16.13
Cash on hand	6.12	1.32
Debit Balance in Axis Bank CC A/c	121.36	109.88
Total :	1,052.15	127.32
Note No. 1		
Secured by First Hypothecation charge on entire current assets of the company both present and future. Also secured by way of collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters owned by Mr. Rajiv Nilawar, Mrs. Kusum Nilawar and Mrs. Shilabai Nilawar along with personal guarantee of Shri Paramveer Sancheti (land owners of above stated land). Total sanction limit from Axis bank CC account is Rs. 75 lacs (dated 28.12.2018) and the current rate of interest is 9.40% (MCLR 1 +2% PA).		
11) Bank Balance Other Than Cash and Cash Equivalents		
Fixed Deposit With Bank	18.88	17.02
(Original maturity of more than 3 months but less than 12 months and kept as security against bank guarantee and other commitment)		
Total :	18.88	17.02
12) Other Current Financial Assets		
Security Deposits to Vendors and utilities	8.65	10.18
Amount Recoverable from Tata Motors towards TDS	-	0.82
Stamp Duty Receivable	26.75	-
Recoverable from Related party	1.47	-
Other Receivable from Director	11.77	-
Total :	48.65	11.00
13) Current tax assets (Net)		
Income Tax Refund of Earlier Years	16.77	7.80
TDS Receivable	45.62	-
Advance Tax for Current Year	342.22	-
Less : Provision for Income Tax	(386.46)	-
Total :	18.16	7.80
14) Other Current Assets:		
Advances other than capital advances :		
Advances to Suppliers	3.30	53.49
Advances to Employee	0.36	0.71
Prepaid expenses	6.64	5.03
Interest receivable on Security Deposit	0.24	-
Debit Balance in HDFC Credit Card	1.31	-
Total :	11.85	59.23
15) Equity Share Capital :		
Authorised Shares :		
42,50,000 (31 March 2020 : 42,50,000) Equity Shares at par value of ₹ 10 each.	425.00	425.00
Issued, Subscribed and Fully paid-up equity share :		
42,21,000 (31 March 2020 : 42,21,000)Equity Shares at par value 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 :

	As at 31-3-2021	As at 31-3-2021	As at 31-3-2020	As at 31-3-2020
	No. of Shares	₹ in Lacs	No. of Shares	₹ 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.



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2021

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

	31/03/2021		31/03/2020	
	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

	31/03/2021		31/03/2020	
	No.	% holding in the class	No.	% holding in the class
(i) SMS Limited	23,64,558	56.02%	23,64,558	56.02%

16) Other Equity

1 Retained Earning :

	31st March 2021	31st March 2020
	₹ in Lacs	₹ in Lacs
Balance as per last Balance Sheet	1,726.03	1,210.29
Add : Prior period items	-	-11.19
Restated Balance as per last Balance Sheet	1,726.03	1,199.10
Profit for the year	2,244.95	526.93
Net surplus in the statement of profit and loss		
Total :	3,970.97	1,726.03

2 Other Comprehensive Income:

Items that will not be reclassified to profit or loss :

Re-measurement gains/ (losses) on defined benefit plans		
Balance as per last Balance Sheet	13.07	15.90
Add : Other Comprehensive Income during the year	1.25	-2.83
Total :	14.32	13.07
Total of Other Equity	Total :	3,985.29
		1,739.09

17) Non-Current Borrowings :

(i) Secured Term Loan From Bank		
1. Axis Bank	-	71.77
2. Kotak Mahindra Bank Ltd	2.91	6.10
3. HDFC Bank Ltd	115.85	80.18
Total :	118.76	158.05

(i) Secured Term Loan From Bank

(1) Axis Bank Ltd

Secured by First Hypothecation charge on entire current assets of the company both present and future. Also First charge on entire fixed asset constructed out of the proposed term loan. Also secured by way of collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters along with personal guarantee of Shri Paramveer Sancheti(land owners of above stated land).

Total No. of Installments	Outstanding as on 31.03.2021	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (Excluding interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
60	60.00	9.40%	1 Years	5.00	60.00	-
60	10.39	9.40%	7 months	1.58	10.39	-

(2) Kotak Mahindra Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (Including interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
25/01/2019	47	9.95%	1 Year 11 Months	0.30	3.19	2.91



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2021

(4) HDFC Bank Ltd.

Secured by first charge by way of hypothecation of specific vehicle as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under.

Date of Agreement/ Sanction	Total No. of Installments	Effective Rate of Interest	Maturity Period w.r.t. Balance sheet date	Amount of instalment (Including interest)	Current Maturity of Long Term Debt	Non Current Portion of Long term Debt
5-Feb-21	48	9.01%	3 Years 10 Months	0.45	3.97	13.40
5-Nov-20	48	9.12%	3 Years 7 Months	0.44	8.02	24.43
5-Nov-20	48	9.12%	3 Years 7 Months	0.45	8.11	24.72
15-Jan-20	48	9.10%	2 Years 9 Months	0.74	7.22	14.33
15-Jan-20	48	9.10%	2 Years 9 Months	0.28	2.70	5.35
15-Jan-20	48	9.10%	2 Years 9 Months	1.25	12.23	24.26
15-Jan-20	48	9.10%	2 Years 9 Months	0.29	2.81	5.58
15-Jan-20	48	9.10%	2 Years 9 Months	0.20	1.91	3.79

	31st March 2021 ₹ in Lacs	31st March 2020 ₹ in Lacs
18) Non-Current Provisions :		
Provision For Employee Benefits		
Provision of Leave Encashment	7.97	4.60
Provision for Gratuity	33.35	33.11
Total :	41.33	37.71
19) Current Borrowings :		
Unsecured Loan From Related Party		
Vishwanath Infrastructure Limited.	9.10	9.10
Total :	9.10	9.10
20) Trade Payables :		
Micro and Small Enterprises	5.53	0.93
Other than Micro and Small Enterprises		
Related Parties	-	-
Others Trade Payable	104.03	70.75
Total :	109.56	71.68

Note: Loans from Vishwanath Infrastructure Ltd does not have specific repayment terms and it is repayable on demand.

Note :

DUES TO MICRO AND SMALL ENTERPRISES

The Company has dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act is as follows:

1) the principal amount remaining unpaid to any supplier at the end of each accounting year;	5.53	0.93
2) the interest due on the principal amount remaining unpaid to any supplier at the end of each accounting year	0.01	-
3) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed	-	-
4) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
5) Interest due and payable for the period delay in making payment beyond the appointed day during the year, other than those specified under MSMED Act	-	-
6) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
7) the amount of further interest remaining due and payable even in the succeeding years,		



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2021

	31st March 2021	31st March 2020
	₹ in Lacs	₹ in Lacs
21) Other Current Financial Liabilities :		
Current maturities of long term debt(As per Note No. 17) :		
Axis Bank Ltd	70.39	78.95
Kotak Mahindra Prime Ltd.	-	0.38
Kotak Mahindra Bank Ltd	3.19	2.89
HDFC Bank Ltd	46.98	26.54
Expenses Payable	45.66	125.87
Reimbursement payable to Employees	0.07	0.31
Salary and Consultancy Payable	18.36	19.58
HDFC Credit card	-	1.89
Bonus Payable	4.87	5.40
Total :	<u>189.53</u>	<u>261.81</u>
22) Other Current Liabilities :		
<u>Statutory Dues Payables:</u>		
Provident Fund Payable	3.58	2.75
Employee State Insurance Contribution	0.36	0.43
Professional Tax Payable	0.17	0.19
Tax Deducted At Source Payable	3.17	1.92
Goods and Services Tax Payable	6.05	5.63
Total (a) :	<u>13.33</u>	<u>10.92</u>
Advance From Debtors	248.72	223.36
Total (b):	<u>248.72</u>	<u>223.36</u>
Total (a+b):	<u>262.06</u>	<u>234.28</u>
23) Current Provisions :		
Provision For Employee Benefits		
Provision of Leave Encashment	1.58	2.69
Provision for Gratuity	0.77	0.77
Total :	<u>2.35</u>	<u>3.46</u>
24) Current Tax Liabilities :		
Provision for Income Tax	-	111.72
Less : Advance tax and TDS	-	-107.14
Total :	<u>-</u>	<u>4.58</u>



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the period ended 31st March 2021

	31st March 2021	31st March 2020
	₹ in Lacs	₹ in Lacs
25) Revenue from Operations		
A) Sale of Service		
Waste Disposal Charges	4,359.56	1,607.04
Total :	4,359.56	1,607.04
B) Sale of Product		
Sale of Bags	357.33	295.35
Sale of Scrap	110.72	135.70
	468.04	431.06
Revenue from operations	Total :	2,038.10
	4,827.60	2,038.10
26) Other Income		
Interest income on :-		
Unsecured Loans	20.61	77.06
Fixed Deposits Receipts	1.93	1.70
Security Deposits for Utilities	0.25	0.55
Interest Subvention Received	0.08	-
Income Tax Refund	-	3.21
Account Written Back	-	13.94
Total :	22.88	96.46
27) Direct Expenses		
Landfill Charges	599.57	18.50
Waste Lifting Expenses	181.28	140.41
Operational Expenses	170.51	0.47
Transport Charges	143.37	158.63
Diesel Consumption For Plant	112.50	36.76
Safety & Medical Exp	89.66	6.91
GST Expenses	84.17	68.62
Diesels / CNG / Engine Oil Exp for Logistic	72.29	97.37
Electricity Charges	72.18	83.48
Repair & Maint. of Plant	46.07	53.82
Water Charges for site	40.33	20.92
Incentive	30.42	7.27
Testing & Certification Expenses	10.60	9.81
Chemical Consumption	9.00	10.75
Repair & Maintenance for Vehicle	8.21	16.19
Bag commission	5.31	4.28
Misc. Exp. of Logistic Department	2.15	1.15
Total :	1,677.63	735.36
28) Purchases of Stock in Trade		
Bags	209.68	209.41
Total :	209.68	209.41
29) Changes in Inventories of Stock in trade		
<u>Opening Stock :</u>		
Bags	60.53	37.65
a.	60.53	37.65
<u>Closing Stock :</u>		
Bags	69.21	60.53
b.	69.21	60.53
Total (a-b)	(8.68)	(22.88)



SMS ENVOCLEAN PRIVATE LIMITED**Notes to financial statements for the period ended 31st March 2021**

	31st March 2021	31st March 2020
	₹ in Lacs	₹ in Lacs
30) Employee Benefit Expense		
<u>Salaries and Wages</u>		
Salaries, Wages & Allowances	271.54	241.05
Bonus	9.97	10.67
Leave Encashment	9.77	7.28
Gratuity expenses*	6.98	6.93
Contribution to provident and other funds	21.51	20.40
Staff welfare expenses	11.23	3.65
Total :	331.01	289.98

Note:-

* Since the Gratuity is unfunded the same is clubbed under head Salaries & Wages as per the guidance note on Division-II INDAS of Schedule III to the companies act, 2013.

31) Finance Costs		
Interest on Vehicle Loan	11.74	4.30
Interest on Term Loan	10.12	21.98
Other borrowing cost	0.71	0.61
Interest on statutory dues	0.11	4.20
Interest on MSME Overdue	0.01	-
Total :	22.69	31.10

32) Depreciation and Amortization Expenses		
Depreciation	179.15	108.99
Amortization	0.17	1.21
Total :	179.32	110.20

33) Other Expenses		
Repair & Maintenance of Office	27.14	33.00
Pantry & Housekeeping Expenses	24.61	11.37
Guest House Exp	23.70	34.68
Security Charges	22.50	21.26
Corporate Social Responsibility	10.85	15.81
Consultancy & Professional Charges	12.07	24.10
Printing & Stationary	11.90	4.56
Conveyance Expenses	11.76	10.98
Legal / Other Expenses	9.65	20.91
Repair & Maint. of Computer	9.52	12.31
Insurance	8.25	5.91
Telephone & Communication Exp	7.97	6.94
Donation	7.57	1.43
Repair & Maint of Building	7.43	4.05
Accounts Written Off	3.30	-
Advertisement	6.80	3.26
Freight & Octroi Charges	6.71	2.71
Office Expenses	5.62	5.84
Bank charges & commisson	3.06	2.34
Travelling & Tour Expenses	2.68	9.22
Mess & Fooding Exp.	1.92	0.56
Fine and Penalty	1.71	0.55
Hotel Expenses	1.08	2.66
Audit Fees	0.83	0.97
Loss on Sale of Assets	-	0.07
Total :	228.63	235.52



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

	31-Mar-21	31-Mar-20
	₹ in Lacs	₹ in Lacs
34) Contingent Liabilities, Contingent Assets and Commitments		
A) Contingent Liability		
Claims against Company not acknowledged as Debt		
a. Service Tax	-	-
b. Custom	-	-
c. Sales Tax	-	-
e. Income Tax	-	-
B) Guarantees	-	-
C) Commitments		
a. Capital Commitments	895.41	900.99
b. Revenue Commitments	3.30	94.80
D) Contingent assets	-	-

Note:- Capital commitment includes amount payable for purchase of Land at Atkargaon for Project against which Rs. 101.50 given advance to M/s. Sahuwala Pasta Bombay for purchase of Land.

35) Payment to Auditors :-

a) Audit Fees (Excluding Taxes)	0.83	0.83
	0.83	0.83

36) Related Party Transactions

List of related parties where control exists and related parties with whom transactions have taken place and 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 Bhatgaon Mines Extension Pvt Ltd
 SMS Mine Developers Pvt. Ltd.
 Spark Mall and Parking Pvt Ltd
 SMS Taxi Cabs Pvt. Ltd.
 SMS Infolink Pvt. Ltd.
 SMS Water Grace BMW Pvt. Ltd
 SMS Tolls And Developers 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.
 SMS Vidyut Pvt Ltd
 PT SMS Mines Indonesia

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.
 GSJ Enviro Ltd. In consortium with SMS Infrastructure Ltd.
 SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
 SRRCIPL -SMSL- BEKEM JV
 SMSIL MBPL BRAPL JV
 GDCL SMSIL JV
 SMSL SRR CIPL JV
 Meghe SMS Health Sciences Consortium (SPV)
 SMSIL MBPL JV
 M/s Agrawal Global Infratech Private Limited (JV)

Enterprises having Significant Influence of Key Management Personnel

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

Associates of Holding Co.

RCCL Infrastructure Ltd.
 SMS AAMW Tollways Pvt. Ltd.

Other related parties

SMS Infrastructure PTE Limited
 SMS Waluj CETP Pvt Ltd
 SMS Multi Objective Organisation
 Atul Multi Objective Organisation
 Valencia Cosntruction Pvt Ltd
 Veet Rag Exploration & Minerals Pvt Ltd
 San Commercial Pvt Ltd
 Adianubhav Developers Pvt Ltd
 Bio-Waste Management (U) Ltd
 Grey Mountain Pvt Ltd
 Clean Code Solution LLP

M/s San Finance Corporation
 M/s sanson Developers
 M/s Sanbro Corporation
 Anil H sancheti
 KPANV Mines and mineral LLP
 SPANV Medisearch Life Science Pvt Ltd
 M/s Best Power plus Pvt Ltd
 Kingsway Foundation
 Pinnacle
 BSS Associate
 Nilawar water grace waste management Pvt Ltd
 Ponda Envocare Limited



SMS ENVOCLEAN PRIVATE LIMITED
Notes to financial statements for the year ended 31st March 2021

₹ in Lacs
 (Figure in the Second row relates to Previous Year)

Nature of Transactions	Related Parties		
	Referred in (a)	Referred in (b)	Referred in (c)
Payment of Salary	-	15.38	-
	-	11.44	-
Sale of Service/Assets	-	-	0.07
	-	-	50.94
Other Transaction Recd	-	-	2,434.81
	-	-	3.94
Other Transaction paid	-	-	2,438.15
	-	-	8.74
Loan Given	-	11.77	-
	-	-	-
Rent paid	-	-	-
	3.24	-	-
Dividend Paid	-	-	-
	-	-	-
Outstanding Balances included in assets	-	11.77	95.69
	-	-	113.36
Outstanding Balances included in liabilities	-	-	9.10
	-	-	9.10

37) Employee Benefit

Gratuity obligations

A. Amount recognised in the Balance Sheet

₹ in Lacs

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Present Value of Benefit Obligation as at the end of the year)	(34.12)	(33.88)
Fair value of plan assets	-	-
Net Obligation	(34.12)	(33.88)
Net (Liability)/Asset Recognized in the Balance Sheet	(34.12)	(33.88)

B. Movements in Plan Assets and Plan Liabilities

There are no Plan Assets and Liabilities since the the obligation is not funded.

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

₹ in Lacs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Service Cost	4.65	5.01
Net Interest Cost	2.33	1.92
Expenses recognised in the statement of Profit and Loss	6.98	6.93

D. Amount recognised in the Statement of Profit and Loss as Other Comprehensive Income

₹ in Lacs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Actuarial (Gains)/Losses on Obligation For the Period	(1.69)	3.82
Net (Income)/Expense For the Period Recognized in OCI	(1.69)	3.82

E. Change in Present Value of Obligations

₹ in Lacs

Change in Present Value of Obligations	As at 31st March, 2021	As at 31st March, 2020
Opening of defined benefit obligations	33.88	24.73
Service cost	4.65	5.01
Interest Cost	2.33	1.92
Benefit Paid	(5.05)	(1.60)
Actuarial (Gain)/Loss on total liabilities:	(1.69)	3.82
- due to change in financial assumptions	0.25	3.55
- due to change in demographic assumptions	-	-
- due to experience variance	1.94	0.27
Closing of defined benefit obligation	34.12	33.88



F. 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:

Particulars	₹ in Lacs	
	As at 31st March, 2021	As at 31st March, 2020
Expected Return on Plan Assets	N.A	N.A
Rate of Discounting	6.82%	6.88%
Rate of Salary Increase	6%	6%
Withdrawal Rate		
For Service 4 years and below	10%	10%
For Service 5 years and above	2%	2%
Mortality Rate During Employment	100% of IALM 2012 14	100% of IALM 2006-08
Mortality Rate After Employment	N.A	N.A

G. Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions

Particulars	As at 31st March, 2021	₹ in Lacs	
		Impact (Absolute)	Impact %
Base Liability	34.12		
Increase Discount Rate by 0.50%	32.12	(2.00)	-5.87%
Decrease Discount Rate by 0.50%	36.31	2.19	6.43%
Increase Salary inflation by 1%	38.71	4.59	13.44%
Decrease Salary inflation by 1%	30.22	(3.90)	-11.42%
Increase Withdrawal Rate by 1%	34.36	0.24	0.72%
Decrease Withdrawal Rate by 1%	33.83	(0.29)	-0.86%

Note :-

- 1) The base liability is calculated at disco unl rate of 6.82 % per a nnu m and salary inflation rate of 6.00 % per annum for all future years.
- 2) Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate
- 3) Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

H. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

Projected Benefit Obligation Payable in future Years from the date of reporting	₹ in Lacs	
	As at 31st March, 2021	As at 31st March, 2020
1st Following Year	0.77	0.77
2nd Following Year	1.00	0.92
3rd Following Year	1.17	1.14
4th Following Year	1.33	1.28
5th Following Year	1.95	1.37
After 5th Year	88.12	94.40

38) 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) 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.



SMS ENVOCLEAN PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2021****Foreign Currency Risk :-**

The company does not have any foreign currency risk exposure.

Other Price Risk :-

the company has not made any investment in equity securities hence no exposure

ii) Credit Risk :

Credit risk is the risk that the counter party 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 & financial guarantees). The company measure the expected credit loss of trade receivable based on historical, trend, industrial practices and business environment in which the entity operates. Loss rates are based on actual credit loss experienced and past trends based on historical data, loss on collection of receivables is not material hence no provision considered.

a) Trade Receivables

Particulars	₹ in Lacs	
	As at 31st March, 2021	As at 31st March, 2020
1-90 days past due	628.25	210.42
91 to 180 days past due	241.95	51.09
More than 180 days past due	941.23	249.54
Total	1,811.43	511.05

b) Financial Gurantees:

Particulars	₹ in Lacs	
	As at 31st March, 2021	As at 31st March, 2020
Bank Guarantee	47.65	57.36
Total	47.65	57.36

iii) 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.

Maturity patterns of borrowings

₹ in Lacs

As at 31st March, 2021	0-1 Years	1-5 Years	Beyond 5 Years	Total
Long term borrowings	120.56	118.76	-	239.33
Short term borrowings	9.10	-	-	9.10
Total	129.67	118.76	-	248.43

As at 31st March, 2020	0-1 Years	1-5 Years	Beyond 5 Years	Total
Long term borrowings	108.77	158.05	-	266.82
Short term borrowings	9.10	-	-	9.10
Total	117.87	158.05	-	275.92

Maturity patterns of other Financial Liabilities

₹ in Lacs

As at 31st March, 2021	6 months or less	6-12 months	Beyond 12	Total
Trade payables	109.56	-	-	109.56
Creditors for Capital goods	-	-	-	-
Other Financial Liability (Current Non Current)	68.96	-	-	68.96
Total	178.52	-	-	178.52

As at 31st March, 2020	6 months or less	6-12 months	Beyond 12 months	Total
Trade payables	71.68	-	-	71.68
Creditors for Capital goods	-	-	-	-
Other Financial Liability (Current Non Current)	153.05	-	-	153.05
Total	224.72	-	-	224.72



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

39) 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).

₹ in Lacs							
Financial Assets & Liabilities as at 31st March, 2021	Non Current	Current	Total	Fair Value through Profit & Loss	Fair Value through OCI	Carried at amortised Cost	Total Amount
Financial Assests							-
Investments	-	-	-		-		-
Loans	625.15	-	625.15			625.15	625.15
Other Financial Assets	15.68	48.65	64.33	-	-	64.33	64.33
Trade Receivables	-	1,811.43	1,811.43	-	-	1,811.43	1,811.43
Cash & cash Equivalents	-	1,052.15	1,052.15	-	-	1,052.15	1,052.15
Other Bank Balancees	-	18.88	18.88	-	-	18.88	18.88
Total	640.84	2,931.11	3,571.95	-	-	3,571.95	3,571.95
Financial Liabilities							
Borrowings	118.76	9.10	127.86	-	-	127.86	127.86
Other Fianacial Liabilities	-	189.53	189.53	-	-	189.53	189.53
Trade payables	-	104.03	104.03	-	-	104.03	104.03
Total	118.76	302.66	421.42	-	-	421.42	421.42

₹ in Lacs							
Financial Assets & Liabilities as at 31st March, 2020	Non Current	Current	Total	Fair Value through Profit & Loss	Fair Value through OCI	Carried at amortised Cost	Total Amount
Finacial Assests							-
Investments	-	-	-		-		-
Loans	1,024.15	-	1,024.15			1,024.15	1,024.15
Other Financial Assets	15.06	11.00	26.05	-	-	26.05	26.05
Trade Receivables	-	511.05	511.05	-	-	511.05	511.05
Cash & cash Equivalents	-	127.32	127.32	-	-	127.32	127.32
Other Bank Balancees	-	17.02	17.02	-	-	17.02	17.02
Total	1,039.21	666.39	1,705.59	-	-	1,705.59	1,705.59
Financial Liabilities							
Borrowings	158.05	9.10	167.15	-	-	167.15	167.15
Other Fianacial Liabilities	-	261.81	261.81	-	-	261.81	261.81
Trade payables	-	71.68	71.68	-	-	71.68	71.68
Total	158.05	342.59	500.64	-	-	500.64	500.64



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

40) 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.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Loan obligation, trade and other payables and less cash and cash equivalents.

Particulars	₹ in Lacs	
	As at 31st March, 2021	As at 31st March, 2020
Borrowings	127.86	167.15
Trade payable	109.56	71.68
Other Financial Liability	189.53	259.84
Total Debt	426.95	498.67
Less : Cash & Cash Equivalent	1,052.15	127.32
Net debt	(625.20)	371.35
Equity	4,407.39	2,161.19
Total capital	4,407.39	2,161.19
Capital and net debt	3,782.19	2,532.54

41) Earnings Per Share:

	₹ in Lacs	
	31-Mar-21	31-Mar-20
Net Profit available for Equity Shareholders as per statement of profit and loss before other comprehensive income	2,244.95	526.92
Net profit/(loss) for calculation of Basic EPS & Diluted EPS	2,244.95	526.92
Weighted average number of Equity Shares in calculating Basic EPS & Diluted EPS	42,21,000	42,21,000
Earnings per Equity Share: Fave value of Rs. 10/- each		
Basic & Diluted	53.19	12.48

42) Segment Reporting :-

As the Company's business activity falls within a single segment viz. " Bio-Medical Waste Disposal Services", 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.

43) 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:

	₹ in Lacs	
	31-Mar-21	31-Mar-20
Tax Expense:		
Profit Before Tax	2,210.20	545.87
Other comprehensive income before tax	1.69	(3.82)
Total comprehensive income before tax	2,211.89	542.05
Indian Statutory Income Tax Rate	26.00%	26.00%
Expected Income Tax Expenses	575.09	140.93
Tax Effect of adjustments to reconcile expected Income Tax Expenses		
Tax Effect of Non Deductible expenses	5.27	5.57
Tax Effect of Deductions under section 80IA	(595.36)	(128.74)
Re-statement of earlier year DTA due to change in tax rate	-	-
Other adjustments of earlier year	(20.53)	-
MAT adjustment	-	-
Bonus payable considered as allowable expenditure in FY 19-20	1.40	-
Depreciation difference of FY 19-20	(0.17)	-
Other adjustments	-	0.19
Total income tax expense recognised in Profit & Loss	(34.31)	17.96
a) Tax on normal income recognised in profit and loss	(34.75)	18.95
b) Tax on other comprehensive income recognised in profit and loss	0.44	(0.99)
Total tax recognised in profit and loss	(34.31)	17.96



SMS ENVOCLEAN PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2021****44) Reconciliation of Comprehensive Income**

	₹ in Lacs
	<u>31-Mar-20</u>
Total Comprehensive as per audited financial statements	524.74
Adjustments Impact : Gain/(Loss)	
<u>Prior Period Expenses</u>	
Office Expenses	(1.97)
<u>Prior Period Income</u>	
Waste disposal charges	1.32
Total Comprehensive Income reflected in profit & loss	<u>524.09</u>

45) Reconciliation of Other Equity

	₹ in Lacs
	<u>31-Mar-20</u>
Other equity as per audited financial statements	1,750.93
<u>Prior Period Expenses FY 2019-20</u>	
Office Expenses	(1.97)
Opening Mat Adjustment	(12.62)
<u>Prior Period Income FY 2019-20</u>	
Waste disposal charges	1.32
<u>Prior Period Income prior to 01.04.2019</u>	
Waste disposal charges	1.43
Total Comprehensive Income reflected in Other Equity	<u>1,739.09</u>

46) Disclosure in Respect of Expenditure on Corporate Social Responsibility Activities

- a) Gross amount required to be spend by the company during the year Rs 10.76 Lacs (Previous year March 31st 2020, Rs 10.38 Lacs)
- b) The company has spend Rs 10.85 Lacs during the current financial year (Previous year March 31st 2020: Rs 15.51 Lacs) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

	Amount Spend	Spend	Total Amount
Year Ended March 31, 2021			
i) Construction/ acquisition of any Asset	Nil	Nil	Nil
ii) On Purpose other than (i) above	10.85	-	10.85
TOTAL	10.85	-	10.85
Year Ended March 31, 2020			
i) Construction/ acquisition of any Asset	Nil	Nil	Nil
ii) On Purpose other than (i) above	15.51	-	15.51
TOTAL	15.51	-	15.51

47) Change in Accounting Estimates:

No any change in accounting estimates during the current year.

- 48) Party balances are subject to confirmation and the balances shown under trade receivable, trade payable, loans and advances, other current assets & liabilities have approximately the same realisable/ payable value as shown in the financials.



SMS ENVOCLEAN PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2021

49) Amendment in schedule III for subsequent year :-

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose standalone financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Disclosure of some ratios (Current Ratio, Debt-Equity ratio, Return of Capital Employed, Return of Equity)

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

FOR V. K. SURANA & CO

Chartered Accountants
(Firm Registration No. :110634W)

Suresh Galani
CA. SURESH GALANI
Partner (M.No. 168192)
Membership No. 043414
Nagpur, dated



12 8 AUG 2021

UDIN 21168192AAAADQ4819

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

Saurabh Gautam
Director
(DIN - 06872622)

Anup Nilawar
Director
(DIN-03533453)