



SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED

(CIN: U90000MH2005PTC152235)

18TH ANNUAL REPORT

FY 2022-2023

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NOTICE OF 18th ANNUAL GENERAL MEETING

To,
The Members,
SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED

Notice is hereby given that the **18th ANNUAL GENERAL MEETING (“AGM”)** of the Members of **SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED** will be held on Saturday, 18th November, 2023 at 11:30 A.M. at the registered office of the Company at The Ambience Court Hi-Tech Business Park, 21st Floor, Sector 19-D, Plot No. 2, Vashi, Navi Mumbai - 400705 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt, financial statements (Consolidated & Standalone) (Balance-sheet, Profit and Loss Account and Cash Flow Statement) for the year ended 31st March, 2023 together with the Report of Board of Directors’ and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2023.
3. To appoint Statutory Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 139(1) of the Companies Act, 2013, M/s. GBCA & Associates LLP, Chartered Accountants (FRN: 103142W/ W100292), be and are hereby appointed as statutory auditors of the company for a term of five consecutive years, who shall hold office from the conclusion of this Annual General Meeting of the company till the conclusion of Twenty Third Annual General Meeting held on FY 2028-29 and remuneration as may be fixed by the Board of Directors after taking into consideration the volume of work involved.”

SPECIAL BUSINESS:

4. **Regularization of Additional Director Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) as a director of the company:**

To consider and if thought fit, pass the following resolution, with or without modification, as an Ordinary Resolution:

“**RESOLVED THAT** Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) who was appointed as an Additional Director of the Company, by Board of Directors in their Meeting held on Friday, 27th October, 2023 under the section of 161(1) of the Companies Act, 2023, other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof) and applicable provision of Articles of Association of the Company, who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to file and submit Form DIR-12 with the Registrar of Companies, Mumbai, Maharashtra and to do all such, acts, deeds or things to give effect to the aforesaid resolution.”

5. Appoint of Mr. Sandeep Sudhakar Asolkar as a Managing Director and Chairman of the Company:

To consider and if thought fit to pass the following Resolution as an ORDINARY RESOLUTION:
“**RESOLVED THAT**, pursuant to the provisions of Section 196 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Sandeep Sudhakar Asolkar (DIN: 00097828) be and is hereby appointed as a Managing Director and Chairman on the Board of Directors of the Company with immediate effect.

RESOLVED FURTHER THAT, any Director of the Company, be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing E-form DIR -12 with the Ministry of Corporate Affairs”.

6. Adoption of restated Articles of Association of the Company:

To consider and if thought fit to pass the following Resolution as a SPECIAL RESOLUTION:

“**RESOLVED THAT**, in accordance with the provisions of applicable law, including Section 14 of the Companies Act, 2013 and the rules made thereunder and amended from time to time, consent of the shareholders be and is hereby accorded, to adopt the restated Articles of Association of the Company, in substitution of the existing Articles of Association of the Company;

RESOLVED FURTHER THAT, any Director of the Company, be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, including filing of necessary forms with the Registrar of Companies as may be required in relation to such amendments and to comply with all other requirements in this regard.”

Date: 27.10.2023

Place: Mumbai

For and on behalf of the Board

SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED

REGISTERED OFFICE:

The Ambience Court, Hi-Tech
Business Park, 21st Floor,
Sector 19-D, Plot No. 2,
Vashi, Navi Mumbai- 400705,
Maharashtra

SD/-

SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN: 00097828

Notes:

1. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, also forms part of this Notice.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 to 6 of the accompanying Notice, is annexed hereto.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself/ herself. Such a proxy/ proxies need not be a member of the Company.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting along with the ID proof of the authorized representative.
5. The Notice is being sent to all the members, whose names appear in the Register of members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 25th October, 2023. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote by show of hand.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration) Rules, 2014, which allows the companies to send documents including annual reports and other intimation by an email. Therefore, members are requested to register their email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective depository participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the company or Registrar and Transfer Agent.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company’s Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their Folio No.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Chandrakant Vallabhaji Gogri was appointed as Additional Director with effect from 27th October, 2023, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company. The Board is of the view that the appointment of Mr. Chandrakant Vallabhaji Gogri is beneficial to the Company.

Your Board recommends the Ordinary resolution as set out in item no. 4 for approval of members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, is in any way concerned or interested in the above resolution.

Item No. 5

The Board of Directors at its meeting held on Friday, 27th October, 2023 appointed Mr. Sandeep Sudhakar Asolkar (DIN: 00097828) as Managing Director and Chairman of the Company with immediate effect for a period of five years subject to approval of shareholders in ensuing Annual General Meeting.

Accordingly, the Board recommends the passing of the said resolutions by the Members, as set-out in the Notice as an Ordinary Resolution.

Your Board recommends the Ordinary resolution as set out in item no. 5 for approval of members.

Except Mr. Sandeep Sudhakar Asolkar, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in this Resolution.

[Intentionally Kept Blank]

Item No. 6

The existing Articles of Association of the Company are restated as per the terms of Shareholders' Agreement dated 29th October, 2022 executed between the Company, Investor, Promoters and Existing Investors and Other Shareholder (each as defined therein) ("SHA").

The resolution seeks the approval of member for adoption of Amended and Restated Articles of Association of the company.

Your Board recommends the Special resolution as set out in item no. 6 for approval of members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise except to the extent of their shareholding entitlements.

Date: 27.10.2023

Place: Mumbai

For and on behalf of the Board

SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED

REGISTERED OFFICE:

The Ambience Court, Hi-Tech
Business Park, 21st Floor,
Sector 19-D, Plot No. 2,
Vashi, Navi Mumbai- 400705,
Maharashtra

SD/-

SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN: 00097828

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

Particulars of Directors, who are proposed to the appointed are as given below:

Name	SANDEEP SUDHAKAR ASOLKAR	CHANDRAKANT VALLABHAJI GOGRI
Director Identification Number	00097828	00005048
Father's Name	SUDHAKAR ASOLKAR	VALLABHAJI GOGRI
Date of Birth	05/12/1968	16/08/1946
Date of Appointment on Board and total tenure in company	He is appointed as a Director in the Company from the Incorporation i.e. 29/03/2005	27/10/2023
Qualification	<ul style="list-style-type: none"> - Bachelor of Civil Engineering - Master's in Marketing Management - Senior Management Program from IIM Ahmedabad - Advance course in Environment Engineering from Cranfield University, United Kingdom - Advanced Management Program at Columbia University 	<ul style="list-style-type: none"> - Chemical Engineering degree from the Institute of Chemical Technology (ICT), [formerly known as the University Department of Chemical Technology].
Experience / Expertise	<p>He is a Founder Promoter and Managing Director and has around two decades of experience in the field of waste management. Under his leadership, the Company has been able to diversify into various technologies such as C-Tech Technology, Water Treatment, Wastewater Treatment, Solid Waste Management and Renewable Energy.</p>	<p>His experience in the areas of projects, operations, process development and local & international marketing in the Chemical Industry is remarkable. Further, his business acumen and flair for finance has stood the test of time during the growth of Aarti Group. He is one of the main Promoters of Aarti Group.</p> <p>He had been awarded the prestigious "Distinguished Alumnus Award" from UDCT (UICIT) in the year 1995 for his excellent performance as an Entrepreneur in the Chemical Industry.</p>
Directorships held in other Companies	<ol style="list-style-type: none"> 1. Konkan Mango Processing (Ratnagiri) Private Limited. 2. Navitas Waste Treatment Private Limited. 3. Pentagon Biofuels Private Limited 	<ol style="list-style-type: none"> 1. Aarti Surfactants Limited. 2. Anushakti Enterprise Private Limited. 3. Anushakti Chemicals And Drugs Limited. 4. Alchemie Financial Services Ltd.

		5. Crystal Millennium Realtors Private Limited. 6. Saswat Trusteeship Private Limited. 7. Aarti Nature Care Private Limited. 8. KJF Shelters Foundation. 9. KJF Manavta-Ni-Mahek Foundation 10. Parakh Hospitals Private Limited
Shareholding in Company	21,05,698	46,725
Terms and conditions of Appointment or re-appointment	NA	NA
Remuneration last drawn	NA	NA
Relationship with other Directors or Key Managerial Personnel of the Company	NA	NA

Date: 27.10.2023

Place: Mumbai

For and on behalf of the Board
SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED

SD/-

REGISTERED OFFICE:

The Ambience Court, Hi-Tech
Business Park, 21st Floor,
Sector 19-D, Plot No. 2,
Vashi, Navi Mumbai- 400705,
Maharashtra

SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN: 00097828

ATTENDANCE SLIP

(To be presented at the entrance)

18th Annual General Meeting of the Members of **SFC Environmental Technologies Private Limited** to be held on Saturday 18th November, 2023 at 11:30 A.M. at the registered office of the Company at The Ambience Court, Hi-Tech Business Park, 21st Floor, Sector 19-D, Plot No. 2, Vashi, Navi Mumbai – 400705.

D.P. ID. No.	
Client Id No.	

Folio No.	
No. of Shares	

Name of the attending member _____

Folio No. _____ No. of Shares _____

Name of Proxy _____

(If proxy attends instead of member)

Signature of Member/Proxy

Notes:

Member/Proxy holder willing to attend the meeting must bring the Attendance Slip to the Meeting.

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U90000MH2005PTC152235
Name of the company:	SFC Environmental Technologies Private Limited
Registered office:	The Ambience Court, Hi-Tech Business Park, 21st Floor, Sector 19-D, Vashi, Navi Mumbai- 400705 Maharashtra
Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

—
Address:

_____ Id:

Signature: _____ or
failing him

2. Name:

—
Address:

_____ Id:

Signature: _____ or
failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the company, to be held on Saturday, the 18th November, 2023 at 11:30 A.M at the registered office of the company at The Ambience Court, Hi-Tech Business Park, 21st Floor, Sector 19-D, Vashi, Navi Mumbai- 400705 Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	To receive, consider and adopt, Standalone and consolidated financial statements for the year ended 31 st March, 2023 together with the Report of Board of Directors and Auditors thereon.		
2	To declare dividend on equity shares for the financial year ended 31st March, 2023.		
3	To Appoint statutory auditor of the Company.		
Special Business			
4	Regularization of Additional Director Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) as a director of the Company		
5	To appoint Mr. Sandeep Sudhakar Asolkar (DIN: 00097828) as Managing Director and Chairman.		
6	To adopt restated Articles.		

Signed this.....day of.....2023

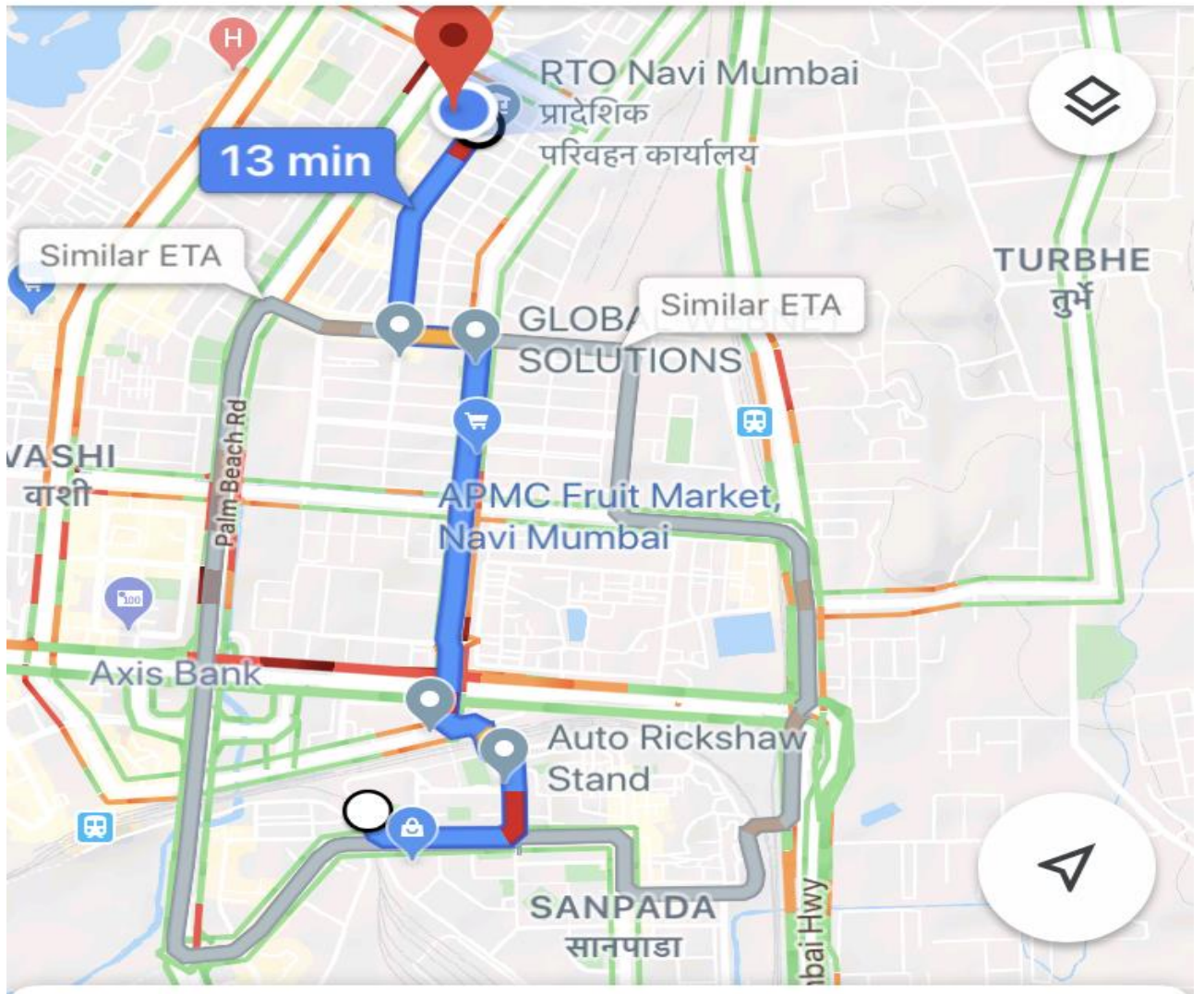
.....
Signature of Shareholder

.....
Signature of Proxy holder(s)

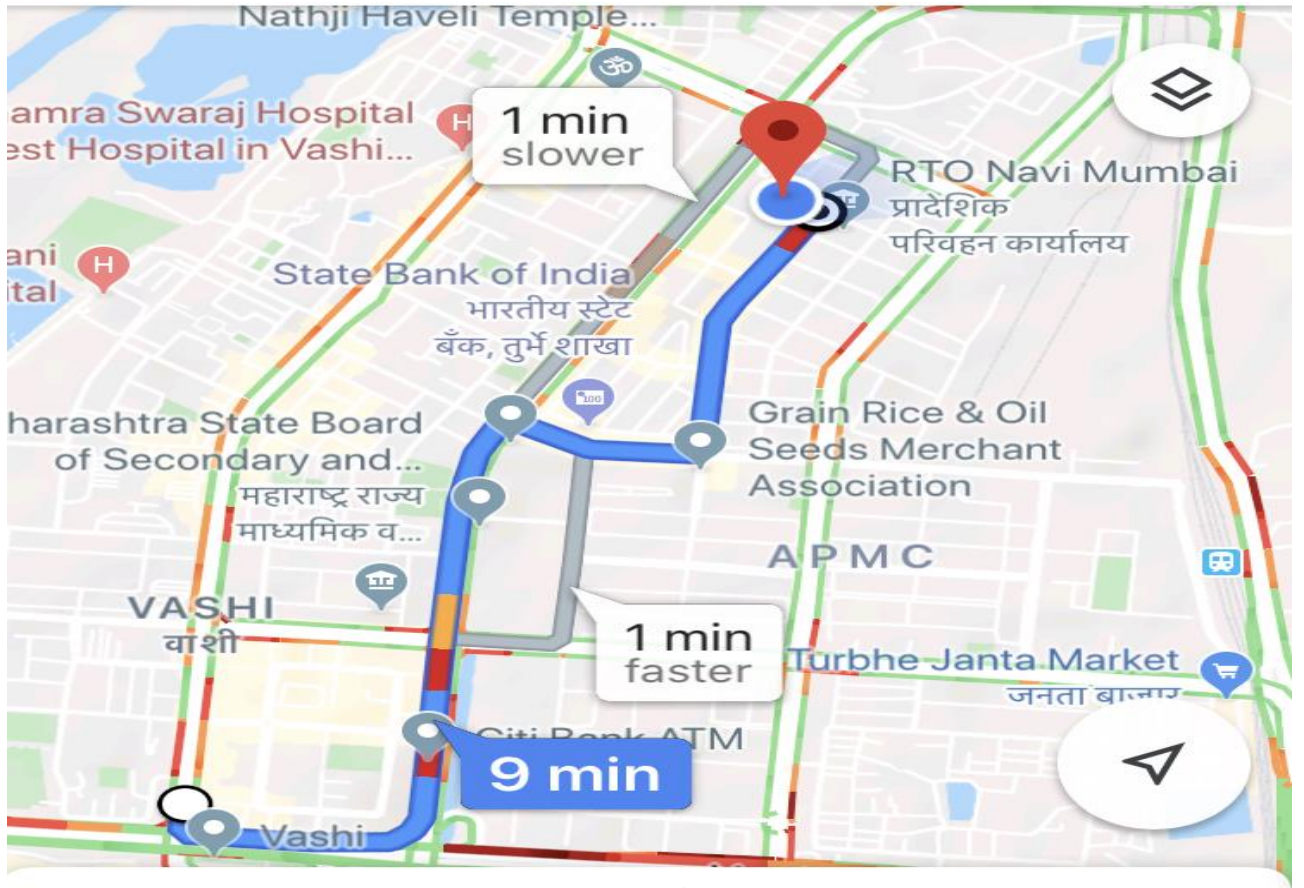


Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at The Ambience Court, Hi-Tech Business Park, 21st Floor, Sector 19-D, Vashi, Navi Mumbai- 400705 not less than 48 hours before the Commencement of the Meeting.

Route Map



Sanpada Railway Station to Venue



Vashi Railway Station to Venue



BOARD'S REPORT

To,
The Members of
SFC Environmental Technologies Private Limited

Your Directors are pleased to present 18th Annual Report of **SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED** along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS

Our Company's financial performance for the financial year under review is summarized below:

(INR in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	41,193.16	38,903.49	51,968.64	49,673.37
Other Income	1,523.20	1,331.99	1,156.60	1,427.63
Impairment gains on financial assets	-	272.98	-	288.70
Total Income	42,716.36	40,508.46	53,125.24	51,389.70
Less: Expenses	30,461.41	29,454.78	40,531.46	39,967.32
Profit/ (Loss) before Tax	12,254.95	11,053.68	12,725.09	11,698.92
Less: Tax (including deferred tax)	3,184.99	2,910.25	3,244.24	3,182.92
Profit/(Loss) after Tax	9,069.95	8,143.43	9,480.86	8,516.01
Profit for the year attributable to				
a) Owners of the Group	9,069.95	8,143.43	9,388.08	8,384.89
b) Non-controlling interests	NA	NA	92.78	131.11
Total comprehensive Income for the year	9,014.67	8,135.36	9,447.61	8,504.75
a) Owners of the Group	9,014.67	8,135.36	9,351.92	8,374.57
b) Non-controlling interests	NA	NA	95.70	130.18

First Time Adoption of Ind AS: As per the Companies (Indian Accounting Standards) Rules 2015, Indian Accounting Standards ("Ind AS") are applicable to the Company as the Net worth of Company for the year ended 31st March, 2022 is exceeding INR 250 Crores. Therefore, Company adopted Ind AS from the financial year 2022-23 and the financial statements for FY 2021-22 have been restated for comparison. Accordingly, the transition was carried out, from the Indian GAAP as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP) to Ind AS.

The impact of transition has been recorded in opening reserves as at April 1, 2021 and the periods presented have been restated / reclassified. The reconciliation and descriptions of the effect of the transition from Indian GAAP to Ind AS have been provided in the notes to accounts in the standalone financial statements.

PERFORMANCE REVIEW

Your Company has recorded total revenue for the financial year 2022-23 of INR 42,716.36/- lakhs as compared to INR 40,508.46/- lakhs in the previous year as per its Standalone Financials.

The basic and diluted earnings per share (EPS) computed in accordance with the Ind AS 33 was INR 145.65/- per share as at 31st March, 2023 as against INR 130.77/- per share as at 31st March, 2022 as per its Standalone Financials.

Your Company is a global Environmental Technology Company which provides advanced technologies in the fields of Municipal Sewage and waste treatment. The Directors of your Company assure you that they will continue to work hard in the interest of all the stakeholders and help the Company to do well in the years to come.

UPDATE ON MERGER

The Hon'ble National Company Law Tribunal ("**NCLT**"), Mumbai Bench vide its order dated 27th December, 2022 approved the **Composite Scheme of Amalgamation and Arrangement ("**Scheme**")** of Enviropro Water Tech Private Limited ("**First Transferor Company**") and Intergeo Solid Waste Management Private Limited ("**Second Transferor Company**") with SFC Environmental Technologies Private Limited ("**Transferee Company**"). The Company has received the Certified True Copy of the Order on 10th February, 2023 and filed the same with the Registrar of Companies on 10th March, 2023.

The appointed date for the Scheme was 1st April, 2021. The rationale of the Merger is, inter-alia, to maintain a simple corporate structure, eliminate duplicate corporate procedures and reduce multiplicity of legal and regulatory compliances between both the companies.

DIVIDEND

Based on the Company's performance, the Board of Directors have declared an interim dividend of Rs. 45/- per share on equity shares held by the shareholders of the Company in its meeting held on 14th May, 2022. The aggregate amount of interim dividend was Rs.27,00,00,000/- (Rupees Twenty-Seven Crores Only) which was duly paid. Pursuant to the Composite Scheme of Amalgamation and Arrangement, the transactions between the Transferee Company and Transferor Companies post appointed date, have been eliminated including dividend. Due effect of the same has been duly reflected in the Standalone Financial Statements of the Company.

CHANGE IN THE NATURE OF BUSINESS

There are no changes in the business line of the Company. The Company is carrying its existing business activities.

RESERVES

The Company has not transferred its profit amount to the reserves during the financial year 2022-23.

SHARE CAPITAL

Authorized Share Capital

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench vide its order dated 27th December, 2022 approved the Composite Scheme of Amalgamation and Arrangement of Enviropro Water Tech Private Limited ("First Transferor Company") and Intergeo Solid Waste Management Private Limited ("Second Transferor Company") with SFC Environmental Technologies Private Limited ("Transferee Company"). By virtue of said Scheme, the authorised share capital of the Company is increased to Rs. 17,40,00,000/- comprising of 1,74,00,000 Equity Shares of Rs. 10/- each.

Paid-up Share Capital

The Board of Directors at their meeting held on 24th July, 2023 have allotted 50,27,418 equity shares of INR 10/- each aggregating to INR 5,02,74,180/- (Rupees Five Crore Two Lakhs Seventy Four Thousand One Hundred and Eighty Only) to the shareholders of the First Transferor Company as per the Scheme. With this allotment and cancellation of cross holding of the First Transferor Company in the Company as per the Scheme, the paid-up share capital of your Company increased to INR 6,22,74,180/- (Rupees Six Crore Twenty Two Lakhs Seventy Four Thousand One Hundred and Eighty Only) divided into 62,27,418 equity shares of INR 10/- each.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on www.sfcenvironment.com and at the registered office of the Company.

EMPLOYEES STOCK OPTION SCHEME (ESOP)

Your Company does not have any existing ESOP scheme as on date of this report.

BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND CHANGES THEREOF

During the year under review, the Board of Directors was duly constituted with

- | | |
|--|---------------------|
| 1. Mr. Sandeep Sudhakar Asolkar (DIN: 00097828) | - Managing Director |
| 2. Mr. Sandeep Sambhaji Parab (DIN: 03569568) | - Director |
| 3. Mr. Veera Venkata Satyanarayana Yannamani (DIN: 02064547) | - Director |
| 4. Mr. Sarvesh Kumar Garg (DIN: 06873116) | - Director |

Mr. Chandrakant Vallabhaji Gogri (DIN: 0005048) was appointed as an additional Director w.e.f 27th day of October, 2023. None of the Directors of the Company are disqualified under section 164 of the Companies Act, 2013 from being appointed as a Director.

According to the provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is not required to appoint any Key managerial Personnel. However, during the year, the Company has appointed Ms. Shweta Sharad Deshpande a member of Institute of Company Secretaries of India having Membership No: A67764 as a Whole time Company Secretary and Compliance Officer of the Company with effect from 09th March, 2023.

MEETINGS

i. Board Meetings:

The Board of Directors of the Company duly met Twenty-Seven (27) times during the year, all the Board Meetings were conducted in due compliance with Companies Act, 2013. The maximum time gap between the two (2) consecutive meetings did not exceed one hundred and twenty (120) days. The following Meetings of the Board of Directors were held during the year under review:

Sr. No.	Date of the Meetings	Day of the Meetings
1	08 th April, 2022	Friday
2	29 th April, 2022	Friday
3	14 th May, 2022	Saturday
4	04 th July, 2022	Monday
5	25 th July, 2022	Monday
6	02 nd August, 2022	Tuesday
7	14 th September, 2022	Wednesday
8	01 st October, 2022	Saturday
9	13 th October, 2022	Friday
10	18 th October, 2022	Tuesday
11	21 st October, 2022	Friday
12	04 th November, 2022	Friday
13	04 th November, 2022	Friday
14	22 nd November, 2022	Tuesday
15	25 th November, 2022	Friday
16	06 th December, 2022	Tuesday
17	07 th December, 2022	Wednesday
18	27 th December, 2022	Tuesday
19	31 st January, 2023	Tuesday
20	22 nd February, 2023	Wednesday
21	27 th February, 2023	Monday
22	02 nd March, 2023	Thursday
23	06 th March, 2023	Monday
24	15 th March, 2023	Wednesday
25	23 rd March, 2023	Thursday
26	27 th March, 2023	Monday
27	28 th March, 2023	Tuesday

ii. Annual General Meeting:

During the year, Annual General Meeting was held on 30th December, 2022.

iii. Unsecured Creditors Meeting:

During the year, Unsecured Creditors Meeting was held on 15th July, 2022 for approval of **Composite Scheme of Amalgamation and Arrangement (“Scheme”)** of Enviropro Water Tech Private Limited (**“First Transferor Company”**) and Intergeo Solid Waste Management Private Limited (**“Second Transferor Company”**) with SFC Environmental Technologies Private Limited **“Transferee Company”**) as per the order issued by Hon’ble National Company Law Tribunal.

iv. Corporate Social Responsibility Committee Meeting:

During the year under review, CSR committee meetings were held on 25th November, 2022 and 31st March, 2023. All the members attended CSR meeting.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

The Company had appointed M/s GBCA & Associates LLP, Chartered Accountants (Firm Reg. No. W100292/103142W), on 19.05.2023, to fill the casual vacancy caused due to resignation of M/s Shrirang S. Hardikar & Co., Chartered Accountants being a Statutory Auditor and hold office upto the ensuing Annual General meeting and to conduct the Statutory Audit for the Financial year 2022-23.

Further, pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, the Board of Directors has recommended the appointment of, M/s GBCA & Associates LLP, Chartered Accountants (Firm Reg. No. W100292/103142W), to hold office for the period of 5 years, from the conclusion of this Annual General Meeting of the company till the conclusion of the Annual General Meeting to be held in the financial year 2028-29. M/s. GBCA & Associates LLP, Chartered Accountants (Firm Reg. No. W100292/103142W), have given their consent for appointment as the Statutory Auditors of the Company.

The Board has duly examined the Statutory Auditors' Report to the financial statements. The Statutory Auditor's Report on Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company is not required to appoint Secretarial Auditor for the year 2022-23.

INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s Gokhale Associates, Chartered Accountants, Navi Mumbai as Internal Auditor of the Company to conduct the Internal Audit of the Company for the Financial Year 2022-23.

DISCLOSURE ON COST RECORDS MAINTENANCE

The provisions with respect to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has following subsidiaries, Joint Ventures and Associate Companies:

- **NAVITAS WASTE TREATMENT PRIVATE LIMITED:** This is 99.99% subsidiary of the Company and the Company holds 9,999 equity shares of Rs. 10/- each.
- **CHAVARE ENGINEERING PRIVATE LIMITED:** This is 51% subsidiary of Company and the Company holds 2,04,000 Equity shares of Rs. 100/- each.
- **SFC UMWELTECHNIK GMBH (AUSTRIA):** This is 87.23% subsidiary of Company and the Company holds 8,80,000 equity shares of Euro 1/- each.
- **VASUDHA WASTE TREATMENT PRIVATE LIMITED:** This is 74% subsidiary of the Company and the Company holds 7,40,000 equity shares of Rs. 10/- each.
- **FINE AERATION SYSTEMS PRIVATE LIMITED:** This is 51% subsidiary of Company wherein the Company holds 51,000 equity shares of Rs. 10/- each. During the year Company has invested and subscribed 51,000 equity shares of Rs. 10/- each aggregate Rs. 5,10,000/- (Rupees Five Lakhs Ten Thousand) at the time of incorporation of the Subsidiary Company.
- **TURBOMAX INDIA PRIVATE LIMITED:** During the year Company has subscribed to 38,76,000 equity shares of Rs. 10/- each of Turbomax India Private Limited and by virtue of such shareholding it become the Associate Company. Further Turbomax India Private Limited is incorporated under the joint venture agreement executed on dated 27th July, 2022 between SFC Environmental Technologies Private Limited and Turbomax Co. Ltd. (Korea).
- **Apart from above the Company is having following subsidiaries /associate/joint venture through its subsidiaries:**
 1. Hindustan Waste Treatment Private Limited is an Associate Company since the Company holds 49% equity stake through Navitas Waste Treatment Private Limited.
 2. SFC Ekotechnika S.r.o : 100 % subsidiary of SFC UMWELTECHNIK GMBH (AUSTRIA)

3. Endress + Hauser & Chavare Engineering (JV) Private Limited: Associate of Chavare Engineerings Private Limited

The details of financials of the above-mentioned subsidiaries, Joint Ventures or Associate Companies have been given in Form AOC-1 as **Annexure- I** to this report.

The Hon'ble National Company Law Tribunal, (NCLT), Mumbai Bench vide its order dated 27th December, 2022 approved the **Composite Scheme of Amalgamation and Arrangement (Scheme)** of Enviropro Water Tech Private Limited (**First Transferor Company**) and Intergeo Solid Waste Management Private Limited (**Second Transferor Company**) with SFC Environmental Technologies Private Limited (**Transferee Company**). M/s. Intergeo Solid Waste Management Private Limited, a wholly-owned subsidiary company has been merged with the Company.

CORPORATE SOCIAL RESPONSIBILITY

A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company along with the initiative taken by your Company are set out in **Annexure - II** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments given by the Company, are given in the notes to the Financial Statements. The Company has duly complied with the provisions of the section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into a related party transactions referred to sub-section (1) of section 188 of the Companies Act, 2013 with the related parties as defined under section 2(76) and 2(77) of the Companies Act, 2013 read with Companies (Specification and Definitions Details) Rules, 2014 which are on arm's length and in the ordinary course of business. Disclosure in Form AOC-2 with respect to material resolution party transactions has been given in Form AOC-2 attached with this Report as **Annexure III**.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) Conservation of energy:

The Company's operations are not energy intensive and as such involve low energy consumption. However, adequate measures have taken to conserve the consumption of energy.

(B) Technology absorption:

The Company has not imported any technology and hence the question of its absorption does not arise.

(C) Foreign exchange earnings and Outgo:

Foreign Exchange Earnings – INR 34.56 Lacs (Previous Year- INR 3649.33 Lacs)

Foreign Exchange Expenditure – INR 12934.45 Lacs (Previous Year INR 11604.42 Lacs)

DEPOSITS

There is no deposit accepted which is covered under chapter V of the Companies Act, 2013.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an IC Committee to look into complaints relating to sexual harassment at work place of any woman employee.

The Company is committed to provide a safe and conducive work environment to its employees and Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review, the Hon'ble National Company Law Tribunal, (NCLT), Mumbai Bench vide its order dated 27th December, 2022 approved the **Composite Scheme of Amalgamation and Arrangement (Scheme)** of Enviopro Water Tech Private Limited (**First Transferor Company**) and Intergeo Solid Waste Management Private Limited (**Second Transferor Company**) with SFC Environmental Technologies Private Limited "**Transferee Company**).

There are no such other material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Directors confirm that the mandatory Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India, have been complied with.

DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there has been no one time settlement of loans taken from Banks and financial institutions.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and

- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS:

The Board of Directors wish to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and looks forward to a continued mutual support and co-operation.

**For and on behalf of the Board of Directors
SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED**

**SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN:00097828**

**VEERA VENKATA SATYANARAYANA YANNAMANI
DIRECTOR
DIN: 02064547**

**Date: 27.10.2023
Place: Mumbai**

REGISTERED OFFICE:

The Ambience Court, Hi-Tech Business Park,
21st Floor, Sector 19, Vashi, Navi Mumbai- 400705

ANNEXURE – I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

❖ **SUBSIDIARY – I**

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Navitas Waste Treatment Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	1.00
5.	Reserves & surplus	(282.78)
6.	Total assets	1934.21
7.	Total Liabilities	1934.21
8.	Investments	1912.96
9.	Turnover	5.23
10.	Profit before taxation	2.32
11.	Provision for taxation	(0.62)
12.	Profit after taxation	1.70
13.	Proposed Dividend	NIL
14.	% of shareholding	99.99%

❖ SUBSIDIARY – II

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Chavare Engineering Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	400
5.	Reserves & surplus	1419.48
6.	Total assets	4529.34
7.	Total Liabilities	4529.34
8.	Investments	-
9.	Turnover	7376.11
10.	Profit before taxation	268.23
11.	Provision for taxation	(77.57)
12.	Profit after taxation	190.66
13.	Proposed Dividend	NIL
14.	% of shareholding	51%

❖ **SUBSIDIARY - III**

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Vasudha Waste Treatment Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	100.00
5.	Reserves & surplus	426.47
6.	Total assets	9125.67
7.	Total Liabilities	9125.67
8.	Investments	-
9.	Turnover	6666.16
10.	Profit before taxation	(19.21)
11.	Provision for taxation	(120.75)
12.	Profit after taxation	101.54
13.	Proposed Dividend	NIL
14.	% of shareholding	74%

SUBSIDIARY - IV

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Fine Aeration Systems Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	10.00
5.	Reserves & surplus	(9.11)
6.	Total assets	81.87
7.	Total Liabilities	81.87
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(8.67)
11.	Provision for taxation	0.44
12.	Profit after taxation	(9.11)
13.	Proposed Dividend	NIL
14.	% of shareholding	51%

SUBSIDIARY – V

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	SFC UMWELTTECHNIK GMBH (AUSTRIA)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Euro Exchange rate @ Rs. 89.6076/- per Euro
4.	Share capital	590.72
5.	Reserves & surplus	-3093.36
6.	Total assets	1558.51
7.	Total Liabilities	1558.51
8.	Investments	253.50
9.	Turnover	2703.80
10.	Profit before taxation	-176.78
11.	Provision for taxation	0
12.	Profit after taxation	-176.78
13.	Proposed Dividend	Nil
14.	% of shareholding	87.23%

❖ **SUBSIDIARY – VI**

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	SFC Ekotechnika S.r.o
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Czech Koruna Exchange rate @ Rs. 3.7965/- per Czech Koruna
4.	Share capital	0.33
5.	Reserves & surplus	10.33
6.	Total assets	18.37
7.	Total Liabilities	18.37
8.	Investments	0
9.	Turnover	7.93
10.	Profit before taxation	6.68
11.	Provision for taxation	1.30
12.	Profit after taxation	5.38
13.	Proposed Dividend	Nil
14.	% of shareholding*	100%

*held through its subsidiary – SFC UMWELTTECHNIK GMBH (AUSTRIA)

Part "B": Associate/Joint Venture

❖ **Associate – I**

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the Associate	Turbomax India Private Limited
2.	Latest audited Balance Sheet Date	31 st March, 2023
3.	Shares of Associate/Joint Ventures held by the Company on the year end	Indian Rupees
	- No. of Securities (actual)	37,24,000
	- Amount of Investment in Associates/ Joint Venture	372.40
	- Extent of Holding (%)	49%
4.	Description of how there is a significant Influence	There is significant influence due to percentage (%) of share holding
5.	Reason why the associate/joint venture is not consolidated	Not applicable
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	338.00
	Profit / (Loss) for the year	
	(i) Considered in Consolidation	(34.40)
	(ii) Not Considered in Consolidation	(35.81)

❖ Associate – II

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the Associate/Joint Venture	Hindustan Waste Treatment Private Limited
2.	Latest audited Balance Sheet Date	31 st March, 2023
3.	Shares of Associate/Joint Ventures held by the Company* on the year end	Indian Rupees
	- No. of Securities (actual)	1,91,29,600
	- Amount of Investment in Associates/ Joint Venture	1912.96
	- Extent of Holding (%)	49%
4.	Description of how there is a significant Influence	There is significant influence due to percentage (%) of share holding
5.	Reason why the associate/joint venture is not consolidated	Not applicable
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	2977.50
	Profit / (Loss) for the year	
	(i) Considered in Consolidation	165.73
	(ii) Not Considered in Consolidation	172.50

*held through its subsidiary – Navitas Waste Treatment Private Limited

❖ Joint Venture – I

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the Joint Venture	Endress + Hauser & Chavare Engineering (JV) Private Limited
2.	Latest audited Balance Sheet Date	31 st March, 2023
3.	Shares of Associate/Joint Ventures held by the Company* on the year end	Indian Rupees
	- No. of Securities (actual)	24,500
	- Amount of Investment in Associates/ Joint Venture	3.20
	- Extent of Holding (%)	49%
4.	Description of how there is a significant Influence	There is significant influence due to percentage (%) of share holding
5.	Reason why the associate/joint venture is not consolidated	Not applicable
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	2.95
	Profit / (Loss) for the year	
	(i) Considered in Consolidation	(0.02)
	(ii) Not Considered in Consolidation	(0.03)

*held through its subsidiary – Chavare Engineerings Private Limited

Notes: The following information shall be furnished at the end of the statement:

1. There are no joint ventures/ associates which have been liquidated or sold during the year.
2. The Hon'ble National Company Law Tribunal, (NCLT), Mumbai Bench vide its order dated 27th December, 2022 approved the Composite Scheme of Amalgamation and Arrangement (Scheme) of Enviropro Water Tech Private Limited (First Transferor Company and Intergeo Solid Waste Management Private Limited (Second Transferor Company) with SFC Environmental Technologies Private Limited "Transferee Company). M/s. Intergeo Solid Waste Management Private Limited, a wholly-owned subsidiary company has been merged with the Company.

**For and on behalf of the Board of Directors
SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED**

**SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN:00097828**

**VEERA VENKATA SATYANARAYANA YANNAMANI
DIRECTOR
DIN: 02064547**

DATE: 27.10.2023

PLACE: MUMBAI

REGISTERED OFFICE:

The Ambience Court, Hi-Tech Business Park,
21stFloor, Sector 19, Vashi,
Navi Mumbai- 400705

ANNEXURE - II

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society. The Company has framed a CSR Policy in Compliance with the provisions of the Companies Act, 2013 and the same is available at the Registered Office of the Company.

2. Composition of the CSR committee:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sandeep Sudhakar Asolkar	Chairman and Member	2	2
2	Mr. Sandeep Sambhaji Parab	Member	2	2
3	Mr. Veera Venkata Satyanarayana Yannamani	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : NA
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : NA
5. (a) Average net profit of the company as per sub-section (5) of section 135.

Financial Year	Profit (INR in Lakhs)
2021-22	11216.05
2020-21	3608.05
2019-20	4586.48
Average of above said Profit	6470.19

- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 : INR 129.40/- Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years : NA

(d) Amount required to be set-off for the financial year, if any : INR 0.08/- Lakhs

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : INR 129.48/- Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
INR 129.50/- Lakhs

(b) Amount spent in Administrative Overheads. Nil

(c) Amount spent on Impact Assessment, if applicable. NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. INR129.50/- lakhs

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

Total Amount Spent for the Financial Year. (In Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
* INR 129.50/-	NA		NA		

*** Amount Transfer to Prime Minister's National Relief fund (PMNRF)**

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

Sr. No.	Particular	Amount in INR in lakhs
1.	Two percent of average net profit of the company as per sub-section (5) of section 135	129.40
2.	Total amount spent for the Financial Year	129.50
3.	Excess amount spent for the Financial Year [(ii)-(i)]	0.096
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
5.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.18/-*

***Amount includes previous year's excess amount of INR 0.08/- lakhs.**

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

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

**For and on behalf of the Board of
SFC Environmental Technologies Private Limited**

**SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN: 00097828**

**VEERA VENKATA SATYANARAYANA YANNAMANI
DIRECTOR
DIN: 02064547**

DATE: 27.10.2023

PLACE: MUMBAI

REGISTERED OFFICE:

The Ambience Court, Hi-Tech Business Park,
21st Floor, Sector 19, Vashi, Navi Mumbai- 400705

ANNEXURE III
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies
(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of material contracts or arrangement or transactions at not arm's length basis: NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(INR in Lakhs)

Sr. No.	PARTICULARS	
(a)	Name(s) of the related party and nature of relationship	Vasudha Waste Treatment Private Limited- Subsidiary company
(b)	Nature of contracts/arrangements/transactions	Supply of services
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	INR 6489.14/-
(e)	Date(s) of approval by the Board, if any	NA
(f)	Amount paid as advances, if any	-

For and on behalf of the Board of Directors
SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED

SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN: 00097828

VEERA VENKATA SATYANARAYA YANNAMANI
DIRECTOR
DIN: 02064547

Date: 27.10.2023
Place: Mumbai

REGISTERED OFFICE:

The Ambience Court, Hi-Tech Business Park,
21st Floor, Sector 19, Vashi, Navi Mumbai- 400705

INDEPENDENT AUDITOR'S REPORT

To

The Members of

SFC Environmental Technologies Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone IND AS financial statements of SFC Environmental Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income, statement of changes in equity and the Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of Companies Act, 2013 and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the 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 Statements.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises Board's Report including Annexures to Board's Report but does not

include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of standalone financial statements, our responsibility is to read the information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

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

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 judgement and maintain professional skepticism throughout the audit. We also:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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.

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 & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
2. As required by the section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit and have found them to be satisfactory.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Financial Statements comply with the IND AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
 - (e) On the basis of written representations received from the directors as on 31st March, 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and our report expresses an unmodified opinion on the adequacy & operating effectiveness of the Company's internal financial controls over financial reporting.

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company does not have any pending litigations which would impact its financial position as at 31st March, 2023.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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

iv.

(a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause as provided under (a) and (b) above, contain any material misstatement.
- v. In our opinion and according to the information and explanations given to us, the dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the financial year ended March 31, 2023.

For **G B C A & Associates LLP**
Chartered Accountants
Firm Registration No.: 103142W / W100292

Yogesh Amal
Partner
Membership No.: 111636
UDIN: 23111636BGYFHE1627

Place: Mumbai
Date: 06th September, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements' of our report to the Members of SFC Environmental Technologies Private Limited of even date)

- i.
- (a) As per the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- As per the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management at regular intervals and no material discrepancies were found on such verification. In our opinion, the intervals for verification are reasonable having regard the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
- (a) According to the information and explanations given to us, inventories have been physically verified at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is reasonable. According to information and explanation given to us, no discrepancies have been noticed on physical verification of inventory.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crore during the year, in aggregate from banks and financial institutions on the basis of security of current assets of the Company. The difference between the quarterly returns or statements filed

by the Company with the banks and financial institutions and the books of account of the Company is on account of explainable items and not material in nature.

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Accounts (in lakhs)	Amount as reported in Quarterly Return/ Statement (in lakhs)	Amount of Difference (in lakhs)	Reason For Material Discrepancies
Jun-22	Bank of India / Kotak Bank	Trade Receivables	6,568.44	6,722.98	-155	-
Jun-22	Bank of India / Kotak Bank	Trade Payables	3,336.94	3,278.89	58	-
Jun-22	Bank of India / Kotak Bank	Closing Stock	2,545.54	2,354.24	191	-
Sept-22	Bank of India / Kotak Bank	Trade Receivables	4,930.91	4,892.06	39	-
Sept-22	Bank of India / Kotak Bank	Trade Payables	1,539.50	1,532.49	7	-
Sept-22	Bank of India / Kotak Bank	Closing Stock	2,587.20	2,321.21	266	-
Dec-22	Bank of India / Kotak Bank	Trade Receivables	7,791.58	7,779.25	12	-
Dec-22	Bank of India / Kotak Bank	Trade Payables	3,123.67	3,120.77	3	-
Dec-22	Bank of India / Kotak	Closing Stock	2,596.31	2,386.23	210	-

	Bank					
-Mar-23	Bank of India / Kotak Bank	Trade Receivables	18,621.81	17,914.78	707	Year end billings done post submission of details to bank
Mar-23	Bank of India / Kotak Bank	Trade Payables	8,461.41	7,977.08	484	Year end billings done post submission of details to bank
Mar-23	Bank of India / Kotak Bank	Closing Stock	4,198.97	2,799.92	1,399	Inventory finalized after submission of details to bank

iii.

According to the information and explanations given to us, the Company has made investments in, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships, during the year, in respect of which:

(a) According to the information and explanations given to us, during the year, the Company has provided the following loans or advances in the nature of loans or stood guarantee, or provided security to other entities during the year. (Rs. in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/provided during the year	1600.00	-	2,862.28	
- Subsidiaries	1600.00	-	1,580.95	-
- Joint Ventures	-	-	-	-
- Associates	-	-	550.00	-
- Others	-	-	551.00	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	1600.00	-	8,136.28	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	631.02	-

(b) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the

nature of loans and guarantees are prima facie not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the terms of repayment of loans and advances in the nature of loans granted by the Company do not stipulate any repayment schedule. Accordingly, we are unable to comment on the regularity of repayment of principal & payment of interest.

(d) According to the information and explanations given to us and based on the audit procedures performed by us, there is no amount overdue of loans and advances in the nature of loans granted by the Company. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, no loans or advances in the nature of loan granted which has fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has granted following loans and advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. (Rs. in Lakhs)

Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans	0	2,130.95
Repayable on Demand (A)	0	749.07
Agreement does not specify any terms or period of repayment (B)	0	
Total (A+B)	0	749.07
Percentage of loans/advances in nature of loans to the total loans	0	35.15%

iv. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans and advances granted, guarantees and securities provided and investments made by the Company during the year.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii.

(a) According to the information and explanations given to us and basis of our examination of the records of the Company, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues outstanding of VAT, GST, income tax, custom duty, wealth tax, service tax and excise duty, which have not been deposited on account of any dispute,

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix.

(a) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, and the procedures

performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, have not been used during the year for long-term purposes by the Company.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined in Companies Act 2013. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.

x.

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year except for transactions related to scheme of merger.

xi.

(a) To the best of our knowledge and based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) No report under sub-section 12 of Section 143 of the Companies Act has been filed by us in Form ADT 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

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

xii. The Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of the Order is not applicable.

- xiii. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions with related parties which requires approval under sections 177 & 188 of the Companies Act, 2013. Accordingly, reporting under clause (xiii) of the Order is not applicable.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause (xv) of the Order is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- xvii. The Company has not incurred any cash loss during the financial year ended on that date and two immediately preceding financial years. Accordingly, reporting under clause (xvii) of the Order is not applicable.
- xviii. There has been resignation of the statutory auditors during the year and no issues, objections or concerns are raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause (xx) of the Order is not applicable.

xxi. There are no qualifications in the CARO of Subsidiaries / Associates except for following entities the financial statements are still not finalized and respective auditors have not issued the CARO. Accordingly, no comments are given under this clause

Sr. No.	Name of the Component
1	Chavare Engineering Private Limited
2	Navitas Waste Treatment Private Limited
3	Vasudha Waste Treatment Private Limited
4	Fine Aeration Systems Private Limited

For G B C A & Associates LLP
Chartered Accountants
Firm Registration No.: 103142W / W100292

Yogesh Amal
Partner
Membership No.: 111636
UDIN: 23111636BGYFHE1627

Place: Mumbai
Date: 06th September, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SFC Environmental Technologies Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of SFC Environmental Technologies Private Limited ("the Company") for the period ended 31st March, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

Commensurate to the size and nature of the business, 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 for the period ended 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management 's Responsibility for Internal Financials Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 ICAI and deemed to be 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.

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.

Commensurate to the size and nature of the business, 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

For **G B C A & Associates LLP**
Chartered Accountants
Firm Registration No.: 103142W / W100292

Place: Mumbai
Date: 06th September, 2023

Yogesh Amal
Partner
Membership No.: 111636
UDIN: 23111636BGYFHE1627

SFC Environmental Technologies Private Limited

Balance Sheet as at March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	As at	As at	As at
		March 31, 2023	March 31, 2022	April 01, 2021
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	5	2,964.17	2,475.18	2,601.48
(b) Right-of-use asset	6	184.42	45.22	-
(c) Investment Property	7	1,849.08	2,425.28	3,232.08
(d) Financial assets				
(i) Investments	8	4,003.37	3,583.66	1,723.61
(ii) Loans	9	4,966.12	4,376.82	1,213.00
(iii) Other financial assets	10	2,328.58	2,270.57	583.81
(e) Income tax assets (Net)	11	60.53	-107.55	27.08
(f) Other non-current assets	12	17.97	6.28	7.68
Total non-current assets		16,374.24	15,075.46	9,388.74
2 Current assets				
(a) Inventories	13	4,198.97	2,076.45	1,057.76
(b) Financial assets				
(i) Trade receivables	14	17,771.80	11,160.68	7,685.20
(ii) Cash and cash equivalents	15	1,992.17	1,982.74	2,814.25
(iii) Other bank balance	16	9,518.91	8,883.99	10,388.86
(iv) Loans	17	3,978.04	3,253.09	2,217.19
(v) Other Financial Asset	18	86.10	399.91	802.58
(c) Other current assets	19	3,375.43	1,923.89	1,690.41
Total current assets		40,921.41	29,680.76	26,656.25
Total assets		57,295.65	44,756.22	36,044.99
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	20	622.74	622.74	622.74
(b) Other equity	21	38,148.55	31,828.50	23,693.15
Total equity		38,771.29	32,451.24	24,315.89
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	22	82.39	15.21	-
(b) Provisions	23	112.00	17.87	-
(c) Deferred tax liabilities (net)	41	-280.20	-224.80	-281.89
Total non-current liabilities		-85.81	-191.72	-281.89
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	4,578.83	2,099.08	978.31
(ii) Lease liabilities	25	107.50	30.89	-
(iii) Trade payables	26			
Total outstanding dues of micro and small enterprises				
Total outstanding dues of creditors other than micro and small enterprises		8,462.46	6,291.41	3,864.97
(iv) Other financial liabilities	27	732.08	390.54	1,907.51
(b) Other current liabilities	28	4,728.69	3,684.19	5,260.98
(c) Provisions	29	0.60	0.60	-0.78
(d) Current tax liabilities	30	-	-	-
Total current liabilities		18,610.16	12,496.72	12,010.99
Total liabilities		18,524.35	12,305.00	11,729.10
Total equity and liabilities		57,295.65	44,756.25	36,044.99

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

As per our report of even date attached

For G B C A & Associates LLP

Chartered Accountants

FRN: 103142W / W100292

For and on behalf of Board of Directors

SFC Environmental Technologies Private Limited

Yogesh R. Amal

Partner

Membership No. 111636

Place: Mumbai

Date: 06-Sept-2023

Sandeep Asolkar

Managing Director

DIN: 00097828

Place: Mumbai

Date: 06-Sept-2023

Veera Venkata Satyanarayana Yannamani

Director

DIN: 02064547

Place: Mumbai

Date: 06-Sept-2023

Shweta Deshpande

Company Secretary

Membership No.: A-67764

Place: Mumbai

Date: 06-Sept-2023

SFC Environmental Technologies Private Limited

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

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
I Revenue from operations	31	41,193.16	38,903.49
II Other income	32	1,523.20	1,331.99
Impairment gain on financial assets	33	-	272.98
III Total income (I+II)		42,716.36	40,508.46
IV Expenses			
Purchases of stock-in-trade	34	25,080.41	23,585.49
Changes in inventories of Work in Progress	35	(2,122.52)	(1,018.69)
Employee benefits expense	36	3,420.25	3,029.04
Finance costs	37	337.68	248.20
Depreciation and amortization expense	38	467.31	406.32
Impairment loss on financial assets	39	37.42	-
Other expenses	40	3,240.86	3,204.42
IV Total expenses		30,461.41	29,454.78
V Profit before tax (III-IV)		12,254.95	11,053.68
VI Tax expense	41		
Current tax		3,240.39	2,853.18
Short/(Excess) provision of income tax of earlier years		-	-
Deferred tax		(55.40)	57.06
Total tax expense		3,184.99	2,910.25
VII Profit for the year (V-VI)		9,069.95	8,143.43
VIII Other comprehensive income (OCI)			
a) <i>Items that will not be reclassified to profit or loss</i>			
i) Re-measurement loss on defined benefit liabilities		(74.30)	(10.86)
Income tax relating to items that will not be reclassified to profit or loss		19.02	2.78
		(55.28)	(8.08)
VIII Other comprehensive losses for the year, net of tax		(55.28)	(8.08)
IX Total comprehensive income for the year (VII+VIII)		9,014.67	8,135.36
Earnings per share face value of ₹10 each fully paid up	42		
Basic earnings per share (₹)		145.65	130.77
Diluted earnings per share (₹)		145.65	130.77

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

As per our report of even date attached

For G B C A & Associates LLP

Chartered Accountants

FRN: 103142W / W100292

For and on behalf of the Board of Directors of

SFC Environmental Technologies Private Limited

Yogesh R. Amal

Partner

Membership No. 111636

Place: Mumbai

Date: 06-Sept-2023

Sandeep Asolkar

Managing Director

DIN: 00097828

Place: Mumbai

Date: 06-Sept-2023

Veera Venkata Satyanarayana Yannamani

Director

DIN: 02064547

Place: Mumbai

Date: 06-Sept-2023

Shweta Deshpande

Company Secretary

Membership No.: A-67764

Place: Mumbai

Date: 06-Sept-2023

SFC Environmental Technologies Private Limited
Statement of Cash Flows for the year ended March 31, 2023
CIN: U90000MH2005PTC152235
(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit for the year before tax	12,254.95	11,053.68
Adjustments for :		
Depreciation and amortization expenses	467.31	406.32
Finance costs	192.39	94.38
Interest income	(1,151.60)	(818.57)
Impairment loss/ (gain) on trade receivables arising from contracts with customer	37.42	(272.98)
Bad Debts written off	8.45	357.11
Unrealized foreign exchange gain	(92.34)	(136.09)
Net (gain)/ loss on Fair Valuation of Mutual Fund	(42.21)	44.95
Net gain of sale of Property, Plant and Equipment	(11.07)	(106.36)
Net gain on sale of Investment Property	(199.08)	(305.42)
Operating profit before working capital changes	11,464.22	10,317.02
Working capital adjustments :		
(Decrease)/ increase in other current liabilities	1,044.50	(1,577.55)
(Decrease)/ increase in trade payables	2,208.10	2,554.42
(Decrease)/ increase in other financial liabilities	340.29	(1,516.97)
(Decrease)/ increase in provisions	94.13	19.25
Decrease/ (increase) in inventories	(2,122.52)	(1,018.69)
Decrease/ (increase) in trade receivables	(6,656.99)	(3,559.62)
Decrease/ (increase) in other financial assets	255.80	(1,284.09)
Decrease/ (increase) in other current assets	(1,451.54)	(233.48)
Decrease/ (increase) in non-current assets	(11.69)	1.40
Cash generated from operations	5,164.31	3,701.70
Income taxes paid (net of refunds)	(3,408.47)	(2,718.53)
Net cash from operating activities (A)	1,755.85	983.17
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(773.83)	(119.85)
Sale of property, plant and equipment	11.07	106.36
Proceeds from sale of Investment Property	664.25	964.72
Investment in Associates	(372.40)	-
Investment in Subsidiary	(5.10)	-
Purchase of Investments	-	(1,905.00)
(Purchase)/ Proceeds from bank deposits	(52.31)	2,540.02
Loans given	(745.26)	(4,416.30)
Net cash generated from/(used in) investing activities (B)	(1,273.58)	(2,830.05)
Cash flows from financing activities		
Repayment of lease liabilities	(65.60)	(11.02)
Dividend paid	(2,694.60)	-
Loan taken (net)	2,479.75	1,120.77
Interest paid on bank overdraft	(179.00)	(92.47)
Interest paid on lease liabilities	(13.39)	(1.91)
Net cash flow from/(used in) financing activities (C)	(472.84)	1,015.37
Net increase(decrease) in cash and cash equivalents (A)+(B)+(C)	9.43	(831.51)
Cash and cash equivalent at the beginning of the year	1,982.74	2,814.25
Cash and cash equivalents at the end of the year (refer note 15)	1,992.17	1,982.74
Components of Cash and cash equivalents -		
Cash in hand	-	0.02
Foreign Cash in Hand	8.52	1.49
Balances with banks on current account	1,983.65	1,981.23
Total cash and cash equivalents (refer note 15)	1,992.17	1,982.74

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

As per our report of even date attached
For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

For and on behalf of the Board of Directors of
SFC Environmental Technologies Private Limited

Yogesh R. Amal
Partner
Membership No. 111636

Sandeep Asolkar
Managing Director
DIN: 00097828

Veera Venkata Satyanarayana
Yannamani
Director
DIN: 02064547

Place: Mumbai
Date: 06-Sept-2023

Place: Mumbai
Date: 06-Sept-2023

Place: Mumbai
Date: 06-Sept-2023

Shweta Deshpande
Company Secretary
Membership No.: A-67764
Place: Mumbai
Date: 06-Sept-2023

SFC Environmental Technologies Private Limited
Statement of changes in equity for the year ended March 31, 2023
CIN: U90000MH2005PTC152235
(Currency: Indian Rupees in Lakhs)

(A) Equity share capital

	No. of shares	Amount
Balance as at March 31, 2022	62,27,418	622.74
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	62,27,418	622.74
Balance as at April 01, 2021	60,00,000	600.00
Changes in equity share capital during the year	2,27,418	23
Balance as at March 31, 2022	62,27,418	622.74

(B) Other equity

Particulars	Reserve and surplus				Total
	Retained Earnings	General Reserves	Securities Premium	Other Comprehensive Income	
Balance as at March 31, 2022	31,094.54	702.37	39.67	(8.08)	31,828.50
Profit for the year	9,069.95	-	-	-	9,069.95
Re-measurement gain/(loss) of defined benefit plans (net of tax)	-	-	-	(55.28)	(55.28)
Total comprehensive income for the year	9,069.95	-	-	(55.28)	9,014.67
Transactions with owners of the company					
Dividends	(2,694.60)	-	-	-	(2,694.60)
Balance as at March 31, 2023	37,469.89	702.37	39.67	(63.36)	38,148.58

Particulars	Reserve and surplus				Total
	Retained earnings	General Reserves	Securities Premium	Other Comprehensive Income	
Balance as at April 01, 2021 before Ind AS impact	24,412.63	702.37	39.67	-	25,154.67
Add/ (Less) : Effect of merger	(493.97)	-	-	-	(493.97)
Add/ (Less) : Ind AS transition impact	(967.55)	-	-	-	(967.55)
Balance as at April 01, 2021 after Ind AS impact	22,951.11	702.37	39.67	-	23,693.15
Profit for the year	8,143.43	-	-	-	8,143.43
Re-measurement gain/(loss) on defined benefit plans (net of tax)	-	-	-	(8.08)	(8.08)
Total comprehensive income for the year	8,143.43	-	-	(8.08)	8,135.36
Balance as at March 31, 2022	31,094.54	702.37	39.67	(8.08)	31,828.50

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

The description of nature and purpose of each reserve within equity is as follows:

Retained earnings:

Retained earnings are the profit that the company has earned till date.

General Reserve :

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, where in certain percentage of profits were required to be transferred to General Reserve before declaring dividends. General Reserve is a free reserve available to the company.

Securities Premium :

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued.

As per our report of even date attached

For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

For and on behalf of the Board of Directors of
SFC Environmental Technologies Private Limited

Yogesh R. Amal
Partner
Membership No. 111636

Place: Mumbai
Date: 06-Sept-2023

Sandeep Asolkar
Managing Director
DIN: 00097828

Place: Mumbai
Date: 06-Sept-2023

Veera Venkata Satyanarayana Yannamani
Director
DIN: 02064547

Place: Mumbai
Date: 06-Sept-2023

Shweta Deshpande
Company Secretary
Membership No.: A-67764
Place: Mumbai
Date: 06-Sept-2023

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2014PTC255305

(Currency: Indian Rupees in Lakhs)

1 Company Overview

SFC Environmental Technologies Private Limited is company established on March 29, 2005 having its registered office situated at The Ambience Court Hi-Tech Business Park, 21st Floor, Sector 19-D, Plot No. 2, Vashi, Navi Mumbai. The Company is engaged in the business of providing equipments for sewage treatment plant and services for building integrated municipal solid waste management system.

2 Basis for Preparation

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. The financials for the year ended March 31, 2023 of the company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2021. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("IGAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2022 have now been restated as per Ind AS to provide comparability. These financials statements have been approved by the Board of Directors at their meeting held on September 06, 2023. Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 51.

2.1 Statement of Compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. These financials statements have been approved by the Board of Directors at their meeting held on 06th September, 2023.

2.2 Basis of accounting and preparation and presentation of financial statements

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured on an alternative basis on each reporting date:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.3 Functional & Presentation Currency

The financial Statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest Lakhs (INR 00,000), unless otherwise indicated.

2.4 Use of estimates and Judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2014PTC255305

(Currency: Indian Rupees in Lakhs)

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The following are the critical estimates, assumptions and judgements that the management have made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

(a) Useful lives of Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically.

(b) Employee benefits:

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

(c) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(d) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(e) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

(f) Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

(g) Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2014PTC255305

(Currency: Indian Rupees in Lakhs)

present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.5 Classification of Assets and Liabilities into Current/Non-Current

The Operating Cycle of the Company is the time between the acquisitions of the assets for processing and their realisation in cash & cash equivalents. The company has identified twelve months as its operating cycle for the purpose of current and non current classification of assets and liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in the Financials Statements.

3.1 Revenue from contracts with customers

Revenue from operations:

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration. Revenue excludes taxes collected from customers on behalf of the government. Any amount receivable from customer are recognized as revenue at the point in time when control of the goods sold are transferred to the customer, generally on delivery of the goods.

3.2 Recognition of Dividend Income, Interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Other income

Interest income from other financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the interest rate applicable.

3.3 Property, Plant & Equipment (PPE)

PPE is recognised 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 initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Expenditure incurred after the PPE have been put into use such as repairs and maintenance, are charged to the Statement of

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2014PTC255305

(Currency: Indian Rupees in Lakhs)

Profit and Loss in the period in which the costs are incurred.

Subsequent costs are included in the assets's carrying amount or recognized 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. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Capital work in Progress:

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE if any) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets"

Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using written down value method, so as to write off the cost of the assets less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. In respect of additions to /deletions from the PPE, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

Gains or losses arising from de-recognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.4 Financial Instruments

i) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 42). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets	Subsequent measurement and gains and losses
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is	

iii) Derecognition

a) Financial Assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain

control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

b) Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.5 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

i) Non-derivative financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all financial assets subsequent to initial recognition other than financial assets measured at fair value through profit and loss (FVTPL). For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used.

ii) Impairment of non-financial Asset

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

3.6 Inventories

Inventories are valued after providing for obsolescence, as under:

a) Raw materials, components, stores and spares at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

b) Work-in-progress and Finished goods are valued at lower of cost or net realisable value. Cost includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

3.7 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is

reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent asset are disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.10 Employee benefits

Employee benefits include provident fund and gratuity fund.

(i) Defined Contribution Plan:

The Company's contributions towards provident fund is defined contribution scheme. The Company's contribution paid/payable under the schemes is recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the related service.

ii) Short-Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. and the expected cost of ex-gratia, if any are recognized in the statement of profit and loss in the period in which the employee renders the related service.

iii) Defined benefit plan:

The Company's gratuity benefit scheme with Life Insurance Corporation of India is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at each balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of other comprehensive income.

3.11 Taxation

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Foreign currency transactions

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date or at rates that closely approximate the rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in the Statement of Profit & Loss in the period in which they arise.

3.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash, cheque in hand, cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year and equity shares to be issued on conversion of mandatorily convertible instruments. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.15 Cash flow statement

Cash flows are reported using the indirect method, whereby the net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Cash and cash equivalents in the cash flow statement comprise cash on hand, bank balance available on demand and bank deposits with original maturity of three months or less.

3.16 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

4 Recent pronouncement

Recent pronouncements: Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The company is evaluating the impact, if any, in its financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company is evaluating the impact, if any, in its financial statements.

(iii) Ind AS 12 - Income Taxes

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Notes to financial statement for the year ended March 31, 2023

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The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company is evaluating the impact, if any, in its financial statements.

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Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Lakhs)

5 Property, plant and equipment

Description of Assets	Land	Building	Office Equipments	Vehicles	Furniture & Fixtures	Computers	Plant & Machinery	Total
Gross Block								
Balance as at April 01, 2021	450.80	1,812.19	51.61	181.76	46.51	58.62	-	2,601.48
Additions	-	-	17.86	70.63	4.95	60.65	-	154.09
Disposals	-	22.22	-	13.06	2.08	-	-	37.36
Balance as at March 31, 2022	450.80	1,789.98	69.47	239.32	49.38	119.27	-	2,718.22
Additions	-	11.91	21.38	614.77	24.42	41.28	61.31	775.08
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	450.80	1,801.88	90.85	854.10	73.81	160.55	61.31	3,493.30
Depreciation / Impairment								
Balance as at April 01, 2021	-	-	-	-	-	-	-	-
Charge for the year	-	88.18	26.10	72.42	12.45	47.76	-	246.91
Disposals	-	1.08	-	2.37	0.43	-	-	3.87
Balance as at March 31, 2022	-	87.10	26.10	70.05	12.03	47.76	-	243.04
Charge for the year	-	83.29	23.62	107.43	10.73	55.78	5.24	286.09
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	170.39	49.72	177.48	22.76	103.54	5.24	529.13
Net Block								
Balance as at March 31, 2022	450.80	1,702.87	43.37	169.27	37.35	71.51	-	2,475.18
Balance as at March 31, 2023	450.80	1,631.49	41.13	676.62	51.05	57.01	56.07	2,964.17

Note: The Company has adopted Ind AS 101 and has elected to continue with the carrying value for all of its Property, Plant & Equipment as recognised in its previous GAAP financial statements as deemed cost on the transition date i.e. April 01 2021.

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Notes to financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in Lakhs)

6 Right-of-use asset

Right-of-Use Assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

Particular	Total
Gross Block	
Balance as at April 01, 2021	-
Additions	57.12
Deletions	-
Balance as at March 31, 2022	57.12
Additions	209.38
Deletions	-
Balance as at March 31, 2023	266.51
Accumulated Depreciation	
Balance as at April 01, 2021	-
Charge for the year	11.90
Disposals	-
Balance as at March 31, 2022	11.90
Charge for the year	70.19
Disposals	-
Balance as at March 31, 2023	82.09
Net Block	
Balance as at March 31, 2022	45.22
Balance as at March 31, 2023	184.41

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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7 Investment Property

Particular	Total
Gross Block	
Balance as at April 01, 2021	3,388.07
Additions	-
Deletions	-721.86
Balance as at March 31, 2022	2,666.21
Additions	-
Deletions	-537.96
Balance as at March 31, 2023	2,128.25
Accumulated Depreciation	
Balance as at April 01, 2021	155.99
Additions	147.50
Deletions	-62.56
Balance as at March 31, 2022	240.93
Additions	111.03
Deletions	-72.79
Balance as at March 31, 2023	279.17
Net Block	
Balance as at March 31, 2022	2,425.28
Balance as at March 31, 2023	1,849.08

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Notes to financial statement for the year ended March 31, 2023
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8 Non - Current Assets - Financial Assets - Investments	March 31, 2023	March 31, 2022	April 01, 2021
Unquoted Investments			
Investment stated at Cost			
Investment in Equity Instruments			
(a) Subsidiary companies	1,728.71	1,723.61	1,723.61
(b) Associate companies	372.40	-	-
Investment stated at Fair Value through profit and loss			
Investment in Mutual Funds	1,902.26	1,860.05	-
	4,003.37	3,583.66	1,723.61

Details of Non-current Assets - Financial Assets - Investments

	March 31, 2023	March 31, 2022	April 01, 2021
Investments in fully paid equity instruments			
(a) Subsidiary companies:			
(i) Chavare Engineering Pvt. Ltd. 2,04,000 (March 31, 2022: 2,04,000 and March 31, 2021: 2,04,000) equity shares of Rs. 10 each fully paid-up	816.00	816.00	816.00
(ii) Fine Aeration Systems Pvt. Ltd. 51,000 (March 31, 2022: Nil and March 31, 2021: Nil) equity shares of Rs. 10 each fully paid-up	5.10	-	-
(iii) Navitas Waste Treatment Pvt. Ltd. 10,000 (March 31, 2022: 10,000 and March 31, 2021: 10,000) equity shares of Rs. 10 each fully paid-up	1.00	1.00	1.00
(iv) SFC Umwelttechnik GmbH 7,17,000 (March 31, 2022: 7,17,000 and March 31, 2021: 7,17,000) equity shares of Euro 1 each fully paid-up	828.91	828.91	828.91
(v) Vasudha 7,40,000 (March 31, 2022: 7,40,000 and March 31, 2021: 7,40,000) equity shares of Rs. 10 each fully paid-up	77.70	77.70	77.70
	1,728.71	1,723.61	1,723.61
(b) Associate companies			
(i) Turbomax India Pvt. Ltd. 37,24,000 (March 31, 2022: Nil and March 31, 2021: Nil) equity shares of Rs. 10 each fully paid-up	372.40	-	-
	372.40	-	-

Details of quoted / unquoted investments:

	March 31, 2023	March 31, 2022	April 01, 2021
Aggregate book value of Unquoted investments	4,003.37	3,583.66	1,723.61
Aggregate market value of Unquoted investments	4,003.37	3,583.66	1,723.61
Aggregate amount of impairment in value of Investments	-	-	-

9 Non - Current Assets - Financial Assets - Loans (considered good, unless otherwise stated)	March 31, 2023	March 31, 2022	April 01, 2021
Unsecured Loans:			
- To Subsidiaries	4,350.00	4,350.00	1,213.00
- To Others	616.12	26.82	-
	4,966.12	4,376.82	1,213.00

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Notes to financial statement for the year ended March 31, 2023
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10 Non - Current Assets - Financial Assets - Others	March 31, 2023	March 31, 2022	April 01, 2021
Security deposits	75.72	49.03	237.86
Bank Deposits with more than twelve months maturity	2,252.86	2,221.54	345.95
	2,328.58	2,270.57	583.81

11 Non - Current Assets - Income tax assets (Net)	March 31, 2023	March 31, 2022	April 01, 2021
Advance income taxes (Net off provisions)*	60.53	-107.55	27.08
	60.53	-107.55	27.08

*Net of provisions as on Mar 31, 2023 - 3165.54 Lakhs (March 31, 2022 - 5036.30 Lakhs; April 01, 2021- Rs 2185.90 lakhs)

12 Non - current assets - Others	March 31, 2023	March 31, 2022	April 01, 2021
Prepaid Expense	17.97	6.28	7.68
	17.97	6.28	7.68

13 Current Assets - Inventories	March 31, 2023	March 31, 2022	April 01, 2021
(Valued at lower of cost and net realizable value)			
Finished Goods	4,198.97	2,076.45	1,057.76
	4,198.97	2,076.45	1,057.76

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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14 Current Assets - Financial Assets - Trade receivables

Secured, considered good
Unsecured, considered good

Less: Allowance for expected credit loss
Net trade receivables

	March 31, 2023	March 31, 2022	April 01, 2021
	-	-	-
	18,673.25	12,024.71	8,822.21
	18,673.25	12,024.71	8,822.21
	-901.45	-864.03	-1,137.01
	17,771.80	11,160.68	7,685.20

Ageing schedule of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	16,299.50	188.91	902.18	175.43	-	17,566.02
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	377.10	377.10
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	730.13	730.13
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-0.47	-4.51	-3.51	-892.96	-901.45
Total	-	-	16,299.50	188.44	897.66	171.92	214.27	17,771.80

SFC Environmental Technologies Private Limited

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Ageing schedule of trade receivables as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	10,344.21	219.23	159.34	174.80	-	10,897.59
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	631.88	631.88
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	495.25	495.25
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-0.55	-0.80	-1.50	-861.19	-864.03
Total	-	-	10,344.21	218.68	158.55	173.31	265.94	11,160.68

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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Ageing schedule of trade receivables as at April 01, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	6,023.70	81.18	943.67	443.05	-	7,491.61
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	363.31	363.31
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	967.29	967.29
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-0.20	-4.72	-8.86	-1,123.23	-1,137.01
Total	-	-	6,023.70	80.98	938.95	434.19	207.37	7,685.20

Refer note 49 about information on credit risk and market risk of trade receivables.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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15	Current Assets - Financial Assets - Cash & cash equivalents	March 31, 2023	March 31, 2022	April 01, 2021
	Cash in Hand:			
	- Cash in Hand	-	0.02	0.12
	- Foreign Cash in Hand	8.52	1.49	1.72
	Balances with banks:			
	- On current account	1,983.65	1,981.23	2,226.24
	- Deposit with original maturity of less than three months	-	-	586.17
		1,992.17	1,982.74	2,814.25
16	Current Assets - Financial Assets - Other bank balances	March 31, 2023	March 31, 2022	April 01, 2021
	Deposits with banks*	9,518.42	8,883.60	10,388.62
	Ear Marked Bank Balances - Dividend	0.49	0.39	0.24
		9,518.91	8,883.99	10,388.86
	*Note: Fixed deposit is in lien with bank overdraft from Kotak Mahindra Bank of Rs. 504 lakhs (As on March, 31 2022 : Rs 1,500 lakhs , As on April 01, 2021 : Nil)			
17	Current Assets - Financial Assets - Loans (considered good, unless otherwise stated)	March 31, 2023	March 31, 2022	April 01, 2021
	Unsecured Loans:			
	- To Subsidiaries	3,786.28	3,210.14	2,215.72
	- To Employees	191.76	42.95	1.47
		3,978.04	3,253.09	2,217.19
18	Current Assets - Financial Assets - Others (considered good, unless otherwise stated)	March 31, 2023	March 31, 2022	April 01, 2021
	Earnest Money Deposits	86.10	399.91	157.91
	Advance to Others	-	-	644.67
		86.10	399.91	802.58
19	Other current assets	March 31, 2023	March 31, 2022	April 01, 2021
	Balance with government authorities	3,123.81	167.63	104.19
	Advance to suppliers	177.58	1,667.69	1,220.96
	Prepaid expenses	70.44	69.45	35.26
	Export Incentives Receivable	3.60	19.12	-
	Other assets	-	-	330.00
		3,375.43	1,923.89	1,690.41

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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20 Equity Share Capital

	March 31, 2023	March 31, 2022	April 01, 2021
Authorized			
1,74,00,000 (March 31, 2022: 1,74,00,000 ,April 01, 2021: 1,74,00,000) equity shares of Rs. 10 each	1,740.00	1,740.00	1,740.00
	1,740.00	1,740.00	1,740.00
Issued, subscribed and paid up			
62,27,418 (March 31, 2022: 62,27,418 ,April 01, 2021: 62,27,418) equity shares of Rs.10 each fully paid up	622.74	622.74	622.74
	622.74	622.74	622.74

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	62,27,418	622.74	62,27,418	622.74	60,00,000	600.00
Add: Issuance and allotment of shares (refer note f below)	-	-	-	-	50,27,418	502.74
Less: cancellation of shares (refer note f below)					-48,00,000	-480.00
Outstanding at the end of the year	62,27,418	622.74	62,27,418	622.74	62,27,418	622.74

(b) Particulars of shares held by shareholders holding more than 5% of the aggregate shares in the Company (refer note f below)

Name of the shareholder	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Enviropro Water Tech Private Limited	-	0.00%	-	0.00%	48,00,000	80.00%
Mr. Sandeep Asolkar	21,05,698	33.81%	21,05,698	33.81%	9,00,000	15.00%
Mrs. Aparna Kapoor	5,74,778	9.23%	5,74,778	9.23%	3,00,000	5.00%
Mr. Saket Dhandoriya	5,62,275	9.03%	5,62,275	9.03%	-	-
Mr. Rajesh Nambisan	3,74,801	6.02%	3,74,801	6.02%	-	-
Mr. Sandeep Parab	3,74,801	6.02%	3,74,801	6.02%	-	-
Mr. Madurakavi Kumaraguru	3,74,801	6.02%	3,74,801	6.02%	-	-
Mr. Sarvesh Garg	3,74,801	6.02%	3,74,801	6.02%	-	-
	47,41,955	76.15%	47,41,955	76.15%	60,00,000	100.00%

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Notes to financial statement for the year ended March 31, 2023

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(c) Shares held by promoters in the company (refer note f below)

Name of the Promoter	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Enviropro Water Tech Private Limited	-	0.00%	-	0.00%	48,00,000	80.00%
Mr. Sandeep Asolkar	21,05,698	33.81%	21,05,698	33.81%	9,00,000	15.00%
Mrs. Aparna Kapoor	5,74,778	9.23%	5,74,778	9.23%	3,00,000	5.00%
	26,80,476	43.04%	26,80,476	43.04%	60,00,000	100.00%

(d) Shares held by holding company (refer note f below)

Name of the Shareholder	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs. 10 each fully paid up held by SFC Environmental Technologies Pvt. Ltd.	-	-	-	-	48,00,000	80.00%
	-	-	-	-	48,00,000	80.00%

(e) Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having Face Value of Rs 10/- per share. Each holder of Equity Share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However no such preferential amount exists as at March 31, 2023. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(f) Pursuant to the Clause 14 of the Composite Scheme of Amalgamation of Enviropro Water Tech Private Limited and Intergeo Solid Waste Management Private Limited with the Company approved by the National Company Law Tribunal, following shall be deemed to have occurred on the Appointed Date (i.e. as on 1 April 2021):

- issuance and allotment of New Shares to the shareholders of the First Transferor Company (i.e. Enviropro Water Tech Private Limited) as on the Record Date.
- reduction of share capital of the Company to the extent of face value of the shares held by the First Transferor Company.

(g) During the Financial Year 2022-2023 the Company has not issued any shares to any of its director or other person (other than note f above). The Company has not allotted any equity shares as bonus shares during the period of five years immediately preceding March 31, 2023 and also March 31, 2022. Further the Company has not bought back any equity shares during the aforesaid period.

The Company does not have any securities outstanding as at March 31, 2023 and also as at March 31, 2022 which are convertible into equity/preference shares.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Lakhs)

21 Other equity

A Movement in reserves and surplus	March 31, 2023	March 31, 2022	April 01, 2021
Retained earnings	37,469.87	31,094.54	22,951.11
General Reserves	702.37	702.37	702.37
Securities Premium	39.67	39.67	39.67
Total Reserve and Surplus	38,211.91	31,836.58	23,693.15
Retained earnings	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	31,094.52	22,951.11	24,412.63
Add: Profit for the year	9,069.95	8,143.43	-
Less : Effect of merger	-	-	(493.97)
Add: Ind AS transition impact	-	-	(967.55)
Less: Dividend Paid	(2,694.60)	-	-
Closing balance	37,469.87	31,094.54	22,951.11
General Reserves	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	702.37	702.37	702.37
Add: Profit for the year	-	-	-
Add: Ind AS transition impact	-	-	-
Closing balance	702.37	702.37	702.37
Securities Premium	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	39.67	39.67	39.67
Add: Profit for the year	-	-	-
Add: Ind AS transition impact	-	-	-
Closing balance	39.67	39.67	39.67
B Movement in Other Comprehensive Income	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	-8.08	-	-
Add: Re-measurement loss on defined benefit liabilities (net of tax)	(55.28)	(8.08)	-
Closing balance	(63.36)	(8.08)	-
Total other equity	38,148.55	31,828.50	22,951.11
22 Non - Current Liabilities - Financial Liabilities - Leases	March 31, 2023	March 31, 2022	April 01, 2021
Long term maturities of lease obligations (refer note 50)	82.39	15.21	-
	82.39	15.21	-
23 Non - Current Liabilities - Provisions	March 31, 2023	March 31, 2022	April 01, 2021
Provision for employee benefits			
Net defined benefit liability- Gratuity (refer note 45)	112.00	17.87	-
	112.00	17.87	-
24 Current Liabilities - Financial Liabilities - Borrowings	March 31, 2023	March 31, 2022	April 01, 2021
Bank Overdraft*	4,578.83	2,099.08	978.31
	4,578.83	2,099.08	978.31
25 Current Liabilities - Financial Liabilities - Leases	March 31, 2023	March 31, 2022	April 01, 2021
Lease obligations (refer note 50)	107.50	30.89	-
	107.50	30.89	-

*Note: Overdraft facility has been received from various banks, for the purpose of working capital with interest rate ranging from 7.95% to 9.50% p.a., which is repayable on demand. The said overdrafts are against primary security of lien of fixed or time Deposits, primary hypothecation of current assets, guest houses, movable fixed assets, investment properties, collateral of office premises.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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26 Current Liabilities - Financial Liabilities - Trade Payables

	March 31, 2023	March 31, 2022	April 01, 2021
Total outstanding dues of micro and small enterprises	1,640.16	1,277.63	1,332.14
Total outstanding dues of creditors other than micro and small enterprises	6,822.30	5,013.79	2,532.83
	8,462.46	6,291.41	3,864.97

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

Particulars	March 31, 2023	March 31, 2022	April 01, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,640.16	1,277.63	1,332.14
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-	-

Ageing schedule for trade payables outstanding as at March 31, 2023:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
(i) MSME	-	-	1,620.00	-	-	20.16	1,640.16
(ii) Others	-	-	6,819.79	2.51	-	-	6,822.30
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	8,439.79	2.51	-	20.16	8,462.46

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

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Ageing schedule for trade payables outstanding as at March 31, 2022:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
(i) MSME	-	-	1,257.57	-	2.00	18.06	1,277.63
(ii) Others	-	-	5,013.56	0.23	-	-	5,013.79
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	6,271.13	0.23	2.00	18.06	6,291.41

Ageing schedule for trade payables outstanding as at April 01, 2021:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
(i) MSME	-	-	1,312.09	2.00	-	18.06	1,332.14
(ii) Others	-	-	2,532.82	0.00	-	-	2,532.82
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	3,844.91	2.00	-	18.06	3,864.97

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

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	March 31, 2023	March 31, 2022	April 01, 2021
27 Current Liabilities - Financial Liabilities - Others			
Creditors for Capital Goods	2.01	0.76	-
Creditors for Expenses	546.30	389.78	486.84
Employee benefits payable	183.77	-	1,420.67
	732.08	390.54	1,907.51
28 Current liabilities - Others			
Statutory dues Payable			
GST	3,923.03	363.21	379.30
TDS	75.69	318.07	923.36
ESIC	-	0.02	-
Profession Tax payable	0.28	0.23	-0.01
Provident fund payable	5.55	4.35	3.75
Contract Liabilities	668.07	1,068.86	3,043.93
Other Payables	1.25	1,905.31	867.03
Provision for Expenses	54.82	24.14	43.62
	4,728.69	3,684.19	5,260.98
29 Provisions			
Provision for Gratuity (refer note 45)	0.60	0.60	-0.78
	0.60	0.60	-0.78
30 Current tax liabilities			
Provision for tax*	-	-	-
	-	-	-

*Refer Note 11

SFC Environmental Technologies Private Limited
Notes to financial statement for the year ended March 31, 2023
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31 Revenue from operations

Revenue from contracts with customer

Sale of Goods
Sale of Services

Total(A)

Other operating revenues

Export Benefits Earned
Scrap Sales
Corporate Guarantee Consideration

Total (B)

Total revenue from operations (A+B)

	Year Ended March 31, 2023	Year ended March 31, 2022
	37,649.91	29,419.91
	3,471.51	9,403.42
	41,121.42	38,823.33
	37.71	48.16
	18.03	-
	16.00	32.00
	71.74	80.16
	41,193.16	38,903.49

32 Other income

Interest income under the effective interest method on

Interest on Loans
Interest Income from Term Deposits
Interest Income on Security Deposits
Net gain on fair valuation of investment in mutual Funds
Net gain on foreign currency transactions
Net gain on sale of Property, Plant & Equipment
Net gain on sale of Investment Property
Insurance Claim
Rent Income
Miscellaneous income

Total other income

	Year Ended March 31, 2023	Year ended March 31, 2022
	568.99	216.58
	582.61	601.71
	2.20	0.28
	42.21	-44.95
	92.34	136.09
	11.07	106.36
	199.08	305.42
	8.84	8.69
	7.70	1.80
	8.16	-
	1,523.20	1,331.99

33 Impairment gain on financial assets

Impairment gain on trade receivables arising from contracts with customer

	Year Ended March 31, 2023	Year ended March 31, 2022
	-	272.98
	-	272.98

34 Purchases of stock-in-trade

Purchase of Goods and Services - Domestic
Purchase of Goods and Services - Imports

	Year Ended March 31, 2023	Year ended March 31, 2022
	23,711.37	12,257.77
	1,369.04	11,327.72
	25,080.41	23,585.49

35 Changes in inventories of Work in Progress

Inventories at the beginning of the year

- Finished Goods

Less: Inventories at the end of the year

- Finished Goods

Net decrease/ (increase)

	Year Ended March 31, 2023	Year ended March 31, 2022
	2,076.45	1,057.76
	2,076.45	1,057.76
	4,198.97	2,076.45
	4,198.97	2,076.45
	(2,122.52)	(1,018.69)

36 Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity (refer note 45)
Directors' Remuneration
Staff welfare expenses

Total employee benefits expense

	Year Ended March 31, 2023	Year ended March 31, 2022
	2,466.76	2,038.75
	168.72	111.03
	19.83	17.81
	653.06	787.74
	111.88	73.71
	3,420.25	3,029.04

37 Finance costs

Interest expense on Financial liabilities measured at amortized cost

- on Bank Overdraft
Other Borrowing Costs
Interest expense on lease liabilities
Interest on delayed payment of taxes

Total finance costs

	Year Ended March 31, 2023	Year ended March 31, 2022
	179.00	92.47
	141.81	131.53
	13.39	1.91
	3.48	22.29
	337.68	248.20

	Year Ended March 31, 2023	Year ended March 31, 2022
38 Depreciation and amortization expense		
Depreciation on property, plant and equipment	286.09	246.91
Depreciation on right-of-use asset	70.19	11.90
Depreciation on Investment property	111.03	147.50
Total depreciation and amortization expense	467.31	406.32
39 Impairment Losses on financial assets		
Impairment loss on trade receivables arising from contracts with customer	37.42	-
	37.42	-
40 Other expenses		
Bank Charges	17.12	44.92
Repair and maintenance	142.81	94.85
Travelling & conveyance	383.49	206.56
Lodging Expenses	302.39	144.94
Labour charges	18.61	-
Advertisement and marketing expenses	88.68	28.51
Legal & professional fees	712.95	457.96
Rent	19.41	26.98
Insurance	49.19	49.40
Donation	140.06	76.82
Rates & taxes	41.67	38.82
Payment to auditors (refer note 40.a)	10.00	8.15
Commission	9.75	1.30
Miscellaneous expenses	7.60	17.50
Computer Expenses	10.13	-
Subscription Expenses	16.59	4.80
Printing & Stationery Expenses	19.78	15.39
Consultancy Charges	229.63	234.66
GST Expenses	11.97	33.45
Merger Related Expenses	0.20	-
Telephone & Internet charges	12.63	8.74
Bad Debts written off	8.45	357.11
Other Assets written off	-	330.00
Brokerage Expenses	9.03	13.66
Electricity Expenses	23.65	14.97
Guest House Expenses	19.53	10.23
Postage & Courier	40.91	14.80
Recruitment Charges	3.12	-
Security Charges	14.15	10.42
Inspection Charges	55.29	91.04
O & M Expenses	110.89	156.46
Packing & Forwarding Expenses	3.10	6.96
Transportation Charges	533.73	330.67
Clearing and Forwarding	10.55	314.81
Vehicle Expenses	22.55	15.58
Business Promotion	52.88	34.92
Site Expenses	86.58	9.05
Fabrication Charges	1.79	-
Total other expenses	3,240.86	3,204.42
40.a) Payment to auditors		
As auditor:		
Statutory audit	10.00	8.15
Total	10.00	8.15
41 Income Tax		
(A) Current tax expense	March 31, 2023	March 31, 2022
- Current tax charge	3,240.39	2,853.18
- Short/(Excess) provision of income tax of earlier years	56.37	-
- Deferred tax charge / (income)	(55.40)	57.06
Income tax expense reported in the statement of profit or loss	3,241.36	2,910.25
(B) Deferred tax relates to the following:		
Deferred tax assets	March 31, 2023	March 31, 2022
On Investment property	70.26	62.88
On lease arrangements as per Ind AS 116	48.94	6.88
On Fair valuation of investment	0.69	11.31
On Expected Credit loss for Trade Receivables	226.90	217.48
	346.79	298.55

Deferred tax liabilities

On property, plant and equipment

66.57 73.72

66.57 73.72

Deferred Tax Asset/Liabilities (Net)

280.22 224.83**(C) Income tax expense charged to OCI**

Items that will not be reclassified to profit or loss

Net loss/(gain) on remeasurements of defined benefit liability(asset)

Income tax charged to OCI

March 31, 2023 March 31, 2022

19.02 2.78

19.02 2.78**(D) Reconciliation of effective tax rate**

Profit before tax from continuing operations

Tax using the Company's domestic tax rate

Tax effect of:

-Non Deductible expenses

-Taxable at different rate

-Interest on late payment of taxes

Short/(Excess) provision of income tax of earlier years

Others

Deferred tax impact

Income tax expense

March 31, 2023 March 31, 2022

12,254.95 11,053.68

3,084.32 2,781.99

35.27 19.33

(12.98)

48.61 -

56.37 -

28.79 51.86

(55.40) 57.06

3,184.99 2,910.24**Movement in deferred tax balances**

For the year ended March 31, 2023:

Particulars	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
Tax effect of items constituting deferred tax asset				
On Investment property	62.88	7.39		70.26
On lease arrangements as per Ind AS 116	6.88	42.06		48.94
On Fair valuation of investment	11.31	(10.62)		0.69
On Expected Credit loss for Trade Receivables	217.48	9.42		226.90
	298.55	48.24	-	346.79
Tax effect of items constituting deferred tax liabilities				
On property, plant and equipment	73.72	(7.15)		66.57
	73.72	(7.15)	-	66.57
Net Deferred Tax Asset / (Liabilities)	224.83	55.40	-	280.22

For the year ended March 31, 2022:

Particulars	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
Tax effect of items constituting deferred tax asset				
On Investment property	39.26	23.61		62.88
On lease arrangements as per Ind AS 116	-	6.88		6.88
On Fair valuation of investment	-	11.31		11.31
On Expected Credit loss for Trade Receivables	286.19	(68.70)		217.48
	325.45	(26.90)	-	298.55
Tax effect of items constituting deferred tax liabilities				
On property, plant and equipment	43.56	30.16		73.72
	43.56	30.16	-	73.72
Net Deferred Tax Asset / (Liabilities)	281.89	(57.06)	-	224.83

42. Earnings per share ("EPS")

Profit for the year for basic and diluted EPS (A)

Weighted average number of Equity shares outstanding for calculating basic and diluted EPS (B)

Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share) (A/B)

Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share) (A/B)

Year ended March 31, 2023 Year ended March 31, 2022

9,069.95 8,143.43

62,27,418 62,27,418

145.65 130.77

145.65 130.77

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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43	Contingent liabilities and commitments	Year ended	Year ended
		March 31, 2023	March 31, 2022
I.	Claims against the company not acknowledged as debts		
	Corporate Guarantees Given - Chavare Engineering Pvt Ltd	1,600.00	1,600.00
	Total Contingent Liabilities	1,600.00	1,600.00
II.	Capital commitments	March 31, 2023	March 31, 2022
		Nil	Nil

There are no capital commitments for the company as on March 31, 2023 and also as on March 31, 2022.

44 Scheme Of Merger

The Board of Directors of the Company had approved the Composite Scheme of Amalgamation and Arrangement (the 'Scheme') for merger of Enviropro Water Tech Private Limited and Intergeo Solid Waste Management Private Limited with the Company and application seeking approval of the Scheme was filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 27 December 2022. The standalone financial statements of the Company for the year ended 31 March 2022 were approved by the Board of Directors at its meeting held on 7 December 2022.

On receipt of the certified copy of the order dated 10 February 2023 from NCLT, Mumbai Bench sanctioning the Scheme, with appointed date 01 April 2021, and upon filing the same with Registrar of Companies, Maharashtra on 9 March 2023 the Scheme has become effective.

Accordingly, the Company has given effect to the Scheme in the earlier approved standalone financial statements for the year ended 31 March 2022 from the Appointed date of 01 April 2021 by restating the standalone financial statements approved by the Board of Directors on 7 December 2022 as per clause 13.1 of the Scheme. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values.

The restatement to the standalone financial statements for the year ended 31 March 2022 have been carried out solely for the impact of above referred merger and no additional adjustments have been carried out for any other events occurring after 7 December 2022 (being the date when the financial statements were first approved by the Board of Directors of the Company).

Name of the transferor company	1. Enviropro Water Tech Private Limited 2. Intergeo Solid Waste Management Private Limited
General nature of business	Provides advanced technologies in the fields of Municipal Sewage & Solid Waste Treatment
Appointed Date of the Scheme	01-Apr-21
Number of shares issued	50,27,418
Number of equity shares exchanged	1,750 Equity shares issued of the Company for every 1,000 equity shares held of
Pursuant to the approved Scheme, the Transferee Company has accounted for the merger in its books as per the pooling of interests method as mentioned in Indian Accounting Standard (Ind AS) 103 Business Combinations.	

a) Accounting treatment

- The Transferee Company has recorded all the assets, liabilities and reserves of the Transferor Company vested in it pursuant to this Scheme, at their book values and in the same form as appearing in the books of the Transferor Company as on the Appointed Date, by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and prescribed under Companies (Indian Accounting Standards) Rules, 2015 issued by the Institute of Chartered Accountants of India.
- The financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- Investments in shares of the Transferor Company held by the Transferee Company have been adjusted against Share Capital of the Transferor Company and the difference, between cost of investment of the Transferor Company in the books of the Transferee Company has been adjusted against balance of reserves and surplus of the Transferee Company post-merger.
- The identity of the reserves has been preserved and appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

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Notes to financial statement for the year ended March 31, 2023

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- b) The book value of assets and liabilities taken over in accordance with the terms of the scheme at the following summarised values:

Particulars	Amount (in Lakhs)
ASSETS	
Non-Current Assets	
Property, Plant and Equipments	66.78
Non-Current Investments	926.99
Total Non-Current Assets	993.76
Current Assets	
Trade receivables	51.44
Cash and Cash Equivalents	761.65
Other Current Assets	7.56
Total Current Assets	820.65
TOTAL ASSETS (A)	1,814.41
II. EQUITY AND LIABILITIES	
Equity	
Other equity	1,103.59
Total equity	1,103.59
Non-Current Liabilities	
Deferred Tax Liabilities (Net)	11.74
Total Non-Current Liabilities	11.74
Current Liabilities	
Short-Term Borrowings	84.20
Trade Payables	
(i) due to Micro, Small and Medium Enterprises	-
(ii) due to Others	1.30
Other Current Liabilities	1.30
Total Current Liabilities	86.80
TOTAL EQUITY AND LIABILITIES (B)	1,202.13
Total net identifiable assets acquired C = (A-B)	612.28
Cancellation of shares of the Company (D)	480.00
Cost of investment in the Merged Undertaking (E)	-1,083.51
Purchase consideration (Fresh issue of equity shares) (F)	-502.74
Net impact transferred to other equity (C+D-E-F)	-493.97

- a) Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the Company Rs 493.96 lakhs has been debited to the other equity of the Company.
- b) As the appointed date of the Scheme is 1 April 2021, the previous year's numbers for the year ended 31 March 2021 have been restated to include the financial information of the Transferor Company.
- c) The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferor Companies (Refer note 20).

SFC Environmental Technologies Private Limited
Notes to financial statement for the year ended March 31, 2023
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45 Employee benefits

(I) Defined Contribution Plans
Employer's Contribution to Provident fund and ESIC

(a) During the year, the Company's contribution to Provident Fund and ESIC is recognized in the statement of Profit and loss under

	Year ended March 31, 2023	Year ended March 31, 2022
- Employer's contribution to Provident Fund and other funds	168.72	111.03

(II) Defined benefit plans

Every employee is entitled to the benefit equivalent to 15 days of total gross salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the company on retirement or separation or death or permanent disablement in terms of the provisions of the payment of Gratuity Act.

Particulars	Gratuity (Funded)	
	As at March 31, 2023	As at March 31, 2022
I) Reconciliation in present value of obligation (PVO)		
Defined benefit obligation:		
Liability at the beginning of the year	240.15	204.69
Interest Cost	17.31	14.33
Current service cost	21.26	18.06
Benefits paid	-12.37	-6.32
Actuarial (Gain)/ Loss - Financial Assumptions	-5.74	-
Actuarial (Gain)/ Loss - Experience	76.99	9.39
Liability at the end of the year	337.61	240.15
II) Change in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	224.56	205.47
Expected return on plan assets	16.46	14.38
Employer Contributions	-	12.50
Benefits paid	-12.37	-6.32
Actuarial gain/(loss) on plan assets	-3.04	-1.46
Funded status	225.61	224.56
III) Expenses recognized in the Statement of Profit & Loss:		
Current service cost	21.26	18.06
Net Interest costs	0.85	-0.05
Other expenses/adjustments	-	-
Components of Defined Benefit Cost recognized in Profit and loss	22.11	18.01
IV) Expenses recognized in the Other Comprehensive Income:		
Actuarial (gain) / loss	74.30	10.86
	74.30	10.86

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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IV) Included in Other Comprehensive Income

Amount recognized in OCI, Beginning of the period	-	-
Remeasurements due to:		
Effect of Change In financial assumptions	-5.74	-
Effect of Change In Demographic assumptions	76.99	9.39
Effect of experience adjustments	-	-
Return on plan Assets(excluding interest)	3.04	1.46
Total Remeasurements recognized in OCI	74.30	10.86
Amount recognized in OCI, End of the period	74.30	10.86

V) Net Liability recognized in the balance sheet

Fair value of plan assets at the end of the year	225.61	224.56
Liability at the year end	(337.61)	(240.15)
Amount recognized in the balance sheet	(112.00)	(15.59)

VI) Category of assets as at the end of the year:

Insurer Managed Fund	100%	100%
(Fund is managed by LIC as per Insurance Regulatory & Development Authority guidelines)		

VII) Actuarial Assumptions

	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.33%
Expected salary increase rate	5.00%	5.00%
Attrition rate	2.00%	2.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	60 years	60 years

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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VIII) Experience adjustments	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	337.61	240.15
Fair value of the plan assets	225.61	224.56
(Surplus)/ Deficit in the plan	112.00	15.59
Experience adjustments on:		
On plan liability	76.99	9.39
On plan asset	-3.04	-1.46

Being the first year of obtaining actuarial reports, the disclosure of liability as per actuarial report for the past 5 years is not applicable.

Five Year disclosure of liability as per Actuarial report:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit obligation	337.61	240.15	-	-	-
Fair value of Plan Assets	225.61	224.56	-	-	-
(Surplus)/ Deficit	112.00	15.59	-	-	-
Experience Adjustments on Plan Assets	-3.04	-1.46	-	-	-
(Gains)/Losses due to change in Assumptions	-5.74	-	-	-	-
Experience (Gains)/ Losses on DBO	76.99	9.39	-	-	-
Total Actuarial (Gain)/Loss on DBO	71.26	9.39	-	-	-

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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IX) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions,

	Year ended March 31, 2023	Year ended March 31, 2022
Increase in		
Discount rate (1% movement)	30.87	22.43
Future salary growth (1% movement)	-19.00	-19.80
Decrease in		
Discount rate (1% movement)	-36.07	-26.19
Future salary growth (1% movement)	20.84	17.36

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

X) Expected future cash flows

The expected contributions for the defined benefit plan for the next financial years are mentioned

Expected future benefit payments	As At March 31, 2023	As At March 31, 2022
Year 1	14.05	7.92
Year 2	12.35	9.69
Year 3	30.86	8.69
Year 4	12.36	26.63
Year 5	30.00	8.60
Year 6-10	173.99	122.97
Above 10 years	577.99	411.53
Average Expected Future Working life (in years)	18.42	18.06

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage

XI) Leave encashment expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Expense recognized in the statement of profit and loss	-	-

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46 Related Party Disclosures

1 Names of related parties and nature of relationship:

Subsidiary Companies:

Navitas Waste Treatment Pvt. Ltd.	Wholly Owned Subsidiary Company
SFC Umwelttechnik GmbH	Subsidiary Company
Chavare Engineering Pvt. Ltd.	Subsidiary Company
Vasudha Waste Treatment Pvt. Ltd.	Subsidiary Company
Fine Aeration Systems Private Limited	Subsidiary Company

Associate Companies:

Hindustan Waste Treatment Pvt. Ltd.	Associate Company
Turbomax India Private Limited	Associate Company

Company where there is common director

Crest IT Consulting Pvt. Ltd.	Company where there is one common director upto 10th November 2021
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2 Key Management Personnel:

Sandeep Asolkar	Managing Director
Aparna Kapoor	Director upto 10th November, 2021
Sandeep Parab	Director
Veera Venkata Satyanarayana Yannamani	Director
Sarvesh Garg	Director

3 Company Secretary:

Shweta Deshpande

SFC Environmental Technologies Private Limited

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4 Disclosure of transactions between the Company and Related parties and the status of outstanding balances as at year ending

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Transactions with related parties:		
Directors Remuneration and Incentives		
Sandeep Asolkar	329.93	348.58
Aparna Kapoor	-	86.81
Sandeep Parab	118.27	118.57
Y V V Satyanarayana	118.27	107.96
Sarvesh Garg	118.27	111.40
Salary		
Shweta Deshpande	0.48	-
Dividend		
Sandeep Asolkar	365.00	-
Purchases of Material at Gross		
Chavare Engineering Pvt. Ltd.	515.17	885.56
Purchase of Service & Material		
Crest IT Consulting Pvt. Ltd.	17.18	24.59
Purchase of Assets		
Crest IT Consulting Pvt. Ltd.	-	0.38
Repairs & Maintenance Expenses- Material		
Chavare Engineering Pvt. Ltd.	0.16	-
Professional Fees		
Chavare Engineering Pvt. Ltd.	-	0.45
Erection, Commissioning & Installation Charges		
Chavare Engineering Pvt. Ltd.	48.72	-
Loan Given		
Navitas Waste Treatment Pvt. Ltd.	130.00	1,705.00
Vasudha Waste Treatment Pvt. Ltd.	1,380.95	3,139.06
Fine Aeration Systems Private Limited	70.00	-
Repayment of Loan received		
Navitas Waste Treatment Pvt. Ltd.	930.00	905.00
Vasudha Waste Treatment Pvt. Ltd.	75.25	-

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	Year ended March 31, 2023	Year ended March 31, 2022
Rent Received		
Navitas Waste Treatment Pvt. Ltd.	2.12	2.12
Turbomax India Private Limited	1.06	-
Sales		
Hindustan Waste Treatment Pvt. Ltd.	-	1,749.31
Fine Aeration Systems Private Limited	7.96	-
Supply of Services		
Hindustan Waste Treatment Pvt. Ltd.	788.24	198.24
Vasudha Waste Treatment Pvt. Ltd.	6,489.14	9,509.46
Interest on Loan		
Hindustan Waste Treatment Pvt. Ltd.	1.45	-
Vasudha Waste Treatment Pvt. Ltd.	525.71	213.74
Fine Aeration Systems Private Limited	0.48	-
Reimbursement of Expenses		
Hindustan Waste Treatment Pvt. Ltd.	-	15.04
Vasudha Waste Treatment Pvt. Ltd.	0.02	-
Sale of Car		
Hindustan Waste Treatment Pvt. Ltd.	-	6.00
Vasudha Waste Treatment Pvt. Ltd.	-	4.69
Reimbursement of Fees towards Business Support Services		
Turbomax India Private Limited	60.85	-

(ii) Balances outstanding as at the year end March 31, 2023 and March 31, 2022 are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Chavare Engineering Pvt. Ltd.	183.50	84.15
Navitas Waste Treatment Pvt. Ltd. - Loan Account	1,862.89	2,662.89
Navitas Waste Treatment Pvt. Ltd. - Interest Receivable	352.82	352.82
Hindustan Waste Treatment Pvt. Ltd.	15.12	417.76
Crest IT Consulting Pvt. Ltd.	2.01	0.76
Vasudha Waste Treatment Pvt. Ltd. - Loan Account	5,850.13	4,544.42
Vasudha Waste Treatment Plant Private Limited	1,874.42	-
Vasudha Waste Treatment Pvt. Ltd. - Interest Receivable	473.14	-
Fine Aeration Systems Pvt Ltd	7.96	-
Fine Aeration Systems Pvt Ltd - Loan Account	70.44	-
Turbomax India Private Limited	61.91	-

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47 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) i.e. Board of Directors. The CODM regularly monitors and reviews the operating result of the whole Company as two segment of "C-Tech Business & Solid Waste Management Project". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

Particulars	For year ended March 31, 2023				For year ended March 31, 2022			
	C-Tech Business	Solid Waste Management Project	Unallocable Segment	Total	C-Tech Business	Solid Waste Management Project	Unallocable Segment	Total
Revenue:								
External Revenue	34,973.85	6,203.32	16.00	41,193.17	29,435.14	9,435.72	32.62	38,903.49
Segment revenue	34,973.85	6,203.32	16.00	41,193.17	29,435.14	9,435.72	32.62	38,903.49
Interest Income	-	-	1,153.80	1,153.80	-	-	818.57	818.57
Interest Expense	179.00	-	-	179.00	92.47	-	-	92.47
Depreciation and amortisation	271.68	6.70	188.93	467.31	240.69	2.99	162.64	406.32
Impairment loss on trade receivables arising from contracts with customer (provision for doubtful debt)	-	-	8.45	8.45	277.65	-	79.51	357.16
Segment assets	2,843.74	4.36	44.13	2,892.23	2,400.58	11.06	-	2,411.64
Capital expenditure	635.56	-	44.13	679.69	114.75	11.06	-	125.81
Segment liabilities	4,687.81	459.94	10,106.81	15,254.56	3,561.74	485.22	8,690.58	12,737.54

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Notes to financial statement for the year ended March 31, 2023

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48 Fair values of financial assets and financial liabilities

The fair value of loans, cash and cash equivalents, trade receivables, other current financial assets, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at March 31, 2023

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Investments - Non-current	-	-	4,003.37	4,003.37	-	4,003.37	-	4,003.37
Loans - Non-current	-	-	4,966.12	4,966.12	-	-	4,966	4,966.12
Other financial assets - Non-current	-	-	2,328.58	2,328.58	-	-	2,329	2,328.58
Trade receivables - Current	-	-	17,771.80	17,771.80	-	-	17,772	17,771.80
Cash and cash equivalents - Current	-	-	1,992.17	1,992.17	-	-	1,992	1,992.17
Other bank balance - Current	-	-	9,518.91	9,518.91	-	-	9,519	9,518.91
Loans - Current	-	-	3,978.04	3,978.04	-	-	3,978	3,978.04
Other Financial Asset - Current	-	-	86.10	86.10	-	-	86	86.10
Financial Liabilities								
Lease liabilities - Non-current	-	-	82.39	82.39	-	-	82	82.39
Borrowings	-	-	4,578.83	4,578.83	-	-	4,579	4,578.83
Lease liabilities - Current	-	-	107.50	107.50	-	-	108	107.50
Trade payables - Current	-	-	8,462.46	8,462.46	-	-	8,462	8,462.46
Other financial liabilities - Current	-	-	732.08	732.08	-	-	732	732.08

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As at March 31, 2022

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Investments - Non-current			3,583.66	3,583.66	-	3,583.66	-	3,583.66
Loans - Non-current			4,376.82	4,376.82	-	-	4,377	4,376.82
Other financial assets - Non-current			2,270.57	2,270.57	-	-	2,271	2,270.57
Trade receivables - Current			11,160.68	11,160.68	-	-	11,161	11,160.68
Cash and cash equivalents - Current			1,982.74	1,982.74	-	-	1,983	1,982.74
Other bank balance - Current			8,883.99	8,883.99	-	-	8,884	8,883.99
Loans - Current			3,253.09	3,253.09	-	-	3,253	3,253.09
Other Financial Asset - Current			399.91	399.91	-	-	400	399.91
Financial Liabilities								
Lease liabilities - Non-current			15.21	15.21	-	-	15	15.21
Borrowings - Current			2,099.08	2,099.08	-	-	2,099	2,099.08
Lease liabilities - Current			30.89	30.89	-	-	31	30.89
Trade payables - Current			6,291.41	6,291.41	-	-	6,291	6,291.41
Other financial liabilities - Current			390.54	390.54	-	-	391	390.54

As at April 01, 2021

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Investments - Non-current	-	-	1,723.61	1,723.61	-	1,723.61	-	1,723.61
Loans - Non-current	-	-	1,213.00	1,213.00	-	-	1,213.00	1,213.00
Other financial assets - Non-current	-	-	583.81	583.81	-	-	583.81	583.81
Trade receivables - Current	-	-	7,685.20	7,685.20	-	-	7,685.20	7,685.20
Cash and cash equivalents - Current	-	-	2,814.25	2,814.25	-	-	2,814.25	2,814.25
Other bank balance - Current	-	-	10,388.86	10,388.86	-	-	10,388.86	10,388.86
Loans - Current	-	-	2,217.19	2,217.19	-	-	2,217.19	2,217.19
Other Financial Asset - Current	-	-	802.58	802.58	-	-	802.58	802.58
Financial Liabilities								
Lease liabilities - Non-current	-	-	-	-	-	-	-	-
Borrowings - Current	-	-	978.31	978.31	-	-	978.31	978.31
Lease liabilities - Current	-	-	-	-	-	-	-	-
Trade payables - Current	-	-	3,864.97	3,864.97	-	-	3,864.97	3,864.97
Other financial liabilities - Current	-	-	1,907.51	1,907.51	-	-	1,907.51	1,907.51

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49 Risk management Framework

The Company's principal financial liabilities comprises of of borrowings, lease liabilities, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations. The Company is exposed preliminary to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets & seek to minimize potential adverse effects on its financial performance.

(A) 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: Foreign currency risk, interest rate risk and price risk. The Company's exposure to market risk is on account of foreign currency risk and interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument 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 borrowings with floating interest rates. The fixed rate borrowings are carried at amortised cost, hence, they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates. The exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	March 31, 2023	March 31, 2022	April 01, 2021
Variable rate borrowings	4,578.83	2,099.08	978.31
Fixed rate borrowings	-	-	-
Total	4,578.83	2,099.08	978.31

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating

	Increase/ decrease in basis points	Effect on profit before tax	Effect on equity
For Year ended March 31, 2023			
INR	+100	1.79	1.79
INR	-100	-1.79	-1.79
For Year ended March 31, 2022			
INR	+100	0.92	0.92
INR	-100	-0.92	-0.92

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company's exposure to currency risk (carrying amounts of the Company's foreign currency denominated monetary assets

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Exposure to currency risk	March 31, 2023	March 31, 2022	April 01, 2021
Financial Assets			
Receivables	411.10	2,182.87	-735.05
Receivables	-	-	-
	<u>411.10</u>	<u>2,182.87</u>	<u>-735.05</u>
Financial liabilities			
Payables	5,940.87	4,096.59	2,455.36
Payables	-128.22	142.74	-104.28
	<u>5,812.65</u>	<u>4,239.32</u>	<u>2,351.07</u>
Net exposure	<u><u>5,401.55</u></u>	<u><u>2,056.46</u></u>	<u><u>3,086.12</u></u>

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency, with all other variables held constant relating to unhedged foreign currency exposure. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in the foreign currency rates. The impact on the Company's profit before tax is as follows:

	Effect on profit before tax	
	Strengthening	Weakening
As at March 31, 2023		
USD (10% Movement)	-552.98	552.98
EURO (10% Movement)	12.82	-12.82
As at March 31, 2022		
USD (10% Movement)	-191.37	191.37
EURO (10% Movement)	-14.27	14.27
As at April 01, 2021		
USD (10% Movement)	-319.04	319.04
EURO (10% Movement)	10.43	-10.43

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(B) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables and cash and bank equivalents.

To manage credit risk, the Company follows a policy of providing credit to its customers based on prevailing market credit terms. The credit limit policy is established considering the current economic trend of the industry in which the Company is operating. Also, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly. These receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

The Company recognises lifetime expected credit losses on trade receivable using simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

Particulars

Impairment losses on financial assets recognised profit & loss were as follows:

Impairment

	March 31, 2023	March 31, 2022
	37.42	-272.98
	37.42	-272.98

The following table provides information about the exposure to credit risk and ECL's for trade receivables

Trade Receivable for March 31, 2023

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	-	16,299.50	-	16,299.50
6 months-1 Year	0.25%	188.91	-0.47	188.44
1-2 years	0.50%	902.18	-4.51	897.66
2-3 years	2.00%	175.43	-3.51	171.92
More than 3 years	80.65%	1,107.22	-892.96	214.27
Total		18,673.25	-901.45	17,771.80

Trade Receivable for March 31, 2022

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	-	10,344.21	-	10,344.21
6 months-1 Year	0.25%	219.23	-0.55	218.68
1-2 years	0.50%	159.34	-0.80	158.55
2-3 years	0.86%	174.80	-1.50	173.31
More than 3 years	76.41%	1,127.12	-861.19	265.94
Total		12,024.71	-864.03	11,160.68

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Trade Receivable for April 01, 2021

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	-	6,023.70	-	6,023.70
6 months-1 Year	0.25%	81.18	-0.20	80.98
1-2 years	0.50%	943.67	-4.72	938.95
2-3 years	2.00%	443.05	-8.86	434.19
More than 3 years	84.42%	1,330.60	-1,123.23	207.37
Total		8,822.21	-1,137.01	7,685.20

Movement Table of allowance for impairment

The Movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	March 31, 2023	March 31, 2022
Balance as at April 01	864.03	1,137.01
Amounts written off	-	-
Provision for the year	37.42	-272.98
Net measurement of loss allowance	37.42	-272.98
Balance as at March 31	901.45	864.03

(C) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, lease liabilities, trade payables and other financial liabilities.

The finance department of the Company is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Exposure to liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2023	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Borrowings	4,578.83	-	-	-	4,578.83
Trade payables	8,439.79	3	20	-	8,462.46
Lease liabilities	82.39	107.50	-	-	189.89
Other financial liabilities	732.08	-	-	-	732.08
	13,833.09	110.01	20.16	-	13,963.26

As at March 31, 2022	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Borrowings	2,099.08	-	-	-	2,099.08
Trade payables	6,271.13	2.23	18.06	-	6,291.41
Lease liabilities	30.89	15.21	-	-	46.10
Other financial liabilities	390.54	-	-	-	390.54
	8,791.65	17.44	18.06	-	8,827.14

As at April 01, 2021	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Borrowings	978.31	-	-	-	978.31
Trade payables	3,844.91	2.00	18.06	-	3,864.97
Other financial liabilities	1,907.51	-	-	-	1,907.51
	6,730.73	2.00	18.06	-	6,750.79

SFC Environmental Technologies Private Limited
Notes to financial statement for the year ended March 31, 2023
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50 Leases
As a Lessee

- (i) The Company has implemented Indian Accounting Standard for Leases (“Ind AS 116”) with effect from April 1, 2021 using the modified retrospective approach, under which the cumulative effect of Initial application is recognized in retained earnings as on April 1, 2021. The effect of initial recognition as per Ind AS 116 is as follows:

Right of Use Asset

	March 31, 2023	March 31, 2022	April 01, 2021
Balance as at the beginning of the period	45.22	-	-
Additions during the current year	209.38	57.12	-
Deletions during the current year	-	-	-
Amortisation of ROU	-70.19	-11.90	-
Balance as at the end of the period	184.42	45.22	-

Lease Liabilities

	March 31, 2023	March 31, 2022	April 01, 2021
Current	82.39	15.21	-
Non - Current	107.50	30.89	-
Total Lease Liability	189.89	46.10	-

- (ii) Following are the carrying value of right of use assets for the year ended March 31, 2023, March 31, 2022 and April 01, 2021 Please refer note no.6 for detailed presentation of fair value of right of use assets

- (iii) Impact of adoption of Ind AS 116 is as follows:

	Year ended March 31, 2023	For Year ended March 31, 2022
Decrease in lease rentals by	(78.98)	(12.93)
Increase in finance cost by	13.39	1.91
Increase in depreciation by	70.19	11.90
Net impact on profit/loss	4.59	0.88

- (iv) Maturity analysis of lease liabilities- contractual undiscounted cash flows:

	Year ended March 31, 2023	For Year ended March 31, 2022
Less than one year	78.98	96.63
One to three year	180.63	31.50
Three to five year	31.50	-
More than five year	-	-
Total undiscounted lease liabilities as at	291.11	128.13

- (v) The total cash outflow for leases for year ended March 31
- | | Year ended
March 31, 2023 | For Year ended
March 31, 2022 |
|--|------------------------------|----------------------------------|
| | 78.98 | 12.93 |

General Description of leasing agreements:

Leased Assets: Guest House of Employees

Future Lease rentals are determined on the basis of agreed terms.

At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.

Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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51 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at date of transition April 01, 2021

	Previous GAAP	Adjustments on transition to Ind As	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	2,601.48	-	2,601.48
Investment Property	3,388.07	(155.99)	3,232.08
Financial assets			
(i) Investments	1,723.61	-	1,723.61
(ii) Loans	1,213.00	-	1,213.00
(iii) Other financial assets	583.81	-	583.81
Income tax assets (Net)	27.08	-	27.08
Other non - current assets	7.68	-	7.68
Total non-current assets	9,544.73	(155.99)	9,388.74
Current assets			
Inventories	1,057.76	-	1,057.76
Financial assets			
(i) Trade receivables	8,822.21	(1,137.01)	7,685.20
(ii) Cash and cash equivalents	2,814.25	-	2,814.25
(iii) Other bank balance	10,388.86	-	10,388.86
(iv) Loans	2,217.19	-	2,217.19
(v) Other Financial Asset	802.58	-	802.58
Other current assets	1,690.41	-	1,690.41
Total current assets	27,793.26	(1,137.01)	26,656.25
Total assets	37,337.99	(1,293.00)	36,044.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	622.74	-	622.74
Other equity	24,660.70	(967.55)	23,693.15
Total equity	25,283.44	(967.55)	24,315.89
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	43.56	(325.45)	(281.89)
Total non-current liabilities	43.56	(325.45)	(281.89)
Current liabilities			
Financial liabilities			
(i) Borrowings	978.31	-	978.31
(ii) Lease liabilities	-	-	-
(iii) Trade payables	-	-	-
Total outstanding dues of micro and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and sn	3,864.97	-	3,864.97
(iv) Other financial liabilities	1,907.51	-	1,907.51
Other current liabilities	5,260.98	-	5,260.98
Provisions	(0.78)	-	(0.78)
Current tax liabilities	-	-	-
Total current liabilities	12,010.99	-	12,010.99
Total liabilities	12,054.55	(325.45)	11,729.10
Total equity and liabilities	37,337.99	(1,293.00)	36,044.99

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Notes to financial statement for the year ended March 31, 2023

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51 Reconciliations (Continued)

(b) Reconciliation of equity as at March 31, 2022

	Previous GAAP	Adjustments on transition to Ind As	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	2,475.18	-	2,475.18
Right-of-use asset	-	45.22	45.22
Investment Property	2,675.09	(249.81)	2,425.28
Financial assets			
(i) Investments	3,628.61	(44.95)	3,583.66
(ii) Loans	4,376.82	-	4,376.82
(iii) Other financial assets	2,272.03	(1.46)	2,270.57
Income tax assets (Net)	(107.55)	-	(107.55)
Other non - current assets	6.28	-	6.28
Total non-current assets	15,326.46	(251.00)	15,075.46
Current assets			
Inventories	2,076.45	-	2,076.45
Financial assets			
(i) Trade receivables	12,024.71	(864.03)	11,160.68
(ii) Cash and cash equivalents	1,982.74	-	1,982.74
(iii) Other bank balance	8,883.99	-	8,883.99
(iv) Loans	3,253.09	-	3,253.09
(v) Other Financial Asset	399.91	-	399.91
Other current assets	1,922.44	1.44	1,923.89
Total current assets	30,543.34	(862.59)	29,680.76
Total assets	45,869.80	(1,113.59)	44,756.22
EQUITY AND LIABILITIES			
Equity			
Equity share capital	622.74	-	622.74
Other equity	32,689.67	(861.17)	31,828.50
Total equity	33,312.41	(861.17)	32,451.24
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	-	15.21	15.21
Provisions	17.87	-	17.87
Deferred tax liabilities (net)	73.72	(298.52)	(224.80)
Total non-current liabilities	91.59	(283.31)	(191.72)
Current liabilities			
Financial liabilities			
(i) Borrowings	2,099.08	-	2,099.08
(ii) Lease liabilities	-	30.89	30.89
(iii) Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) Total outstanding dues of creditors other than micro enterprise and small enterprise	6,291.41	-	6,291.41
(iv) Other financial liabilities	390.54	-	390.54
Other current liabilities	3,684.19	-	3,684.19
Provisions	0.60	-	0.60
Current tax liabilities	-	-	-
Total current liabilities	12,465.83	30.89	12,496.72
Total liabilities	12,557.42	(252.42)	12,305.00

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Total equity and liabilities	<u>45,869.83</u>	<u>(1,113.59)</u>	<u>44,756.26</u>
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* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in Lakhs)

51 Reconciliations (Continued)

(c) Reconciliation of statement of profit or loss for the year ended March 31, 2022

	Previous GAAP	Adjustments on transition to Ind As	Ind AS
Income			
Revenue from operations	38,903.49	-	38,903.49
Other income	1,322.98	9.01	1,331.99
Impairment gain on financial assets and contract assets	-	272.98	272.98
Total income	40,226.46	281.99	40,508.46
Expenses			
Purchases of stock-in-trade	23,585.49	-	23,585.49
Changes in inventories of Work in Progress	(1,018.69)	-	(1,018.69)
Employee benefits expense	3,039.89	(10.86)	3,029.04
Finance costs	246.29	1.91	248.20
Depreciation and amortization expense	246.92	159.40	406.32
Other expenses	3,217.05	(12.63)	3,204.42
Total expenses	29,316.95	137.83	29,454.78
Profit before tax	10,909.51	144.17	11,053.68
Tax expense			
Current tax	2,850.40	2.78	2,853.18
Deferred tax	30.16	26.90	57.06
Total income tax expense	2,880.56	29.68	2,910.25
Profit for the year	8,028.95	114.49	8,143.43
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability	-	(10.86)	(10.86)
Income tax effect	-	2.78	2.78
	-	(8.08)	(8.08)
Other comprehensive income for the year	-	(8.08)	(8.08)
Total other comprehensive income for the year	8,028.95	106.41	8,135.36

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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(d) Reconciliation of total equity as at March 31, 2022 and April 01, 2021

	As at March 31, 2022	As at April 01, 2021
Shareholder's equity as per Indian GAAP audited financial statements	33,312.41	25,283.44
<u>Adjustment</u>		
i) Impact under IND AS 40 Investment Property	(249.81)	(155.99)
ii) Impact under Ind AS 109, Expected credit loss for Trade Receivables	(864.03)	(1,137.01)
iii) Impact under Ind AS 116, Leases	(0.88)	-
iv) Impact under Inf AS 109, Fair valuation of investment- Mutual Funds	(44.95)	-
v) Impact under Inf AS 109, Fair valuation of investment- Discounting of Deposits	(0.02)	-
vi) Reclassification of Actuarial Gain/loss to Other Comprehensive income	-	-
vii) Impact of deferred taxes on above adjustments	298.52	325.45
Total Adjustment	(861.17)	(967.55)
Shareholder's equity as per Ind AS	32,451.24	24,315.89

(e) Reconciliation of total comprehensive income for the year ended March 31, 2022

	As at March 31, 2022
Profit as per Indian GAAP	8,028.95
<u>Adjustment</u>	
i) Impact under IND AS 40 Investment Property	(93.82)
ii) Impact under fair valuation of investments	272.98
iii) Impact under Ind AS 116, Leases	(0.88)
iv) Impact under Inf AS 109, Fair valuation of investment- Mutual Funds	(44.95)
v) Impact under Inf AS 109, Fair valuation of investment- Discounting of Deposits	(0.02)
vi) Impact of deferred taxes on above adjustments	(26.93)
Total	106.38
Profit as per Ind AS	8,135.33

51 Reconciliations (Continued)

(f) Impact of Ind AS adoption on cash flow statements for the year ended March 31, 2022

	Previous GAAP	Adjustments on transition to Ind As	Ind AS
Net cash flow from operating activities	970.24	12.93	983.17
Net cash flow from investing activities	(2,830.05)	-	(2,830.05)
Net cash flow from financing activities	1,028.30	(12.93)	1,015.37
Net increase / (decrease) in cash and cash equivalents	(831.51)	-	(831.51)
Cash and cash equivalents as at April 01, 2021	2,814.25	-	2,814.25
Cash and cash equivalents as at March 31, 2022	1,982.74	-	1,982.74

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Notes to financial statement for the year ended March 31, 2023

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(g) Notes to first-time adoption

(i) Defined benefit liabilities

Under Ind AS, the Company reclassified the actuarial gains and losses as per the actuarial valuation reports to the statement of other comprehensive income from the statement of profit and loss (earlier impact was given under the head "gratuity expenses").

(ii) Leases

During the year ended 31 March 2022, the Company adopted Ind AS 116 - Using Full retrospective method. On adoption of Ind AS 116, the Company has recognized right-of-use asset and lease liability of 57.12 lakhs. The net impact of reversal of rent expenses, depreciation on Right of Use assets and finance cost on lease liability is Rs 0.88 lakhs for the year ended 31 March 22.

(iii) Expected credit loss for Trade Receivables

Under Ind AS 109, the company has provided for expected credit loss on trade receivables as on 1 April 2021 amounting to Rs 1,137.01 lakhs.

(iv) Investment Property

The Company has recognised depreciation of Rs 155.99 lakhs on account of Investment property.

(v) Fair valuation of investment- Mutual Funds

The Company has booked MTM loss in the statement of profit and loss for the year ended 31 March 2022 of Rs 44.95 lakhs on account of fair valuation of investments in mutual funds.

(vi) Deferred tax

The Company has recognised Deferred Tax Assets/ Liabilities on adjustments made on account of point no i to iv above. The impact of deferred tax on transition to IND AS was Rs 325.45 lakhs.

(vii) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP. Also refer point (i) above.

(viii) Statement of cash flows

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.

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52 Ratio Analysis

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variation	Remarks
Current Ratio	Current assets	Current Liabilities	2.20	2.38	7%	NA
Debt to Equity Ratio	Total Debt	Shareholder's Equity	0.12	0.07	86%	Bank Overdraft facility availed is more than previous years.
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	72.28	121.98	41%	Bank Overdraft facility availed is more than previous years.
Return on Equity Ratio	Net profit after taxes	Average Shareholder's Equity	0.25	0.29	11%	NA
Inventory Turnover Ratio	Changes in inventories	Average Inventory	-0.68	-0.65	4%	NA
Trade receivable Turnover Ratio	Revenue from contracts with customer	Average Trade receivable	2.84	4.12	31%	Trade Receivables have increased during the year 2023
Trade payable Turnover Ratio	Purchases of stock-in-trade	Average Trade Payables	3.40	4.64	27%	Trade Payables have increased during the year 2023
Net capital turnover ratio	Revenue from operations	Working Capital	1.85	2.26	18%	NA
Net profit ratio	Net profit after taxes	Revenue from operations	0.22	0.21	5%	NA
Return on capital employed	Earning before interest and taxes	Capital Employed	0.29	0.33	11%	NA
Return on investment	Income from investments	Average investment	0.01	-0.02	-166%	Due to mark to market gain in last year, but mark to market loss in current year

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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53 Corporate social responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The funds are utilised during the period on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct

The details set below are for the amount spent by the Company.

Gross Amount required to be spent by the company during the year : Rs.129.40 (in lakhs)

Amount spent during the year:	March 31, 2023			March 31, 2022		
	In Cash/ Bank	Yet to be paid in Cash/ Bank	Total	In Cash/ Bank	Yet to be paid in Cash/ Bank	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) On purpose other than (i) above	129.40	-	129.40	73.92	-	73.92

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Amount required to be spent by the company during the year	129.40	73.92
Amount of expenditure incurred	129.50	74.00
(Excess)/Shortfall at the end of the year	-0.10	-0.08
Total of previous years Excess/(shortfall)	-0.08	-
Reason for shortfall	NA	NA
Nature of CSR activities	Contribution to the Prime Minister's National Relief Fund	Contribution to the Prime Minister's National Relief Fund
Details of related party transactions	NA	NA
Provision for CSR	-	-
Carried Forward For next year	-0.18	-0.08

SFC Environmental Technologies Private Limited

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54

The Company has obtained various borrowings against security of current assets. The Company has submitted various documents to the bank, the details of which are summarised below
As at March 31, 2023

Name of Bank/ Financial Institution	Quarter	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Bank of India and Kotak Bank	Jun-22	Debtors	6,568.44	6,722.98	-154.54
		Creditors	3,336.94	3,278.89	58.05
		Closing Stock	2,545.54	2,354.24	191.30
	Sep-22	Debtors	4,930.91	4,892.06	38.85
		Creditors	1,539.50	1,532.49	7.00
		Closing Stock	2,587.20	2,321.21	265.99
	Dec-22	Debtors	7,791.58	7,779.25	12.33
		Creditors	3,123.67	3,120.77	2.90
		Closing Stock	2,596.31	2,386.23	210.08
	Mar-23	Debtors	18,621.81	17,914.78	707.03
		Creditors	8,461.41	7,977.08	484.33
		Closing Stock	4,198.97	2,799.92	1,399.05

As at March 31, 2022

Name of Bank/ Financial Institution	Quarter	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Bank of India and Kotak Bank	Jun-21	Debtors	4,530.36	4,521.48	8.88
		Creditors	3,153.31	3,056.45	96.86
		Closing Stock	2,151.76	1,494.36	657.39
	Sep-21	Debtors	4,779.08	4,819.16	-40.08
		Creditors	1,771.30	1,749.95	21.35
		Closing Stock	1,888.05	2,025.28	-137.24
	Dec-21	Debtors	10,569.51	10,574.17	-4.66
		Creditors	5,494.63	5,443.22	51.41
		Closing Stock	1,347.88	1,021.22	326.66
	Mar-22	Debtors	11,973.27	12,537.36	-564.09
		Creditors	6,226.72	6,228.56	-1.84
		Closing Stock	2,076.45	1,878.39	198.06

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Notes to financial statement for the year ended March 31, 2023

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As at April 01, 2021

Name of Bank/ Financial Institution	Quarter	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Bank of India and Kotak Bank	Jun-21	Debtors	6,014.83	6,014.83	-
		Creditors	2,061.95	1,536.25	525.69
		Closing Stock	793.78	813.89	-20.11
	Sep-21	Debtors	6,047.80	6,038.82	8.98
		Creditors	1,527.40	1,536.25	-8.85
		Closing Stock	881.41	860.03	21.37
	Dec-21	Debtors	6,269.34	5,397.44	871.89
		Creditors	2,376.46	2,356.14	20.33
		Closing Stock	967.31	967.31	-
	Mar-22	Debtors	8,770.77	8,412.54	358.23
		Creditors	3,864.97	3,872.40	-7.43
		Closing Stock	1,057.76	1,016.85	40.92

55 Details of Loans granted/securities provided to promoters, directors, KMPs and related parties

Particulars	Guarantees	Security	Loans
Aggregate amount granted/provided during the year	-	-	2,862.28
- Subsidiaries	-	-	1,580.95
- Joint Ventures	-	-	-
- Associates	-	-	550
- Others	-	-	551
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	1600	-	8,136.28
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	631.02

SFC Environmental Technologies Private Limited

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Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans	-	2,130.95
Repayable on Demand (A)	-	749.07
Agreement does not specify any terms or period of repayment (B)	-	-
Total (A+B)	-	749.07
Percentage of loans/advances in nature of loans to the total loans	0%	35.15%

56 Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2023 and March 31, 2022.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The amount managed as capital by the Company are summarised as follows:

Particulars	March 31, 2023	March 31, 2022
Borrowings	4,768.72	2,145.19
Less: cash and cash equivalent	-1,992.17	-1,982.74
Net Debt	2,776.55	162.44
Total Equity	38,771.29	32,451.24
Capital and Net debt	41,547.84	32,613.68
Gearing Ratio	0.07	0.00

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion.

SFC Environmental Technologies Private Limited

Notes to financial statement for the year ended March 31, 2023

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57 Other additional regulatory information

- 57.01 The Company has not revalued any property, plant & equipment nor any intangible assets.
- 57.02 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 57.03 The Company does not hold any intangible assets under development and accordingly, no ageing nor completion schedule is provided.
- 57.04 The Company has utilised borrowings from banks or financial institutions for the purpose for which it was obtained.
- 57.05 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 57.06 The Company does not have any transactions with struck off companies.
- 57.07 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 57.08 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 57.09 The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 57.10 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 57.11 During the year, the Composite Scheme of Amalgamation and Arrangement (the 'Scheme') for merger of Enviropro Water Tech Private Limited and Intergeo Solid Waste Management Private Limited with the Company was approved by National Company Law Tribunal. The details of the same are provided in note number 43.
- 57.12 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 57.13 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 58 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

For and on behalf of the Board of Directors of
SFC Environmental Technologies Private Limited

Yogesh R. Amal
Partner
Membership No. 111636

Place: Mumbai
Date: 06-Sept-2023

Sandeep Asolkar
Managing Director
DIN: 00097828

Place: Mumbai
Date: 06-Sept-2023

**Veera Venkata Satyanarayana
Yannamani**
Director
DIN: 02064547

Place: Mumbai
Date: 06-Sept-2023

Shweta Deshpande
Company Secretary
Membership No.: A-67764

Place: Mumbai
Date: 06-Sept-2023

INDEPENDENT AUDITOR'S REPORT

To
The Members of,
SFC Environmental Technologies Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of SFC Environmental Technologies Private Limited (hereinafter referred to as "the Company" or "the Holding Company"), its subsidiaries, its associates and its joint venture (collectively referred to as "the Group"), comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

4. The comparatives in the consolidated financial statements of the Company for the financial year ended 31st March, 2023 have been prepared and presented based on Ind AS. The financials of financial year ended 31st March, 2022 were audited by the predecessor auditor which were prepared and presented based on the Accounting Standards (I-GAAP), who has expressed an unmodified opinion on those statements vide audit report dated 07th December, 2022. During the year, the consolidated financial statements have been prepared and presented in compliance with Ind AS. The reconciliation items on account of conversion from AS to Ind AS alongwith the consolidation adjustments pertaining to earlier years are as described in Note 60 to the consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Information Other than the Financial Statements and Auditor's Report

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors 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 consolidated financial statements.
- We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

8. We did not audit the financial statements and other financial information, in respect of one of the subsidiaries, whose financial statements include total assets of Rs. 9,125.67 lakhs as at March 31, 2023, and total revenues of Rs. 6,691.11 lakhs and net cash inflows of Rs. 119.45 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditor, whose report have been furnished to us by the management of the Company. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub- sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor and the procedures performed by us as stated under Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section above.
9. The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 1,576.88 lakhs as at March 31, 2023 and total revenues of Rs. 2,812.35 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been certified and furnished to us by the management. These subsidiaries are located outside India whose unaudited financial statements and other unaudited financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub- sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
10. We did not audit the financial statements and other financial information, in respect of two of the associates, whose financial statements reflects share of profit of Rs. 165.72 Lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor, whose report have been furnished to us by the management of the Company. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub- sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on

the report of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section above.

11. Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the concerned management, wherever applicable.

Report on Other Legal and Regulatory Requirements

12. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports of the standalone financial statements and other financial information of the Group (companies incorporated in India) to which reporting under CARO is applicable, as noted in the 'Other Matter' paragraph, we report that there are no qualifications or adverse remarks in these CARO reports.
13. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of Group, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
 - a) We have relied upon 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 of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the Group (companies incorporated in India), none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on auditor's report of the Group (companies incorporated in India). Our report expresses an unmodified opinion on the adequacy and operating effectiveness on internal financial controls over financial reporting of those companies;
- g) According to the records of the Company, examined by us and as per the information and explanations given to us, the provisions of section 197 (16) is not applicable to the Company;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Group, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements - Refer Note 49 to the consolidated financial statements;
 - ii. The consolidated financial statements did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group (companies incorporated in India) during the year ended March 31, 2023.
 - iv.
 - (a) The respective Management of the Company, its subsidiaries incorporated in India, its associates and its joint venture has represented that, to the best of its knowledge and belief, as disclosed in the note 62 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective management of the company, its subsidiaries incorporated in India, its associates and its joint venture has represented that, to the best of its knowledge and belief, as disclosed in the note 62 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing

or otherwise, that the Company shall , whether directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiary”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed and audited by us and that performed and audited by other auditors under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India is in accordance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, its associates and its joint ventures and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For G B C A & Associates LLP
Chartered Accountants
Firm Registration No.: 103142W / W100292

Yogesh Amal
Partner
Membership No.: 111636
UDIN: 23111636BGYFJU7867

Place: Mumbai
Date: 27th October, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 13(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SFC Environmental Technologies Private Limited)

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

Opinion

1. We have audited the internal financial controls over reporting of SFC Environmental Technologies Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, its associates and joint ventures (collectively referred to as "the Group") as on March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the company for the year ended on that date.
2. In our opinion, to the best of our information and according to the explanation given to us and based on the consideration of reports of the other auditors and commensurate to the size and nature of the business, as referred to in the Other Matter paragraph, the Group (companies incorporated in India), have, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have 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 ICAI and deemed to be 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.

5. 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 in the financial statements, whether due to fraud or error.
6. We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group (companies incorporated in India), internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

7. Internal financial control over financial reporting is a process designed by the Company 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

8. 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.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness on the internal financial controls over financial reporting in so far as it relates to one subsidiary and two associates which are Companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

10. The internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies, which are companies incorporated outside India and included in these consolidated financial statements, have not been audited either by us or by other auditors, in our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies are not material to the Group.
11. Our opinion is not modified in respect of these matters.

For **G B C A & Associates LLP**
Chartered Accountants
Firm Registration No.: 103142W / W100292

Place: Mumbai
Date: 27th October, 2023

Yogesh Amal
Partner
Membership No.: 111636
UDIN: 23111636BGYFJU7867

SFC Environmental Technologies Private Limited

Consolidated Balance Sheet as at March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

Particulars	Notes	As at		
		March 31, 2023	March 31, 2022	April 01, 2021
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	5	3,811.85	3,085.98	3,135.81
(b) Right-of-use asset	6	241.32	112.47	77.59
(c) Investment property	7	1,849.08	2,425.28	3,232.08
(d) Goodwill	8	280.79	280.79	280.79
(e) Intangible Asset	9	13.76	6.50	8.54
(f) Financial assets				
(i) Investments	10	5,478.99	4,933.22	2,796.63
(ii) Loans	11	616.12	26.82	-
(iii) Trade Receivables	12	1,841.32	1,172.57	111.42
(iv) Other financial assets	13	2,639.86	2,469.46	924.09
(g) Deferred tax assets (Net)	47	348.21	349.09	311.27
(h) Income tax assets (Net)	14	200.70	77.60	27.08
(i) Other Non - Current Assets	15	43.85	31.19	83.94
Total Non-Current Assets		17,365.85	14,970.97	10,989.25
2 Current assets				
(a) Inventories	16	7,380.85	4,579.98	4,038.09
(b) Financial assets				
(i) Loans	17	201.43	858.26	11.75
(ii) Trade receivables	18	21,982.47	16,858.51	10,284.79
(iii) Cash and cash equivalents	19	2,264.78	2,641.71	2,858.59
(iv) Other Bank Balances	20	10,207.49	9,156.20	10,485.87
(v) Other Financial Asset	21	86.10	399.91	802.58
(c) Other Current Assets	22	4,157.03	2,388.00	1,789.26
Total Current Assets		46,280.14	36,882.57	30,270.92
Total Assets		63,645.99	51,853.54	41,260.17
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	23	622.74	622.74	622.74
(b) Other equity	24	38,918.84	32,259.67	23,885.11
Total equity		39,541.58	32,882.42	24,507.85
Non Controlling Interests				
		1,099.83	999.23	869.05
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	39.00	65.38	55.47
(ii) Lease liabilities	26	137.06	79.16	72.39
(b) Provisions	27	708.56	909.20	647.40
(c) Deferred tax liabilities (Net)	47	415.18	494.23	156.78
Total non-current liabilities		1,299.80	1,547.97	932.04
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	28	4,601.84	3,732.55	1,472.22
(ii) Lease liabilities	29	116.78	39.33	7.67
(iii) Trade payables				
Total outstanding dues of micro and small enterprises	30	1,640.16	1,277.63	1,332.14
Total outstanding dues of creditors other than micro and small enterprises	30	9,136.99	6,771.80	5,204.99
(iv) Other financial liabilities	31	843.05	524.31	2,163.02
(b) Other current liabilities	32	5,335.47	4,113.74	4,806.98
(c) Provisions	33	8.11	6.63	4.22
(d) Current tax liabilities	34	22.38	(42.08)	(40.02)
Total current liabilities		21,704.78	16,423.92	14,951.23
Total liabilities		23,004.58	17,971.89	15,883.26
Total equity and liabilities		63,645.99	51,853.53	41,260.17

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

As per our report of even date attached

For G B C A & Associates LLP

Chartered Accountants

FRN: 103142W / W100292

For and on behalf of Board of Directors

SFC Environmental Technologies Private Limited

Yogesh R. Amal
Partner
Membership No. 111636

Sandeep Asolkar
Managing Director
DIN: 00097828

Veera Venkata
Satyanarayana Yannamani
Director
DIN: 02064547

Shweta
Deshpande
Company Secretary
M. No.: A-67764

Place: Mumbai
Date: 27 October 2023

Place: Mumbai
Date: 27 October 2023

Place: Mumbai
Date: 27 October 2023

Place: Mumbai
Date: 27 October 2023

SFC Environmental Technologies Private Limited
Statement of Profit and Loss for the year ended March 31, 2023
CIN: U90000MH2005PTC152235
(Currency: Indian Rupees in lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I Income			
Revenue from operations	35	51,968.64	49,673.37
Other income	36	1,156.60	1,427.63
Impairment gain on financial assets	37	-	288.70
Total income		53,125.24	51,389.70
II Expenses			
Purchases of Stock-in-trade	38	26,323.43	25,852.70
Cost of Material Consumed	39	6,265.11	5,543.72
Project Cost	40	154.47	19.72
Changes in inventories	41	(2,556.69)	(789.16)
Employee benefits expense	42	4,947.25	4,377.09
Finance costs	43	364.41	415.64
Depreciation and amortization expense	44	590.76	493.22
Impairment loss on financial assets	45	42.41	-
Other expenses	46	4,400.29	4,054.39
Total expenses		40,531.46	39,967.32
III Profit before share of profit of joint ventures and associate		12,593.79	11,422.38
IV Add: Share of profit of joint ventures and associate		131.31	276.54
V Profit before tax		12,725.09	11,698.92
VI Tax expense			
Current tax	47	3,322.41	2,883.31
Deferred tax	47	(78.17)	299.61
Total tax expense		3,244.24	3,182.92
VII Profit after Tax		9,480.86	8,516.01
VIII Profit for the year attributable to:			
- Owners of the group		9,388.08	8,384.89
- Non-controlling interests		92.78	131.11
IX Other comprehensive income (OCI)			
a) Items that will not be subsequently reclassified to profit or loss			
i) Remeasurements of the defined benefit liabilities/asset		(73.00)	(15.17)
ii) Income taxes related to items that will not be reclassified to profit or loss		18.69	3.88
b) Items that may be reclassified to profit or loss			
i) Exchange differences on translating the financial statements of foreign operations		21.06	0.03
Total other comprehensive income		(33.25)	(11.26)
X Other comprehensive income for the year attributable to:			
- Owners of the group		(36.16)	(10.33)
- Non-controlling interests		2.91	(0.93)
XI Total comprehensive income for the year		9,447.61	8,504.75
XII Total comprehensive income for the year attributable to:			
- Owners of the group		9,351.92	8,374.57
- Non-controlling interests		95.70	130.18
Earnings per share face value of ₹10 each fully paid up			
Basic earnings per share (₹)	48	150.75	134.64
Diluted earnings per share (₹)	48	150.75	134.64

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

As per our report of even date attached

For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

Yogesh R. Amal

Partner
Membership No. 111636

Place: Mumbai
Date: 27 October 2023

For and on behalf of the Board of Directors of
SFC Environmental Technologies Private Limited

Sandeep Asolkar

Managing Director
DIN: 00097828

Place: Mumbai
Date: 27 October 2023

Veera Venkata

Satyanarayana Yannamani
Director
DIN: 02064547

Place: Mumbai
Date: 27 October 2023

Shweta Deshpande
Company Secretary
M. No.: A-67764

Place: Mumbai
Date: 27 October 2023

SFC Environmental Technologies Private Limited
Statement of changes in equity for the year ended March 31, 2023
CIN: U90000MH2005PTC152235
(Currency: Indian Rupees in lakhs)

(A) Equity share capital

Balance as at March 31, 2022
Changes in equity share capital during the year
Balance as at March 31, 2023

No. of shares	Amount
62,27,418.00	622.74
-	-
62,27,418.00	622.74

Balance as at April 01, 2021
Changes in equity share capital during the year
Balance as at March 31, 2022

60,00,000.00	600.00
2,27,418.00	22.74
62,27,418.00	622.74

(B) Other equity

Particulars	Reserve and surplus				Standard Reserve u/s 45IC of the RBI Act	Exchange differences on translation of foreign operations	Other Comprehensive Income - Actuarial Gain/ (Loss)	Total
	Securities Premium	Retained earnings	General Reserves	Capital Reserves				
Balance as at March 31, 2022	39.67	31,179.02	705.38	213.71	-	132.34	(10.45)	32,259.67
Profit for the year	-	9,388.08	-	-	-	-	-	9,388.08
Transfers during the year	-	1.91	(2.37)	-	0.46	-	-	0.00
Other Changes	-	1.85	-	-	-	-	-	1.85
Re-measurement gain/(loss) of defined benefit plans (net of tax)	-	-	-	-	-	18.40	(54.56)	(36.16)
Total other comprehensive income for the year	39.67	40,570.86	703.01	213.71	0.46	150.75	(65.02)	41,613.44
Transactions with owners of the group								
- Contributions and Distributions	-	(2,694.60)	-	-	-	-	-	(2,694.60)
Dividends	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	39.67	37,876.26	703.01	213.71	0.46	150.75	(65.02)	38,918.84

Particulars	Reserve and surplus				Standard Reserve u/s 45IC of the RBI Act	Exchange differences on translation of foreign operations	Other Comprehensive Income - Actuarial Gain/ (Loss)	Total
	Securities Premium	Retained earnings	General Reserves	Capital Reserves				
Balance as at April 01, 2021 before Ind AS impact	39.67	24,463.55	708.06	213.71	-	132.22	-	25,557.21
Effect on account of Scheme of Merger (Refer note 50)	-	-493.97	-	-	-	-	-	(493.97)
Ind AS transition impact	-	-1,178.13	-	-	-	-	-	(1,178.13)
Balance as at April 01, 2021 after Ind AS impact	39.67	22,791.45	708.06	213.71	-	132.22	-	23,885.11
Profit for the year	-	8,384.89	-	-	-	-	-	8,384.89
Transfer during the year	-	2.68	-2.68	-	-	-	-	-
Re-measurement gain/(loss) on defined benefit plans (net of tax)	-	-	-	-	-	0.13	(10.45)	(10.33)
Other Changes	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	8,387.57	(2.68)	-	-	0.13	(10.45)	8,374.57
Balance as at March 31, 2022	39.67	31,179.02	705.38	213.71	-	132.34	(10.45)	32,259.67

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

As per our report of even date attached

For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

For and on behalf of Board of Directors
SFC Environmental Technologies Private Limited

Yogesh R. Amal
Partner
Membership No. 111636

Sandeep Asolkar
Managing Director
DIN: 00097828

Veera Venkata Satyanarayana Yannamani
Director
DIN: 02064547

Shweta Deshpande
Company Secretary
M. No.: A-67764

Place: Mumbai
Date: 27 October 2023

Place: Mumbai
Date: 27 October 2023

Place: Mumbai
Date: 27 October 2023

Place: Mumbai
Date: 27 October 2023

SFC Environmental Technologies Private Limited
Statement of Cash Flows for the year ended March 31, 2023
CIN: U90000MH2005PTC152235
(Currency: Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit for the year before tax	12,725.09	11,698.92
Adjustments for :		
Depreciation and amortization expenses	590.76	493.22
Finance costs	360.38	331.92
Interest income on fixed deposit	(607.29)	(238.68)
Interest income on loans given	(48.03)	(412.79)
Bad debts written off	40.01	357.11
Impairment gain/loss on financial asset	42.41	(288.70)
Net gain/(loss) on fair valuation of Mutual Funds	(42.21)	44.95
Net loss of sale of Fixed Assets	(11.07)	(106.36)
Net gain/(loss) of sale of Investment Property	(199.08)	(305.42)
Share of profit of the Associate Companies (Net)	(131.31)	(276.54)
Operating profit before working capital changes	12,719.68	11,297.63
Working capital adjustments :		
(Decrease)/ increase in other current liabilities	1,220.48	(694.00)
(Decrease)/ increase in trade payables	2,729.56	1,512.30
(Decrease)/ increase in other financial liabilities	319.96	(1,638.37)
(Decrease)/ increase in provisions	(253.47)	252.92
Decrease/ (increase) in inventories	(2,800.87)	(541.89)
Decrease/ (increase) in trade receivables	(5,851.72)	(7,709.46)
Decrease/ (increase) in other financial assets	295.04	583.34
Decrease/ (increase) in other current assets	(1,769.03)	(598.74)
Decrease/ (increase) in non-current assets	(12.66)	52.75
Cash generated from operations	6,596.98	2,516.48
Income taxes paid (net of refunds)	(3,381.04)	(2,935.86)
Net cash from operating activities (A)	3,215.93	(419.39)
Cash flows from investing activities		
Payment for property, plant and equipment and intangible assets	(1,117.47)	(298.12)
Sale of property, plant and equipment and intangible assets	-	139.84
Sale of investment property	664.25	964.72
Investment in Mutual Fund (Net)	-	(1,905.00)
Investment in Equity Instrument	(372.25)	0.00
Purchase of fixed deposits (Net)	(1,202.92)	(396.36)
Interest received on fixed deposits	607.29	238.68
Loans given (Net)	67.54	(873.34)
Interest received on loans given	48.03	412.79
Net cash generated from/(used in) investing activities (B)	(1,305.54)	(1,716.79)
Cash flows from financing activities		
Dividend Paid	(2,694.60)	-
Proceeds from long-term borrowings (Net)	(26.38)	9.91
Proceeds from short-term borrowings (Net)	869.29	2,260.33
Interest paid on long-term borrowings	(149.01)	(145.73)
Interest paid on short-term borrowings	(192.64)	(177.29)
Repayment of lease liability	(74.03)	(18.69)
Interest paid on lease liability	(19.95)	(9.24)
Net cash flow used in financing activities (C)	(2,287.32)	1,919.28
Net increase(decrease) in cash and cash equivalents (A)+(B)+(C)	(376.93)	(216.89)
Cash and cash equivalent at the beginning of the year	2,641.71	2,858.59
Cash and cash equivalents at the end of the year (refer note 19)	2,264.78	2,641.71
Components of Cash and cash equivalents -		
Cash in hand	13.08	6.55
Balances with bank	2,251.70	2,635.16
Bank Overdraft	-	-
Total cash and cash equivalents (refer note 19)	2,264.78	2,641.71

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

As per our report of even date attached

For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

For and on behalf of Board of Directors
SFC Environmental Technologies Private Limited

Yogesh R. Amal
Partner
Membership No. 111636
Place: Mumbai
Date: 27 October 2023

Sandeep Asolkar
Managing Director
DIN: 00097828
Place: Mumbai
Date: 27 October 2023

Veera Venkata Satyanarayana
Yannamani
Director
DIN: 02064547
Place: Mumbai
Date: 27 October 2023

Shweta Deshpande
Company Secretary
M. No.: A-67764
Place: Mumbai
Date: 27 October 2023

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

1 Group Overview

SFC Environmental Technologies Private Limited ('the company' or 'the parent') is company established on March 29, 2005 having its registered office situated at The Ambience Court Hi-Tech Business Park, 21st Floor, Sector 19-D, Plot No. 2, Vashi, Navi Mumbai. The Group is primarily engaged in the business of providing equipments for sewage treatment plant and services for building integrated municipal solid waste management system.

2 Basis for Preparation

The consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. The financials for the year ended March 31, 2023 of the group are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2021. The financial statements upto the year ended March 31, 2022, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("IGAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2022 have now been restated as per Ind AS to provide comparability. The consolidated financial statements are approved for issue by the Group's Board of Directors on 27th October, 2023. Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 60.

2.1 Statement of Compliance

The consolidated financial statements of SFC Environmental Technologies Private Limited and its subsidiaries ("the Group") have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment. The consolidated financial statements are approved for issue by the Group's Board of Directors on 27th October, 2023.

2.2 Basis of accounting and preparation and presentation of financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured on an alternative basis on each reporting date:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.3 Functional & Presentation Currency

The consolidated financial statements are presented in Indian Rupees (INR) which is the functional currency of the parent company and the currency of the primary economic environment in which the parent company operates. All values are rounded to the nearest Lakhs (INR 00,000), unless otherwise indicated.

2.4 Use of estimates and Judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The following are the critical estimates, assumptions and judgements that the management have made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

(a) Useful lives of Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically.

(b) Employee benefits:

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

(c) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(d) Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(e) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

(f) Allowance for credit losses on receivables

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

(g) Impairment of non- financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.5 Classification of Assets and Liabilities into Current/Non-Current

The Operating Cycle of the Group is the time between the acquisitions of the assets for processing and their realisation in cash & cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non current classification of assets and liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3 Significant accounting policies
The accounting policies set out below have been applied consistently to the periods presented in the Financials Statements.

3.1 Basis of Consolidation

i) Consolidation of subsidiaries

Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:
has power over the investee;
is exposed, or has rights, to variable returns from its involvement with the investee; and
has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements present the consolidated accounts which consist of accounts of the Company and that of the following subsidiaries, associates, joint ventures of the Group.

Name of the Company	Country of Incorporation	Effective holding as of March 31,		Subsidiary controlled/owned by Group since
		2023	2022	
Subsidiary Companies:				
Chavare Engineering Private Limited	India	51.00%	51.00%	2010-11
Navitas Waste Treatment Private Limited	India	100.00%	100.00%	2014-15
Vasudha Waste Treatment Private Limited	India	74.00%	74.00%	2020-21
SFC Umwelttechnik GmbH	Austria	87.23%	87.23%	2008-09
SFC Ekotechnika S.r.o	Czechia	87.23%	87.23%	2008-09
Fine Aeration Systems Private Limited	India	51.00%	0.00%	2022-23
Associate Companies:				
Hindustan Waste Treatment Private Limited	India	49.00%	49.00%	2014-15
Turbomax India Private Limited	India	49.00%	49.00%	2022-23
Joint Ventures:				
Endress + Hauser & Chavare Engineering (JV) Private Limited	India	24.99%	24.99%	2017-18

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financials Statements to Schedule III to the Companies Act, 2013.
For year ended March 31, 2023

Name of Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
SFC Environmental Technologies Pvt. Ltd.	95%	38,771.30	96%	9,069.96	166%	(55.28)	95%	9,014.68
Subsidiary								
Chavare Engineering Private Limited	4%	1,689.54	1%	97.24	-2%	0.72	1%	97.95
Navitas Waste Treatment Private Limited	0%	183.78	0%	1.70	0%	-	0%	1.70
Vasudha Waste Treatment Private Limited	1%	406.97	1%	75.13	0%	-	1%	75.13
SFC Umwelttechnik GmbH	1%	578.29	-2%	(154.20)	-55%	18.17	-1%	(136.03)
SFC Ekotechnika S.r.o	0%	10.66	0%	5.38	-1%	0.23	0%	5.61
Fine Aeration Systems Private Limited	0%	5.36	0%	(4.64)	0%	-	0%	(4.64)
Non Controlling Interest								
	3%	1,099.83	1%	92.78	-9%	2.91	1%	95.70
Share of Profit of joint ventures and associate								
	0%	-	1%	131.31	0%	-	0%	-
Inter- Group Elimination & Consolidation Adjustments								
	-5%	(2,104.31)	2%	166.21	0%	-	3%	297.52
Total	100%	40,641.41	100%	9,480.86	100%	(33.25)	100%	9,447.62

SFC Environmental Technologies Private Limited
Notes to consolidated financial statement for the year ended March 31, 2023
CIN: U90000MH2005PTC152235
(Currency: Indian Rupees in lakhs)

For year ended March 31, 2022

Name of Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
SFC Environmental Technologies Pvt. Ltd.	96%	32,451.22	96%	8,143.44	72%	(8.08)	96%	8,135.36
Subsidiary								
Chavare Engineering Private Limited	5%	1,591.34	0%	38.00	21%	(2.38)	0%	35.62
Navitas Waste Treatment Private Limited	1%	182.08	0%	16.32	0%	-	0%	16.32
Vasudha Waste Treatment Private Limited	1%	331.84	3%	264.98	0%	-	3%	264.98
SFC Umwelttechnik GmbH	2%	714.32	0%	10.27	6%	(0.67)	0%	9.59
SFC Ekotechnika S.r.o	0%	3.20	0%	(9.85)	-7%	0.80	0%	(9.05)
Fine Aeration Systems Private Limited	0%	-	0%	-	0%	-	0%	-
Non Controlling Interest	3%	999.23	2%	131.11	8%	(0.93)	2%	130.18
Share of Profit of joint ventures and associate	0%	-	3%	276.54	0%	-	0%	-
Inter- Group Elimination & Consolidation Adjustments	-7%	(2,391.57)	-4%	(354.79)	0%	-	-1%	(78.24)
Total	100%	33,881.65	100%	8,516.04	100%	(11.26)	100%	8,504.78

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

3.2 Revenue from contracts with customers

Revenue from operations:

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration. Revenue excludes taxes collected from customers on behalf of the government. Any amount receivable from customer are recognized as revenue at the point in time when control of the goods sold are transferred to the customer, generally on delivery of the goods.

Revenue from service concession arrangement has been accounted under the financial asset model. The entity recognizes financial asset arising from service concession arrangement to the extent it has an unconditional contractual right to receive payment. Financial assets are initially recognized at their fair value. Contract cost is recognized as the total cost incurred towards the financial assets. Contract revenue represents revenue from contracts wherein the performance obligation is satisfied over a period of time. and revenue is recognized by additionally applying specified margin on the total cost incurred towards the financial assets. Subsequent to initial recognition financial assets are recognized at amortized cost.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in Statement of Profit and Loss immediately in the period in which such costs are incurred.

The scrap sales arising directly due to operating activity is a part of revenue from operations.

3.3 Recognition of Dividend Income, Interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Other income

Interest income from other financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the interest rate applicable.

3.4 Property, Plant & Equipment (PPE)

PPE is recognised 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 initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Expenditure incurred after the PPE have been put into use such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

Subsequent costs are included in the assets's carrying amount or recognized 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. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Capital work in Progress:

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE if any) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets"

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Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using written down value method, so as to write off the cost of the assets less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. In respect of additions to /deletions from the PPE, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

Gains or losses arising from de-recognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.5 Financial Instruments

i) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 55). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets	Subsequent measurement and gains and losses
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

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iii) Derecognition

a) Financial Assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

b) Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.6 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

i) Non-derivative financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all financial assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii) Impairment of non-financial Asset

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

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3.7 Inventories

Inventories are valued after providing for obsolescence, as under:

a) Raw materials, components, stores and spares at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

b) Work-in-progress and Finished goods are valued at lower of cost or net realisable value. Cost includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

3.8 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent asset are disclosed in the financial statements.

3.9 Employee benefits

Employee benefits include provident fund and gratuity fund.

(i) Defined Contribution Plan:

The Group's contributions towards provident fund is defined contribution scheme. The Group's contribution paid/payable under the schemes is recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the related service.

ii) Short-Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. and the expected cost of ex-gratia, if any are recognized in the statement of profit and loss in the period in which the employee renders the related service.

iii) Defined benefit plan:

The Group's gratuity benefit scheme with Life Insurance Corporation of India is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at each balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of other comprehensive income.

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3.10 Taxation

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.11 Foreign currency transactions

Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date or at rates that closely approximate the rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in the Statement of Profit & Loss in the period in which they arise.

3.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash, cheque in hand, cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year and equity shares to be issued on conversion of mandatorily convertible instruments. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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3.14 Cash flow statement

Cash flows are reported using the indirect method, whereby the net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

Cash and cash equivalents in the cash flow statement comprise cash on hand, bank balance available on demand and bank deposits with original maturity of three months or less.

3.15 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

4 Recent pronouncement

Recent pronouncements: Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The company is evaluating the impact, if any, in its financial statements.

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company is evaluating the impact, if any, in its financial statements.

(iii) Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company is evaluating the impact, if any, in its financial statements.

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5 Property, plant and equipment

Description of Assets	Land	Buildings	Plant & Machinery	Office Equipment	Computers	Electrical Installations	Solar Power Plant	Furniture and Fixture	Vehicles	Total
Gross Block										
Balance as at 1st April 2021	611.37	2,048.25	56.58	77.18	61.46	4.44	9.73	49.13	217.68	3,135.81
Additions	-	22.80	36.07	46.22	64.97	8.15	-	6.80	111.56	296.58
Disposals	-	22.22	-	-	-	-	-	2.08	13.06	37.36
Exchange Difference on Translation of foreign operations	-	-	3.21	2.34	-	-	-	-	-	5.55
Balance as at March 31, 2022	611.37	2,048.83	95.87	125.74	126.43	12.59	9.73	53.85	316.17	3,400.58
Additions	-	11.91	333.92	26.18	50.93	-	-	24.70	670.09	1,117.72
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange Difference on Translation of foreign operations	-	-	1.81	3.04	-	-	-	-	-	4.86
Balance as at March 31, 2023	611.37	2,060.74	431.60	154.96	177.36	12.59	9.73	78.55	986.26	4,523.15
Depreciation / Impairment										
Balance as at 1st April 2021	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	111.65	16.49	44.94	49.54	2.34	1.35	12.86	79.95	319.13
Disposals	-	1.08	-	-	-	-	-	0.43	2.37	3.87
Exchange Difference on Translation of foreign operations	-	-	(0.28)	(0.38)	-	-	-	-	-	(0.66)
Balance as at March 31, 2022	-	110.57	16.22	44.56	49.54	2.34	1.35	12.44	77.58	314.60
Charge for the year	-	105.65	54.07	37.79	59.52	2.49	1.17	11.13	122.16	393.98
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange Difference on Translation of foreign operations	-	-	1.30	1.42	-	-	-	-	-	2.72
Balance as at March 31, 2023	-	216.22	71.59	83.77	109.06	4.84	2.52	23.56	199.74	711.31
Net Block										
Balance as at March 31, 2022	611.37	1,938.26	79.65	81.19	76.89	10.24	8.38	41.41	238.59	3,085.98
Balance as at March 31, 2023	611.37	1,844.52	360.01	71.19	68.29	7.75	7.21	54.99	786.51	3,811.85

Note: The Group has adopted IndAS 101 and has elected to continue with the carrying value for all of its Property, Plant & Equipment as recognised in its previous GAAP financial statements as deemed cost on the transition date i.e. April 01 2021.

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6 Right-of-use asset

Right-of-Use Assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particular	Total
I. Gross Block	
Balance as at 1st April 2021	77.59
Additions	57.12
Deletion	-
Balance as at March 31, 2022	134.72
Additions	209.38
Deletion	-
Balance as at March 31, 2023	344.10
II. Accumulated Depreciation	
Balance as at 1st April 2021	-
Additions	22.25
Deletion	-
Balance as at March 31, 2022	22.25
Additions	80.53
Deletion	-
Balance as at March 31, 2023	102.78
Net Block (I-II)	
Balance as at March 31, 2022	112.47
Balance as at March 31, 2023	241.32

7 Investment Property

Particular	Buildings
I. Gross Block	
Balance as at 1st April 2021	3,388.07
Additions	-
Deletion	721.86
Balance as at March 31, 2022	2,666.21
Additions	-
Deletion	537.96
Balance as at March 31, 2023	2,128.25
II. Accumulated Depreciation	
Balance as at 1st April 2021	155.99
Charge for the year	147.50
Deletion	62.56
Balance as at March 31, 2022	240.93
Charge for the year	111.03
Deletion	72.79
Balance as at March 31, 2023	279.17
Net Block (I-II)	
Balance as at March 31, 2022	2,425.28
Balance as at March 31, 2023	1,849.08

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8 Goodwill

Particulars	Balance as at March 31, 2023	Balance as at March 31, 2022	Balance as at 1st April 2021
I. Gross Block			
Balance at beginning of the year	280.79	280.79	280.79
Additions	-	-	-
Impairment	-	-	-
Balance at the end of the year	280.79	280.79	280.79

The Goodwill is tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2023 and March 31, 2022.

The Goodwill arises from the following Group's Cash Generating Units (CGU):

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
SFCU GmbH	59.74	59.74	59.74
Chavare Engineering Private Limited	189.68	189.68	189.68
Vasudha Waste Treatment Private Limited	31.37	31.37	31.37
Total	280.79	280.79	280.79

9 Intangible Assets

Description of Assets	Software	Total
Gross Block		
Balance as at 1st April 2021	8.54	8.54
Additions	2.30	2.30
Disposals	-	-
Exchange Difference on Translation of foreign operations	(0.05)	(0.05)
Balance as at March 31, 2022	10.79	10.79
Additions	12.07	12.07
Disposals	-	-
Exchange Difference on Translation of foreign operations	0.64	0.64
Balance as at March 31, 2023	23.50	23.50
Depreciation / Impairment		
Balance as at 1st April 2021	-	-
Charge for the year	4.33	4.33
Disposals	-	-
Exchange Difference on Translation of foreign operations	(0.04)	(0.04)
Balance as at March 31, 2022	4.29	4.29
Charge for the year	5.22	5.22
Disposals	-	-
Exchange Difference on Translation of foreign operations	0.22	0.22
Balance as at March 31, 2023	9.74	9.74
Net Block		
Balance as at March 31, 2022	6.50	6.50
Balance as at March 31, 2023	13.76	13.76

Note: The Group has adopted IndAS 101 and has elected to continue with the carrying value for all of its Intangible Assets as recognised in its previous GAAP financial statements as deemed cost on the transition date i.e. April 01 2021.

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10 Non current Assets - Financial Assets - Investments	March 31, 2023	March 31, 2022	April 01, 2021
Investment stated at Cost			
Investment in Equity Instruments			
Associate companies	3,315.50	2,811.76	2,535.90
Investment in ASB Shares	6.10	6.10	6.10
Investment in equity instruments of joint venture			
Investment in JV Endress Hauser	3.86	3.88	3.20
Investment in JV Gharpure	0.07	0.21	0.22
Investment stated at Fair Value through profit and loss			
Investment in Mutual Funds	1,902.26	1,860.05	-
Securities for Provision (Severance Payments)	251.21	251.21	251.21
Total	5,478.99	4,933.22	2,796.63
Details of Non-current Assets - Financial Assets - Investments	March 31, 2023	March 31, 2022	April 01, 2021
Investments in fully paid equity instruments			
Associate companies			
(i) Hindustan Waste Treatment Private Limited- 1,91,29,600 equity shares of Rs 10 each fully paid up	2,977.50	2,811.76	2,535.90
(ii) Turbomax India Private Limited- 37,24,000 (March 31, 2022: Nil and March 31, 2021: Nil) equity shares of Rs. 10 each fully paid-up	338.00	-	-
	3,315.50	2,811.76	2,535.90
Details of quoted / unquoted investments:	March 31, 2023	March 31, 2022	April 01, 2021
Aggregate book value of Unquoted investments	5,478.99	4,933.22	2,796.63
Aggregate market value of Unquoted investments	5,478.99	4,933.22	2,796.63
Aggregate amount of impairment in value of Investments	-	-	-
11 Non - Current Assets - Financial Assets - Loans (considered good, unless otherwise stated)	March 31, 2023	March 31, 2022	April 01, 2021
Unsecured Loans:			
- To Others	616.12	26.82	-
	616.12	26.82	-

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

12 Non - Current Assets - Financial Assets - Trade Receivables

Secured, considered good
Unsecured, considered good

Less: Allowance for expected credit loss
Net trade receivables

March 31, 2023	March 31, 2022	April 01, 2021
-	-	-
1,841.32	1,172.57	111.42
1,841.32	1,172.57	111.42
-	-	-
1,841.32	1,172.57	111.42

Ageing schedule of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,784.47	56.85	-	-	-	-	-	1,841.32
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
Total	1,784.47	56.85	-	-	-	-	-	1,841.32

Ageing schedule of trade receivables as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,065.54	107.02	-	-	-	-	-	1,172.57
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
Total	1,065.54	107.02	-	-	-	-	-	1,172.57

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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Ageing schedule of trade receivables as at April 01, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	111.42	-	-	-	-	-	111.42
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
Total	-	111.42	-	-	-	-	-	111.42

Refer note 56 about information on credit risk and market risk of trade receivables.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

	March 31, 2023	March 31, 2022	April 01, 2021
13 Non - Current Assets - Financial assets - Others			
Financial assets at amortised cost			
Bank Deposits with more than twelve months maturity	2,542.87	2,391.24	665.20
Security deposits	97.00	78.22	258.89
	2,639.86	2,469.46	924.09

*Refer Note 20 for information about lien on fixed deposits.

	March 31, 2023	March 31, 2022	April 01, 2021
14 Non - Current Asset - Income tax assets (Net)			
Advance income taxes (Net off provisions)*	200.70	77.60	27.08
	200.70	77.60	27.08

*Net of provisions as on Mar 31, 2023 - 3165.54 Lakhs (March 31, 2022 - 5038.31 Lakhs; April 01, 2021- Rs 2185.90 lakhs)

	March 31, 2023	March 31, 2022	April 01, 2021
15 Non - current assets - Others			
MVAT refund receivable	24.46	24.46	76.26
Prepaid expenses	19.38	6.73	7.68
	43.85	31.19	83.94

	March 31, 2023	March 31, 2022	April 01, 2021
16 Current Assets - Inventories			
(Valued at lower of cost and net realizable value)			
Raw materials	764.22	556.31	743.46
Work in Progress	1,980.25	1,546.63	1,767.78
Stock-in-trade	4,636.38	2,477.03	1,526.85
	7,380.85	4,579.98	4,038.09

	March 31, 2023	March 31, 2022	April 01, 2021
17 Current Assets - Financial Assets - Loans			
(Unsecured, considered good, unless otherwise stated)			
Loan to Employees	201.43	58.26	11.75
To related parties			
Hindustan Waste Treatment Private Limited	-	800.00	-
	201.43	858.26	11.75

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

1,13,82,79,106.33

18 Current Assets - Financial Assets - Trade receivables

	March 31, 2023	March 31, 2022	April 01, 2021
Secured, considered good	-	-	-
Unsecured, considered good	22,904.34	17,737.97	11,452.94
	22,904.34	17,737.97	11,452.94
Less: Allowance for expected credit loss	(921.87)	(879.45)	(1,168.16)
Net trade receivables	21,982.47	16,858.51	10,284.79

Ageing schedule of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	16,427.22	1,648.04	3,419.69	211.45	90.72	21,797.11
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	377.10	377.10
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	730.13	730.13
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	(18.57)	(0.74)	(4.55)	(3.58)	(894.44)	(921.87)
Total	-	-	16,408.66	1,647.30	3,415.14	207.86	303.51	21,982.47

Ageing schedule of trade receivables as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	11,922.62	4,161.88	247.98	178.57	99.79	16,610.84
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	631.88	631.88
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	495.25	495.25
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	(12.51)	(0.61)	(1.60)	(1.56)	(863.17)	(879.45)
Total	-	-	11,910.11	4,161.27	246.39	177.01	363.75	16,858.51

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

1,13,82,79,106.33

Ageing schedule of trade receivables as at April 01, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	7,558.36	957.97	985.37	489.89	130.75	10,122.34
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	363.31	363.31
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	967.29	967.29
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	(24.98)	(2.06)	(5.55)	(9.78)	(1,125.80)	(1,168.16)
Total	-	-	7,533.39	955.91	979.82	480.12	335.55	10,284.79

Refer note 56 about information on credit risk and market risk of trade receivables.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

19 Current Assets - Financial Assets - Cash & cash equivalents

Cash in Hand:

- Cash on hand
- Foreign Cash in Hand

	March 31, 2023	March 31, 2022	April 01, 2021
- Cash on hand	4.56	5.06	2.17
- Foreign Cash in Hand	8.52	1.49	1.72

Balances with banks:

- On current account
- Deposit with original maturity of less than three months

-On current account	2,215.08	2,620.59	2,244.44
-Deposit with original maturity of less than three months	36.61	14.57	610.27
	2,264.78	2,641.71	2,858.59

20 Current Assets - Financial Assets - Other bank balances

- Deposits with banks*
- Ear Marked Bank Balances - Dividend

	March 31, 2023	March 31, 2022	April 01, 2021
Deposits with banks*	10,207.00	9,155.81	10,485.63
Ear Marked Bank Balances - Dividend	0.49	0.39	0.24
	10,207.49	9,156.20	10,485.87

* Fixed deposit is in lien with bank overdraft from Kotak Mahindra Bank of Rs. 1009.89 lakhs (As on March, 31 2022 : Rs 1,854.34 lakhs , As on April 01, 2021 : 354.34 lakhs)

* Fixed deposit are in lien for bank guarantee of Rs. 358.59 lakhs (As on March, 31 2022 : Rs 7.35 lakhs , As on April 01, 2021 : Rs 7.67 lakhs) & Fixed deposit are in lien for letter of credit of Rs. 106.22 lakhs (As on March, 31 2022 : Rs 50.62 lakhs , As on April 01, 2021 : Rs 50.62 lakhs)

21 Current Assets - Financial Assets - Others

(considered good, unless otherwise stated)

- Earnest Money Deposits
- Advance to Others

	March 31, 2023	March 31, 2022	April 01, 2021
Earnest Money Deposits	86.10	399.91	157.91
Advance to Others	-	-	644.67
	86.10	399.91	802.58

22 Other current assets

- Balance with government authorities
- Advances to employee
- Advance to suppliers
- Prepaid expenses
- Export Incentives Receivable
- Duty Drawback Receivable
- Other assets

	March 31, 2023	March 31, 2022	April 01, 2021
Balance with government authorities	3,607.74	561.08	172.96
Advances to employee	12.70	1.42	0.74
Advance to suppliers	418.04	1,730.60	1,230.27
Prepaid expenses	111.71	72.88	50.35
Export Incentives Receivable	3.60	-	-
Duty Drawback Receivable	-	19.12	-
Other assets	3.24	2.89	334.94
	4,157.03	2,388.00	1,789.26

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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23 Share capital

Share Capital

Authorized

1,74,00,000 (March 31, 2022: 1,74,00,000 ,April 01, 2021: 1,74,00,000) equity shares of Rs. 10 each

Issued, subscribed and paid up

62,27,418 (March 31, 2022: 62,27,418 ,April 01, 2021: 62,27,418) equity shares of Rs.10 each fully paid up

	March 31, 2023	March 31, 2022	April 01, 2021
Authorized	1,740.00	1,740.33	1,740.00
	1,740.00	1,740.33	1,740.00
Issued, subscribed and paid up	622.74	622.74	622.74
	622.74	622.74	622.74

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	62,27,418	622.74	62,27,418	622.74	60,00,000	600.00
Add: Issuance and allotment of shares (refer note f below)	-	-	-	-	50,27,418	502.74
Less: cancellation of shares (refer note f below)	-	-	-	-	-48,00,000	-480.00
Outstanding at the end of the year	62,27,418	622.74	62,27,418	622.74	62,27,418	622.74

(b) Particulars of shares held by shareholders holding more than 5% of the aggregate shares in the Group (Refer note f below)

Name of the shareholder	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Enviropro Water Tech Private Limited	-	0.00%	-	-	48,00,000	80.00%
Mr. Sandeep Asolkar	21,05,698	33.81%	21,05,698	33.81%	9,00,000	15.00%
Mrs. Aparna Kapoor	5,74,778	9.23%	5,74,778	9.23%	3,00,000	5.00%
Mr. Saket Dhandoriya	5,62,275	9.03%	5,62,275	9.03%	-	-
Mr. Rajesh Nambisan	3,74,801	6.02%	3,74,801	6.02%	-	-
Mr. Sandeep Parab	3,74,801	6.02%	3,74,801	6.02%	-	-
Mr. Madurakavi Kumaraguru	3,74,801	6.02%	3,74,801	6.02%	-	-
Mr. Sarvesh Garg	3,74,801	6.02%	3,74,801	6.02%	-	-
	47,41,955	76.15%	47,41,955	76.15%	60,00,000	100.00%

(c) Shares held by promoters in the group (Refer note f below)

Name of the Promoter	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Enviropro Water Tech Private Limited	-	0.00%	-	0.00%	48,00,000	80.00%
Mr. Sandeep Asolkar	21,05,698	33.81%	21,05,698	33.81%	9,00,000	15.00%
Mrs. Aparna Kapoor	5,74,778	9.23%	5,74,778	9.23%	3,00,000	5.00%
	26,80,476	43.04%	26,80,476	43.04%	60,00,000	100.00%

(d) Shares held by holding group (Refer note f below)

Name of the Shareholder	March 31, 2023		March 31, 2022		April 01, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs. 10 each fully paid up held by SFC Environmental Technologies Pvt. Ltd.	-	0.00%	-	0.00%	48,00,000	80.00%
	-	0.00%	-	0.00%	48,00,000	80.00%

(e) Terms/rights attached to Equity Shares

The Group has only one class of Equity Shares having Face Value of Rs 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Group, the holders of Equity Shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. However no such preferential amount exists as at March 31, 2023. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(f) Pursuant to the Clause 14 of the Composite Scheme of Amalgamation of Enviropro Water Tech Private Limited and Intergeo Solid Waste Management Private Limited with the Group approved by the National Group Law Tribunal, following shall be deemed to have occurred on the Appointed Date (i.e. as on 1 April 2021):

- issuance and allotment of New Shares to the shareholders of the First Transferor Group (i.e. Enviropro Water Tech Private Limited) as on the Record Date.
- reduction of share capital of the Group to the extent of face value of the shares held by the First Transferror Group.

(g) During the Financial Year 2022-2023 the Group has not issued any shares to any of its director or other person (other than note f above). The Group has not allotted any equity shares as bonus shares during the period of five years immediately preceding March 31, 2023 and also March 31, 2022. Further the Group has not bought back any equity shares during the aforesaid period.

(h) The Group does not have any securities outstanding as at March 31, 2023 and also as at March 31, 2022 which are convertible into equity/preference shares.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

24 Other Equity

24A Movement in reserves and surplus

	March 31, 2023	March 31, 2022	April 01, 2021
Securities Premium	39.67	39.67	39.67
Retained earnings	37,876.26	31,179.02	22,791.45
General Reserves	703.01	705.38	708.06
Capital Reserves	213.71	213.71	213.71
Standard Reserve u/s 45IC of the RBI Act	0.46	-	-
Exchange differences on translation of foreign operations	150.75	132.34	132.22
Other comprehensive income (Actuarial Gain/ Loss)	(65.02)	(10.45)	-
Total Reserve and Surplus	38,918.84	32,259.67	23,885.11

(A) Securities premium (SP)

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	39.67	39.67	39.67
Add/(Less): Changes during the year	-	-	-
Closing balance	39.67	39.67	39.67

* Nature and purpose of reserves

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued. Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	705.38	708.06	708.06
Add/(Less) : Transfer to Retained Earnings	(2.37)	(2.68)	-
Closing balance	703.01	705.38	708.06

* Nature and purpose of reserves

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, where in certain percentage of profits were required to be transferred to General Reserve before declaring dividends. General Reserve is a free reserve available to the company.

(C) Capital Reserve

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	213.71	213.71	213.71
Add: Transfer from Reserve	-	-	-
Closing balance	213.71	213.71	213.71

* Nature and purpose of reserves

Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

(D) Retained earnings

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	31,179.02	22,791.45	24,463.55
Less: effect of merger	-	-	(493.97)
Add: Profit for the year	9,388.08	8,384.89	-
Add: Transfer from General reserves	2.37	2.68	-
Add: Ind AS transition impact	-	-	(1,178.13)
Less: Transfer to Standard Reverse u/s 45IC of RBI Act	(0.46)	-	-
Less: Dividend Paid	(2,694.60)	-	-
Add: Other Changes	1.85	-	-
Closing balance	37,876.26	31,179.02	22,791.45

* Nature and purpose of reserves

Retained earnings are the profit that the company has earned till date.

(E) Standard Reserve u/s 45IC of the RBI Act

	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	-	-	-
Add: Transfer from Retained Earnings	0.46	-	-
Closing Balance	0.46	-	-

* Nature and purpose of reserves

Reserve fund is created as per the terms of section 45 IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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24B Exchange differences on translation of foreign operations	March 31, 2023	March 31, 2022	April 01, 2021
Opening Balance	132.34	132.22	132.22
Add: Current year	21.06	0.03	-
Less: Share of Non- Controlling Interest	(2.66)	0.10	-
Closing Balance	150.75	132.34	132.22

Exchange differences on translation of foreign operations: This comprise of all exchange differences arising from translation of financial statements of foreign operations as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary.

24C Movement in Other Comprehensive Income (Acturial Gain/ Loss)	March 31, 2023	March 31, 2022	April 01, 2021
Opening balance	(10.45)	-	-
Add: Re-measurement loss on defined benefit liabilities (net of tax)	(54.31)	(11.29)	-
Less: Share of Non- Controlling Interest	(0.25)	0.83	-
Closing balance	(65.02)	(10.45)	-
Total other equity	38,918.84	32,259.67	23,885.11

25 Non - Current Liabilities - Financial Liabilities - Borrowings	March 31, 2023	March 31, 2022	April 01, 2021
Loan for purchase of property, plant and equipments*	-	6.38	16.47
Loan from Directors#	39.00	59.00	39.00
	39.00	65.38	55.47

* Loan was availed for the purchase of car which is fully repaid in the current year
Loan from directors is repayable on demand at the interest rate of 10% p.a.

26 Non - Current Liabilities - Financial Liabilities - Leases	March 31, 2023	March 31, 2022	April 01, 2021
Long term maturities of lease obligations (refer note 57)	137.06	79.16	72.39
	137.06	79.16	72.39

27 Non - Current Liabilities - Provisions	March 31, 2023	March 31, 2022	April 01, 2021
Provision for employee benefits :			
Net defined benefit liability- Gratuity (refer note 51)	140.65	46.05	22.60
Provision for severance payments	102.91	84.07	83.28
Other provision	465.00	779.07	541.52
	708.56	909.20	647.40

28 Current Liabilities - Financial Liabilities - Borrowings	March 31, 2023	March 31, 2022	April 01, 2021
Bank Overdraft*	4,601.84	3,732.55	1,472.22
	4,601.84	3,732.55	1,472.22

*Note: Overdraft facility has been received from various banks, for the purpose of working capital with interest rate ranging from 7% to 9.50% p.a., which is repayable on demand. The said overdrafts are against primary security of lien of fixed or time Deposits, primary hypothecation of current assets, guest houses, movable fixed assets, investment properties, collateral of office premises.

29 Current Liabilities - Financial Liabilities - Leases	March 31, 2023	March 31, 2022	April 01, 2021
Lease obligations (refer note 57)	116.78	39.33	7.67
	116.78	39.33	7.67

30 Current Liabilities - Financial Liabilities - Trade Payables

Total outstanding dues of micro and small enterprises
Total outstanding dues of creditors other than micro and small enterprises

	March 31, 2023	March 31, 2022	April 01, 2021
	1,640.16	1,277.63	1,332.14
	9,136.99	6,771.80	5,204.99
	10,777.14	8,049.43	6,537.14

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

Particulars	March 31, 2023	March 31, 2022	April 01, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,640.16	1,277.63	1,332.14
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-	-

Ageing schedule for trade payables outstanding as at March 31, 2023:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
(i) MSME	-	-	1,620.00	-	-	20.16	1,640.16
(ii) Others	-	-	9,131.71	4.56	-	0.72	9,136.99
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	10,751.70	4.56	-	20.88	10,777.14

Ageing schedule for trade payables outstanding as at March 31, 2022:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
(i) MSME	-	-	1,257.57	-	2.00	18.06	1,277.63
(ii) Others	-	-	6,765.08	3.10	0.20	3.43	6,771.81
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	8,022.65	3.10	2.20	21.49	8,049.43

Ageing schedule for trade payables outstanding as at April 01, 2021:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
(i) MSME	-	-	1,312.09	2.00	-	18.06	1,332.14
(ii) Others	-	-	5,201.47	0.00	3.32	0.20	5,204.99
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	6,513.56	2.00	3.32	18.26	6,537.14

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

31 Current Liabilities - Financial Liabilities - Others	March 31, 2023	March 31, 2022	April 01, 2021
Interest payable on advance from customer	-	-	38.22
Interest payable on loan from directors	0.33	2.33	0.33
Interest payable on bank overdraft	1.13	0.36	2.69
Creditors for capital goods	2.01	0.76	-
Creditors for expenses	546.30	389.78	486.84
Remuneration payable to directors	29.56	65.47	34.23
Employee benefits payable	250.43	55.02	1,469.78
Payable to others	13.29	10.59	130.93
	843.05	524.31	2,163.02

32 Current liabilities - Others	March 31, 2023	March 31, 2022	April 01, 2021
Statutory dues Payable			
GST	3,923.40	363.58	379.69
TDS	200.61	388.95	973.01
TCS	0.01	0.02	0.00
ESIC	1.89	1.39	1.00
GLWF	0.01	-	-
Provident fund payable	10.24	7.43	6.96
Professional tax payable	0.47	0.23	(0.01)
Social Security	19.12	17.09	17.60
Contract Liabilities	984.98	1,274.11	2,385.08
Other Payable	13.02	1,923.88	906.09
Accrued Expenses	181.71	137.07	137.55
	5,335.47	4,113.74	4,806.98

33 Current Liabilities - Provisions	March 31, 2023	March 31, 2022	April 01, 2021
Provision for employee benefits :			
Provision for Gratuity (refer note 51)	8.11	6.63	4.22
	8.11	6.63	4.22

34 Current tax liabilities	March 31, 2023	March 31, 2022	April 01, 2021
Provision for tax*	22.38	(42.08)	(40.02)
	22.38	(42.08)	(40.02)

*Net of taxes paid as on March 31, 2023 - 97.26 lakhs (March 31, 2022 - 501.54 lakhs, April 01, 2021 - 500.34 lakhs)

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

35 Revenue from operations	Year Ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customer		
- Sale of Goods	33,746.70	23,212.45
- Sale of Services	18,020.18	26,379.86
Total(A)	51,766.88	49,592.32
Other operating revenues		
- Export Benefits Earned	37.71	48.16
- Scrap Sales	18.60	-
- Corporate Guarantee Consideration	16.00	32.00
- Other Operating Income	129.45	0.89
Total (B)	201.76	81.05
Total revenue from operations (A+B)	51,968.64	49,673.37
36 Other income	Year Ended March 31, 2023	Year ended March 31, 2022
Interest income under the effective interest method on		
-Term deposits	607.29	238.68
-Loans given	48.03	412.79
-Security deposits	2.20	0.28
-Income Tax Refund	8.67	1.11
-LC Issuance	-	1.61
-Others	-	6.22
Net gain on fair valuation of Investment in Mututal Funds	42.21	(44.95)
Net gain on foreign currency transactions	92.34	136.42
Net gain on sale of Property, Plant & Equipment	11.07	106.36
Net Gain on Sale of Investment Property	199.08	305.42
Insurance claim	8.84	10.61
Incentive	18.84	-
Rent income	5.90	-
Miscellaneous income	112.13	253.09
Total other income	1,156.60	1,427.63
37 Impairment gain on financial assets	Year Ended March 31, 2023	Year ended March 31, 2022
Impairment gain on trade receivables arising from contracts with customer	-	288.70
Total Impairment Gain	-	288.70
38 Purchases of Stock-in-trade	Year Ended March 31, 2023	Year ended March 31, 2022
Purchase of Goods and Services - Domestic	24,954.39	14,524.98
Purchase of Goods and Services - Imports	1,369.04	11,327.72
Total Purchases	26,323.43	25,852.70
39 Cost of Material Consumed	Year Ended March 31, 2023	Year ended March 31, 2022
Cost of material consumed:		
- Opening stock of Raw materials	556.31	743.46
- Add: Purchases	6,473.02	5,356.58
- Less: Closing stock of Raw materials	(764.22)	(556.31)
Total Cost of Material Consumed	6,265.11	5,543.72
40 Project Cost	Year Ended March 31, 2023	Year ended March 31, 2022
Contract Cost	154.47	19.72
Total Project Cost	154.47	19.72

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

	Year Ended March 31, 2023	Year ended March 31, 2022
41 Changes in inventories		
Inventories at the beginning of the year		
- Finished Goods	2,477.03	1,526.85
- Work in Progress	1,546.63	1,767.78
	<u>4,023.66</u>	<u>3,294.62</u>
Less: Inventories at the end of the year		
- Finished Goods	4,636.38	2,477.03
- Work in Progress	1,980.25	1,546.63
	<u>6,616.63</u>	<u>4,023.66</u>
Exchange Difference on Translation of foreign operations	36.27	(60.13)
Net decrease/ (increase)	<u>(2,556.69)</u>	<u>(789.16)</u>
42 Employee benefits expense		
Salaries, wages and bonus	3,691.04	3,238.22
Contribution to provident and other funds	383.71	142.99
Gratuity (refer note 51)	29.11	25.10
Director's remuneration	701.06	847.74
Leave Encashment Expenditure	1.96	1.75
Staff welfare expenses	140.38	121.29
Total employee benefits expense	<u>4,947.25</u>	<u>4,377.09</u>
43 Finance costs		
Interest expense on Financial liabilities measured at amortized cost		
- on advance received from customer	-	60.29
- on Bank overdraft	193.41	174.95
- on loan from others	4.49	5.90
- on car loan	0.20	1.19
- on Borrowings	142.33	140.64
Interest on delayed payment of statutory dues	4.04	23.43
Interest expense on lease liabilities	19.95	9.24
Total finance costs	<u>364.41</u>	<u>415.64</u>
44 Depreciation and amortization expense		
Depreciation on property, plant and equipment	393.98	319.13
Depreciation on right-of-use asset	80.53	22.25
Depreciation on Investment property	111.03	147.50
Amortisation on intangible asset	5.22	4.33
Total depreciation and amortization expense	<u>590.76</u>	<u>493.22</u>
45 Impairment Losses on financial assets and contract assets		
Impairment loss on trade receivables arising from contracts with customer	42.41	-
Total Impairment Losses	<u>42.41</u>	<u>-</u>

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

46 Other expenses	Year Ended March 31, 2023	Year ended March 31, 2022
Advertisement and marketing expenses	95.03	34.96
Bank Charges	63.13	80.73
Business Promotion Expenses	52.88	34.92
Bad Debts written off	40.01	357.11
Brokerage and Commission	18.78	14.96
Clearing and Forwarding	10.55	314.81
Donation	141.14	93.73
Electricity	28.64	19.70
GST Expenses	11.97	33.45
Hire Charges	4.47	4.02
Insurance	69.56	60.88
Legal and Professional Fees	1,131.43	817.07
Merger Related Expenses	0.20	-
Miscellaneous Expenses	149.63	116.35
O & M Expenses	111.15	158.34
Other Assets written off	-	330.00
Other Manufacturing Expense	268.19	193.22
Other operating expenses	266.10	188.33
Packing & Forwarding Expenses	3.10	6.96
Payment to auditors (refer note 46.a)	18.65	11.70
Postage & Courier	40.91	14.80
Power and fuel	82.97	27.80
Printing & Stationery Expenses	19.78	15.39
Rates & taxes	115.80	133.67
Rent	29.76	42.90
Repair and maintenance- Factory	1.29	37.37
Repair and maintenance- Building	0.72	0.28
Repair and maintenance- Other	149.91	100.33
Security Charges	27.20	21.22
Stores and spares	2.50	1.80
Telephone & Internet charges	19.98	15.49
Transportation Charges	585.60	375.78
Travelling and Lodging Expenses	839.27	396.35
Total other expenses	4,400.29	4,054.39
46.a) Payment to auditors	Year Ended March 31, 2023	Year ended March 31, 2022
As auditor:		
Statutory audit	17.65	10.95
In other capacity:		
Tax audit	1.00	0.75
Total	18.65	11.70

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

47 Income Tax

(A) Current tax expense

- Current tax charge	
- Deferred tax charge / (income)	
Income tax expense reported in the statement of profit or loss	

	Year Ended March 31, 2023	Year ended March 31, 2022
	3,322.41	2,883.31
	(78.17)	299.61
	3,244.24	3,182.92

(B) Deferred tax relates to the following:

Deferred tax assets

On lease arrangements as per Ind AS 116	
On Investment property	
On Fair valuation of investment	
On Expected Credit loss for Trade Receivables	
On Gratuity Provision	
On Unabsorbed losses	
On Inventory	
On Profit/ Loss of Associates	

Deferred tax liabilities

On property, plant and equipment	
On unbilled trade receivables as per Ind AS 115	
On Profit/ Loss of Associates	

Deferred Tax Asset/Liabilities (Net)

	March 31, 2023	March 31, 2022
	50.71	8.17
	70.26	62.88
	0.69	11.31
	232.04	221.36
	6.24	7.09
	305.96	-
	28.90	95.93
	8.49	-
	703.30	406.74
	53.21	57.30
	449.11	268.18
	267.92	226.38
	770.24	551.86
	(66.94)	(145.11)

(C) Income tax expense charged to OCI

Items that will not be reclassified to profit or loss

Net loss/(gain) on remeasurements of defined benefit liability(asset)	
Income tax charged to OCI	

	March 31, 2023	March 31, 2022
	18.69	3.88
	18.69	3.88

(D) Reconciliation of effective tax rate

Profit before tax from continuing operations	
Tax using the Group's domestic tax rate	
Tax effect of:	
-Non Deductible expenses	
-Tax-exempt income	
-Interest on late payment of taxes	
Short/(Excess) provision of income tax of earlier years	
Others	

Income tax expense

	March 31, 2023	March 31, 2022
	12,718.42	11,708.80
	3,146.09	2,970.23
	31.63	20.27
	(12.98)	-
	48.61	-
	70.14	(0.10)
	(39.26)	192.52
	3,244.24	3,182.92

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

Movement in deferred tax balances

For the year ended March 31, 2023:

Particulars	Opening Balance	Recognized in Profit or Loss	Closing Balance
Tax effect of items constituting deferred tax asset			
On Investment property	62.88	7.39	70.26
On lease arrangements as per Ind AS 116	8.17	42.54	50.71
On Fair valuation of investment	11.31	(10.62)	0.69
On Expected Credit loss for Trade Receivables	221.36	10.67	232.04
On Gratuity Provision	7.09	(0.85)	6.24
On Inventory	95.93	(67.02)	28.90
On Unabsorbed losses	-	305.96	305.96
On Profit/ Loss of Associates	-	8.49	8.49
	406.74	296.56	703.30
Tax effect of items constituting deferred tax liabilities			
On property, plant and equipment	57.30	(4.09)	53.21
On unbilled trade receivables as per Ind AS 115	268.18	180.94	449.11
On Profit/ Loss of Associates	226.38	41.54	267.92
	551.86	218.39	770.24
Net Deferred Tax Asset / (Liabilities)	(145.11)	78.17	(66.94)

For the year ended March 31, 2022:

Particulars	Opening Balance	Recognized in Profit or Loss	Closing Balance
Tax effect of items constituting deferred tax asset			
On Investment property	39.26	23.61	62.88
On lease arrangements as per Ind AS 116	0.62	7.55	8.17
On Fair valuation of investment	-	11.31	11.31
On Expected Credit loss for Trade Receivables	294.03	(72.66)	221.36
On Gratuity Provision	5.69	1.40	7.09
On Inventory	-	95.93	95.93
On Unabsorbed losses	-	-	-
On Profit/ Loss of Associates	-	-	-
	339.60	67.14	406.74
Tax effect of items constituting deferred tax liabilities			
On property, plant and equipment	28.33	28.97	57.30
On unbilled trade receivables as per Ind AS 115	-	268.18	268.18
On Profit/ Loss of Associates	156.78	69.60	226.38
	185.11	366.75	551.86
Net Deferred Tax Asset / (Liabilities)	154.49	(299.61)	(145.11)

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

48 Earnings per share ("EPS")	Year ended	Year ended
	March 31, 2023	March 31, 2022
Profit for the year for basic and diluted EPS (A)	9,388.08	8,384.89
Weighted average number of Equity shares outstanding for calculating basic and diluted EPS (B)	62,27,418	62,27,418
Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share) (A/B)	150.75	134.64
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share) (A/B)	150.75	134.64

49 Contingent liabilities and commitments	March 31, 2023	March 31, 2022
	I. Claims against the Group not acknowledged as debts	
GST Appeal*	44.98	-
*GST Appeal for outstanding liabilities has been filed for FY 2017-18		
II. Capital commitments		
	March 31, 2023	March 31, 2022
	Nil	Nil

There are no capital commitments for the Group as on March 31, 2023 and also as on March 31, 2022.

50 Scheme Of Merger

The Board of Directors of the Company had approved the Composite Scheme of Amalgamation and Arrangement (the 'Scheme') for merger of Enviropro Water Tech Private Limited and Intergeo Solid Waste Management Private Limited with the Company and application seeking approval of the Scheme was filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 27 December 2022. The standalone financial statements of the Company for the year ended 31 March 2022 were approved by the Board of Directors at its meeting held on 7 December 2022.

On receipt of the certified copy of the order dated 10 February 2023 from NCLT, Mumbai Bench sanctioning the Scheme, with appointed date 01 April 2021, and upon filing the same with Registrar of Companies, Maharashtra on 9 March 2023 the Scheme has become effective.

Accordingly, the Company has given effect to the Scheme in the earlier approved standalone financial statements for the year ended 31 March 2022 from the Appointed date of 01 April 2021 by restating the standalone financial statements approved by the Board of Directors on 7 December 2022 as per clause 13.1 of the Scheme. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values.

In line with the above, wherever the term "standalone financial statements" is mentioned it should be referred as the standalone financial statements of SFC Environmental Technologies Private Limited.

The restatement to the standalone financial statements for the year ended 31 March 2022 have been carried out solely for the impact of above referred merger and no additional adjustments have been carried out for any other events occurring after 7 December 2022 (being the date when the financial statements were first approved by the Board of Directors of the Company).

Name of the transferor company	1. Enviropro Water Tech Private Limited 2. Intergeo Solid Waste Management Private Limited
General nature of business	Provides advanced technologies in the fields of Municipal Sewage & Solid Waste Treatment

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

Appointed Date of the Scheme	01-Apr-21
Number of shares issued	5027418
Number of equity shares exchanged	1,750 Equity shares issued of the Company for every 1,000 equity shares held of Enviropro Water Tech Private Limited. Nil shares issued of the Company for merger of Intergeo Solid Waste Management Private Limited with the company

Pursuant to the approved Scheme, the Transferee Company has accounted for the merger in its books as per the pooling of interests method as mentioned in Indian Accounting Standard (Ind AS) 103 Business Combinations.

a) Accounting treatment

- i) The Transferee Company has recorded all the assets, liabilities and reserves of the Transferor Company vested in it pursuant to this Scheme, at their book values and in the same form as appearing in the books of the Transferor Company as on the Appointed Date, by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and prescribed under Companies (Indian Accounting Standards) Rules, 2015 issued by the Institute of Chartered Accountants of India.
- ii) The financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- iii) Investments in shares of the Transferor Company held by the Transferee Company have been adjusted against Share Capital of the Transferor Company and the difference, between cost of investment of the Transferor Company in the books of the Transferee Company has been adjusted against balance of reserves and surplus of the Transferee Company post-merger.
- iv) The identity of the reserves has been preserved and appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

b) The book value of assets and liabilities taken over in accordance with the terms of the scheme at the following summarised values:

Particulars	Amount (in Lakhs)
ASSETS	
Non-Current Assets	
Property, Plant and Equipments	66.78
Non-Current Investments	926.99
Total Non-Current Assets	993.76
Current Assets	
Trade receivables	51.44
Cash and Cash Equivalents	761.65
Other Current Assets	7.56
Total Current Assets	820.65
TOTAL ASSETS (A)	1,814.41

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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II. EQUITY AND LIABILITIES

Equity

Other equity 1,103.59

Total equity 1,103.59

Non-Current Liabilities

Deferred Tax Liabilities (Net) 11.74

Total Non-Current Liabilities 11.74

Current Liabilities

Short-Term Borrowings 84.20

Trade Payables

(i) due to Micro, Small and Medium Enterprises -

(ii) due to Others 1.30

Other Current Liabilities 1.30

Total Current Liabilities 86.80

TOTAL EQUITY AND LIABILITIES (B) 1,202.13

Total net identifiable assets acquired C = (A-B) 612.28

Cancellation of shares of the Company (D) 480.00

Cost of investment in the Merged Undertaking (E) (1,083.51)

Purchase consideration (Fresh issue of equity shares) (F) (502.74)

Net impact transferred to other equity (C+D-E-F) (493.97)

a) Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the Company Rs 493.96 lakhs has been debited to the other equity of the Company.

b) As the appointed date of the Scheme is 1 April 2021, the previous year's numbers for the year ended 31 March 2021 have been restated to include the financial information of the Transferor Company.

c) The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferor Companies (Refer note 23).

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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51 Employee benefits

(I) Defined Contribution Plans

Employer's Contribution to Provident fund and ESIC

During the year, the Group's contribution to Provident Fund and ESIC is recognized in the statement of Profit and loss under the head Employee Benefit Expense.

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
- Employer's contribution to Provident Fund and other Fund	383.71	142.99

(II) Defined benefit plans

Every employee is entitled to the benefit equivalent to 15 days of total gross salary last drawn for each

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
I) Reconciliation in present value of obligation (PVO)				
Defined benefit obligation:				
Liability at the beginning of the year	344.98	302.61	-	-
Interest Cost	22.50	18.85	-	-
Current service cost	27.08	23.72	1.35	-
Benefits paid	(22.30)	(15.15)	-	-
Actuarial (Gain)/ Loss - Financial Assumptions	(5.91)	5.56	-	-
Actuarial (Gain)/ Loss - Experience	76.99	9.39	-	-
Liability at the end of the year	443.34	344.98	1.35	-
II) Change in fair value of plan assets:				
Fair value of plan assets at the beginning of the year	295.18	275.79	-	-
Expected return on plan assets	19.53	17.27	-	-
Employer Contributions	6.03	17.50	-	-
Benefits paid	(22.30)	(15.15)	-	-
Actuarial gain on plan assets	(1.92)	(0.22)	-	-
Funded status	296.53	295.18	-	-
III) Expenses recognized in the Statement of Profit & Loss:				
Current service cost	27.08	23.72	-	-
Net Interest costs	2.96	1.58	1.35	-
Other expenses/adjustments	-	-	-	-
Components of Defined Benefit Cost recognized in Statement of Profit and loss	30.04	25.30	1.35	-
IV) Expenses recognized in the Other Comprehensive Income:				
Actuarial (gain) / loss	73.00	15.17	-	-
	73.00	15.17	-	-
IV) Included in Other Comprehensive Income				
Amount recognized in OCI, Beginning of the period	15.17	-	-	-
Remeasurements due to:				
Effect of Change In financial assumptions	(9.39)	(0.97)	-	-
Effect of Change In Demographic assumptions	76.99	9.39	-	-
Effect of experience adjustments	3.48	6.53	-	-
Return on plan Assets(excluding interest)	1.92	0.22	-	-
Total Remeasurements recognized in OCI	73.00	15.17	-	-
Amount recognized in OCI, End of the period	88.17	15.17	-	-
V) Net Liability recognized in the balance sheet				
Fair value of plan assets at the end of the year	296.53	295.18	-	-
Liability at the year end	(443.34)	(344.98)	(1.35)	-
Amount recognized in the balance sheet	(146.80)	(49.79)	(1.35)	-

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

VI) Category of assets as at the end of the year:

Insurer Managed Fund	1.00	1.00
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VII) Actuarial Assumptions

	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.25% - 7.5%	5.70% - 7.33%	0.08	-
Expected rate of return on plan assets	0.07	0.06	-	-
Expected salary increase rate	0.05	0.05	0.05	-
Attrition rate	2% - 40%	2% - 40%	0.05	-
Mortality rate	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	-
	Ultimate	Ultimate	Ultimate	-
Retirement Age	60 years	60 years		

VIII) Experience adjustments

	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	443.34	344.98	1.35	
Fair value of the plan assets	296.53	295.18		
(Deficit) in the plan	(146.80)	(49.79)	(1.35)	
Experience adjustments on:				
On plan liability	-	-	-	-
On plan asset	-	-	-	-

Being the first year of obtaining actuarial reports, the disclosure of liability as per actuarial report for the past 5 years is not applicable.

IX) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other

Particulars	Year ended	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Increase in				
Discount rate (1% movement)	28.66	20.10	1.20	-
Future salary growth (1% movement)	(16.65)	(17.35)	1.54	-
Attrition rate (0.25% movement)	0.10	(0.02)	-	-
Decrease in				
Discount rate (1% movement)	(33.74)	(23.73)	1.53	-
Future salary growth (1% movement)	18.56	14.99	1.19	-

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

X) Expected future cash flows

The expected contributions for the defined benefit plan for the next financial years are mentioned below:

Expected future benefit payments	Year ended	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Year 1	53.44	47.38	0.00	-
Year 2	34.25	30.56	0.01	-
Year 3	55.21	21.90	0.01	-
Year 4	28.72	45.82	0.01	-
Year 5	36.03	21.53	0.17	-
Year 6-10	187.58	134.83	0.72	-
Above 10 years	582.22	414.86	3.21	-
Average Expected Future Working life (in years)	18.42	18.06	12.08	18.06

The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The

XI) Leave encashment expenses

	Year ended	Year ended
	March 31, 2023	March 31, 2022
Expense recognized in the statement of profit and loss	1.96	1.75

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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52 Related Party Disclosures

1 Related parties where control exists

Associate Company

Hindustan Waste Treatment Private Limited
Turbomax India Private Limited

Company where there is common director

Crest IT Consulting Pvt. Ltd.

Company where there is one common director upto 10th November 2021

2 Key Managerial Personal

Sandeep Asolkar

Aparna Kapoor

Sandeep Parab

Veera Venkata Satyanarayana Yannamani

Sarvesh Garg

Shweta Deshpande

Managing Director

Director upto 10th November, 2021

Director

Director

Director

Company Secretary

3 Disclosure of transactions between the Group and Related parties and the status of outstanding balances as at year ending

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Transactions with related parties:		
Directors Remuneration and Incentives		
Sandeep Asolkar	329.93	348.58
Aparna Kapoor	-	86.81
Sandeep Parab	118.27	118.57
Y V V Satyanarayana	118.27	107.96
Sarvesh Garg	118.27	111.40
Salary		
Shweta Deshpande	0.48	-
Dividend		
Sandeep Asolkar	365.00	-
Purchase of Service & Material		
Crest IT Consulting Pvt. Ltd.	17.18	24.59

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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Purchase of Assets

Crest IT Consulting Pvt. Ltd.	-	0.38
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Rent Received

Turbomax India Private Limited	1.06	-
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Sales

Hindustan Waste Treatment Pvt. Ltd.	-	1,749.31
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Supply of Services

Hindustan Waste Treatment Pvt. Ltd.	788.24	198.24
-------------------------------------	--------	--------

Interest on Loan

Hindustan Waste Treatment Pvt. Ltd.	1.45	-
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Reimbursement of Expenses

Hindustan Waste Treatment Pvt. Ltd.	-	15.04
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Sale of Car

Hindustan Waste Treatment Pvt. Ltd.	-	6.00
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Reimbursement of Fees towards Business Support Services

Turbomax India Private Limited	60.85	-
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Balances outstanding as at the year end March 31, 2023 and March 31, 2022 are as follows:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Hindustan Waste Treatment Pvt. Ltd.	15.12	417.76
Crest IT Consulting Pvt. Ltd.	2.01	0.76
Turbomax India Private Limited	61.91	-

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

53 Investments in Associate and Joint VenturesInvestments in Associates

As at March 31, 2023

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
Hindustan Waste Treatment Private Limited	1,91,29,600.00	49%	1,912.96	2,977.50
Turbomax India Private Limited*	37,24,000.00	49%	372.40	338.00

*During the year, the Group has incorporated and subscribed additional 37,24,000 equity shares of Turbomax India Private Limited.

As at March 31, 2022

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
Hindustan Waste Treatment Private Limited	1,91,29,600.00	49%	1,912.96	2,811.76

Summarised financial information in respect of each of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate financial statements.

Particulars - Hindustan Waste Treatment Private Limited	March 31, 2023	March 31, 2022
Current assets	3,632.54	6,168.05
Non-current assets	4,417.28	4,508.75
Current liabilities	1,968.79	4,933.91
Non-current liabilities	4.51	4.60
Revenue	4,821.02	10,572.86
Profit / (loss) for the year	336.32	559.15
Other comprehensive income for the year	1.91	3.83
Total comprehensive income for the year	338.23	562.98

Particulars - Turbomax India Private Limited	March 31, 2023	March 31, 2022
Current assets	726.60	-
Non-current assets	81.95	-
Current liabilities	83.89	-
Non-current liabilities	34.88	-
Revenue	0.16	-
Profit / (loss) for the year	(70.21)	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(70.21)	-

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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Investments in Joint Ventures

As at March 31, 2023

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
JV Endress + Hauser & Chavare Engineering (JV) Private Limited	24,500	24.99%	3.20	3.86

As at March 31, 2022

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
JV Endress + Hauser & Chavare Engineering (JV) Private Limited	24,500	24.99%	3.20	3.88

The summarised financial information below represents amounts shown in the joint ventures financial statements.

Particulars - JV Endress + Hauser & Chavare Engineering (JV) Private Limited	March 31, 2023	March 31, 2022
Current assets	148.95	148.94
Non-current assets	-	-
Current liabilities	137.16	137.11
Non-current liabilities	-	-
Revenue	0.62	84.74
Profit / (loss) for the year	(0.05)	0.14
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(0.05)	0.14

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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55 Fair values of financial assets and financial liabilities

The fair value of loans, cash and cash equivalents, trade receivables, other current financial assets, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at March 31, 2023

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Trade receivables - Non-current	-	-	1,841.32	1,841.32	-	-	1,841.32	1,841.32
Investments - Non-current	1,902.26	-	3,576.73	5,478.99	-	1,902.26	3,576.73	5,478.99
Loans - Non-current	-	-	616.12	616.12	-	-	616.12	616.12
Other financial assets - Non-current	-	-	2,639.86	2,639.86	-	-	2,639.86	2,639.86
Trade receivables - Current	-	-	21,982.47	21,982.47	-	-	21,982.47	21,982.47
Cash and cash equivalents - Current	-	-	2,264.78	2,264.78	-	-	2,264.78	2,264.78
Other bank balance - Current	-	-	10,207.49	10,207.49	-	-	10,207.49	10,207.49
Loans - Current	-	-	201.43	201.43	-	-	201.43	201.43
Other Financial Asset - Current	-	-	86.10	86.10	-	-	86.10	86.10
Financial Liabilities								
Borrowings - Non Current	-	-	39.00	39.00	-	-	39.00	39.00
Lease Liability - Non Current	-	-	137.06	137.06	-	-	137.06	137.06
Borrowings - Current	-	-	4,601.84	4,601.84	-	-	4,601.84	4,601.84
Lease Liability - Current	-	-	116.78	116.78	-	-	116.78	116.78
Trade payables	-	-	10,777.14	10,777.14	-	-	10,777.14	10,777.14
Other Financial Liabilities - Current	-	-	843.05	843.05	-	-	843.05	843.05

As at March 31, 2022

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Trade receivables - Non-current	-	-	1,172.57	1,172.57	-	-	1,172.57	1,172.57
Investments - Non-current	1,860.05	-	3,073.17	4,933.22	-	1,860.05	3,073.17	4,933.22
Loans - Non-current	-	-	26.82	26.82	-	-	26.82	26.82
Other financial assets - Non-current	-	-	2,469.46	2,469.46	-	-	2,469.46	2,469.46
Trade receivables - Current	-	-	16,858.51	16,858.51	-	-	16,858.51	16,858.51
Cash and cash equivalents - Current	-	-	2,641.71	2,641.71	-	-	2,641.71	2,641.71
Other bank balance - Current	-	-	9,156.20	9,156.20	-	-	9,156.20	9,156.20
Loans - Current	-	-	858.26	858.26	-	-	858.26	858.26
Other Financial Asset - Current	-	-	399.91	399.91	-	-	399.91	399.91
Financial liabilities								
Borrowings - Non Current	-	-	65.38	65.38	-	-	65.38	65.38
Lease Liability - Non Current	-	-	79.16	79.16	-	-	79.16	79.16
Borrowings - Current	-	-	3,732.55	3,732.55	-	-	3,732.55	3,732.55
Lease Liability - Current	-	-	39.33	39.33	-	-	39.33	39.33
Trade payables	-	-	8,049.43	8,049.43	-	-	8,049.43	8,049.43
Other Financial Liabilities - Current	-	-	524.31	524.31	-	-	524.31	524.31

SFC Environmental Technologies Private Limited

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As at April 01, 2021

Particulars	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets								
Trade receivables - Non-current	-	-	111.42	111.42	-	-	111.42	111.42
Investments - Non-current	-	-	2,796.63	2,796.63	-	-	2,796.63	2,796.63
Loans - Non-current	-	-	-	-	-	-	-	-
Other financial assets - Non-current	-	-	924.09	924.09	-	-	924.09	924.09
Trade receivables - Current	-	-	10,284.79	10,284.79	-	-	10,284.79	10,284.79
Cash and cash equivalents - Current	-	-	2,858.59	2,858.59	-	-	2,858.59	2,858.59
Other bank balance - Current	-	-	10,485.87	10,485.87	-	-	10,485.87	10,485.87
Loans - Current	-	-	11.75	11.75	-	-	11.75	11.75
Other Financial Asset - Current	-	-	802.58	802.58	-	-	802.58	802.58
Financial liabilities								
Borrowings - Non Current	-	-	55.47	55.47	-	-	55.47	55.47
Lease Liability - Non Current	-	-	72.39	72.39	-	-	72.39	72.39
Borrowings - Current	-	-	1,472.22	1,472.22	-	-	1,472.22	1,472.22
Lease Liability - Current	-	-	7.67	7.67	-	-	7.67	7.67
Trade payables	-	-	6,537.14	6,537.14	-	-	6,537.14	6,537.14
Other Financial Liabilities - Current	-	-	2,163.02	2,163.02	-	-	2,163.02	2,163.02

The carrying amount of cash and cash equivalents, trade receivables, trade payables, lease liabilities, other payables and short-term borrowings are considered to be the same as their fair values.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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56 Risk management Framework

The Group's principal financial liabilities comprises of of borrowings, lease liabilities, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations. The Group is exposed preliminary to market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets & seek to minimize potential adverse effects on its financial performance.

(A) 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: Foreign currency risk, interest rate risk and price risk. The Group's exposure to market risk is on account of foreign currency risk and interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The fixed rate borrowings are carried at amortised cost, hence, they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates. The exposure of the Group's borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	March 31, 2023	March 31, 2022	April 01, 2021
Variable rate borrowings	4,601.84	3,732.55	1,472.22
Fixed rate borrowings	39.00	65.38	55.47
Total	4,640.84	3,797.93	1,527.69

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on profit before tax
For Year ended March 31, 2023		
INR	+100	1.93
INR	-100	(1.93)
For Year ended March 31, 2022		
INR	+100	1.75
INR	-100	(1.75)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

Exposure to currency risk

The Group's exposure to currency risk is as follows

Exposure to currency risk	Currency	March 31, 2023	March 31, 2022	April 01, 2021
Financial Assets				
Receivables	USD	411.10	2,182.87	(735.05)
Receivables	EURO	-	-	-
		411.10	2,182.87	(735.05)
Financial liabilities				
Payables	USD	5,963.51	4,096.59	2,455.36
Payables	EURO	(128.22)	142.74	(104.28)
		5,835.30	4,239.32	2,351.07
Net exposure		5,424.20	2,056.46	3,086.12

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

Foreign currency sensitivity

The following table demonstrates the sensitivity in INR with all other variables held constant. The below impact on the Group's profit/(loss) before tax is based on changes in the fair value of unhedged foreign currency monetary assets at balance sheet date:

	Effect on profit before tax	
	Strengthening	Weakening
As at March 31, 2023		
USD (10% Movement)	(555.24)	555.24
EURO (10% Movement)	12.82	(12.82)
As at March 31, 2022		
USD (10% Movement)	(191.37)	191.37
EURO (10% Movement)	(14.27)	14.27
As at April 01, 2021		
USD (10% Movement)	(319.04)	319.04
EURO (10% Movement)	10.43	(10.43)

(B) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables and cash and bank equivalents.

To manage credit risk, the Company follows a policy of providing credit to its customers based on prevailing market credit terms. The credit limit policy is established considering the current economic trend of the industry in which the Company is operating. Also, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly. These receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

The Group recognises lifetime expected credit losses on trade receivable using simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

Particulars

Impairment losses on financial assets recognised profit & loss were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Impairment loss/(gain) on trade receivables arising from contracts with customer	42.41	(288.70)

The following table provides information about the exposure to credit risk and ECL's for trade receivables

Trade Receivable for March 31, 2023

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	0.11%	16,427.22	(18.57)	16,408.66
6 months-1 Year	0.04%	1,648.04	(0.74)	1,647.30
1-2 years	0.13%	3,419.69	(4.55)	3,415.14
2-3 years	1.69%	211.45	(3.58)	207.86
More than 3 years	74.66%	1,197.94	(894.44)	303.51
Total		22,904.34	(921.87)	21,982.47

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

Trade Receivable for March 31, 2022

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	0.10%	11,922.62	(12.51)	11,910.11
6 months-1 Year	0.01%	4,161.88	(0.61)	4,161.27
1-2 years	0.64%	247.98	(1.60)	246.39
2-3 years	0.88%	178.57	(1.56)	177.01
More than 3 years	70.35%	1,226.92	(863.17)	363.75
Total		17,737.97	(879.45)	16,858.51

Trade Receivable for April 01, 2021

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	0.33%	7,558.36	(24.98)	7,533.39
6 months-1 Year	0.21%	957.97	(2.06)	955.91
1-2 years	0.56%	985.37	(5.55)	979.82
2-3 years	2.00%	489.89	(9.78)	480.12
More than 3 years	77.04%	1,461.35	(1,125.80)	335.55
Total		11,452.94	(1,168.16)	10,284.79

Movement Table of allowance for impairment

The Movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	March 31, 2023	March 31, 2022
Opening Balance	879.45	1,168.16
Amounts written off	-	-
Provision for the year	42.41	(288.70)
Net measurement of loss allowance	42.41	(288.70)
Closing Balance	921.87	879.45

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(C) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of financial liabilities viz. borrowings, trade payables and other financial liabilities. The corporate finance department of the Group is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Exposure to liquidity risk

The table below summarizes the maturity profile of the Group's financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
As at March 31, 2023					
Short term borrowings	4,601.84	-	-	-	4,601.84
Long Term borrowings	-	39.00	-	-	39.00
Trade payables	10,751.70	4.56	20.88	-	10,777.14
Lease liabilities	91.67	128.94	25.94	7.30	253.85
Other financial liabilities	843.05	-	-	-	843.05
	<u>16,288.27</u>	<u>172.50</u>	<u>46.82</u>	<u>7.30</u>	<u>16,514.88</u>
As at March 31, 2022					
Short term borrowings	3,732.55	-	-	-	3,732.55
Long Term Borrowings	6.38	59.00	-	-	65.38
Trade payables	8,022.65	5.30	21.49	-	8,049.43
Lease liabilities	39.33	34.70	23.58	20.88	118.49
Other financial liabilities	524.31	-	-	-	524.31
	<u>12,325.22</u>	<u>99.00</u>	<u>45.07</u>	<u>20.88</u>	<u>12,490.17</u>
As at April 01, 2021					
Short Term Borrowings	1,472.22	-	-	-	1,472.22
Long Term Borrowings	-	16.47	39.00	-	55.47
Trade payables	6,513.56	5.32	18.26	-	6,537.14
Lease liabilities	7.67	17.72	21.44	33.23	80.06
Other financial liabilities	2,163.02	-	-	-	2,163.02
	<u>8,684.25</u>	<u>39.50</u>	<u>78.70</u>	<u>33.23</u>	<u>8,780.21</u>

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

57 Leases

As a Lessee

- a The Group has implemented Indian Accounting Standard for Leases (“Ind AS 116”) with effect from April 1, 2021 using the modified retrospective approach, under which the cumulative effect of Initial application is recognized in retained earnings as on April 1, 2021. The effect of initial recognition as per Ind AS 116 is as follows:

Right of Use Asset	March 31, 2023	March 31, 2022	April 01, 2021
Balance as at the beginning of the period	112.47	77.59	77.59
Additions during the current year	209.38	57.12	-
Deletions during the current year	-	-	-
Amortisation of ROU	(80.53)	(22.25)	-
Balance as at the end of the period	241.32	112.47	77.59

Lease Liabilities	March 31, 2023	March 31, 2022	April 01, 2021
Current	116.78	39.33	7.67
Non - Current	137.06	79.16	72.39
Total Lease Liability	253.85	118.49	80.06

- b Following are the carrying value of right of use assets for the year ended March 31, 2023, March 31, 2022 and April 01, 2021 Please refer note no. 6 for detailed presentation of fair value of right of use assets

- c Impact of adoption of Ind AS 116 is as follows:

Particulars

	Year ended March 31, 2023	For Year ended March 31, 2022
Decrease in lease rentals by	(93.98)	(27.93)
Increase in finance cost by	19.95	9.24
Increase in depreciation by	80.53	22.25
Net impact on profit/loss	6.50	3.56

Maturity analysis of lease liabilities- contractual undiscounted cash flows:

d Particulars

	Year ended March 31, 2023	For Year ended March 31, 2022
Less than one year	78.98	96.63
One to three year	202.07	50.99
Three to five year	57.44	23.58
More than five year	7.30	20.88
Total undiscounted lease liabilities as at	345.78	192.08

Discounted lease liability included in the statement of financial position

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

e The total cash outflow for leases for year ended March 31 93.98 27.93

General Description of leasing agreements:

Leased Assets: Guest House of Employees

Future Lease rentals are determined on the basis of agreed terms.

At the expiry of lease terms, the Group has an option to return the assets or extend the term by giving notice in writing
Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

58 Corporate social responsibility

The Group has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The funds are utilised during the period on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards Prime Ministers National Relief Fund.

The details set below are for the amount spent by the Group

A. Gross Amount required to be spent by the Group during the year : Rs. 129.50 (in lakhs)

B. Amount spent during the year:

Particulars	In Cash/Bank	Yet to be paid in Cash/Bank	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	129.50	-	129.50

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Amount required to be spent by the Group during the year	129.40	73.92
Amount of expenditure incurred	129.50	74.00
Shortfall at the end of the year	(0.10)	(0.08)
Total of previous years Excess/(shortfall)	(0.08)	-
Reason for shortfall	NA	NA
Nature of CSR activities	Contribution to the Prime Minister's National Relief Fund	Contribution to the Prime Minister's National Relief Fund
Details of related party transactions	NA	NA
Provision for CSR	-	-
Carried Forward For next year	(0.18)	(0.08)

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

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(Currency: Indian Rupees in lakhs)

59 Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2023 and March 31, 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The amount managed as capital by the Group are summarised as follows:

Particulars	March 31, 2023	March 31, 2022	April 1, 2021
Borrowings	4,640.84	3,797.93	1,527.69
Lease Liability	253.85	118.49	80.06
Less: cash and cash equivalent	(2,264.78)	(2,641.71)	(2,858.59)
Net Debt	2,629.91	1,274.71	(1,250.84)
Total Equity	39,541.58	32,882.42	24,507.85
Gear Ratio	0.07	0.04	(0.05)

The Group's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Group has the financial flexibility required to continue its expansion.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

61 Revenue from contracts with customers in case of Service Concession agreement

The Company, is engaged in the business of integrated waste management. The Company has entered into service concession arrangement with governmental authorities to Design, Build, Finance, Operate, Transfer (DBFOT) basis at facility at Cacora South Goa District. The Goa Waste Management Corporation (GWMC) on 20 February 2020 granted the Company a concession for a period of 10 years.

The Company will be paid for its services over the period of the service concession arrangement at prices determined in the concession arrangement.

For the above arrangement, the Company has a contractual right under the concession arrangements to receive a fixed and determinable amount of payments during the concession period. Over and above the fixed and determinable payments the Company has a right to charge the governmental authorities for the services rendered in excess of minimum guarantee.

Service concession arrangement states the rights and obligations for the Company as follows:

- (a) to design, engineer, finance, construct, supply, install, commission, operate and maintain the plant;
- (b) upon commissioning of the plant , to manage, operate and maintain the same;
- (c) receive Municipal Solid Waste (MSW) from GWMC (or a person authorized by GWMC) at the site;
- (d) to inspect the MSW delivered by GWMC and identify and segregate-any non conforming waste and take and manage as per the provisions of the agreement;
- (e) to process MSW at the Plant;
- (f) to undertake repair and maintenance of the plant for MSW processing and disposal in accordance with the provisions of the agreement
- (h) to transfer the plant to GWMC at the end of the term or on termination, in accordance with the provisions of the agreement; and
- (i) To borrow or raise money or funding required for the due implementation of the project without mortgaging the site;

The service concession arrangement has been accounted under financial assets model. The Company recognizes financial asset arising from service concession arrangement to the extent it has an unconditional contractual right to receive payment. Financial assets are initially recognized at their fair value. Subsequent to initial recognition - Financial assets are recognized at amortized cost

62 Others

- i) The Group has not revalued any property, plant & equipment nor any intangible assets.
- ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- iii) The Group does not hold any intangible assets under development and accordingly, no ageing nor completion schedule is provided.
- iv) The Group has utilised borrowings from banks or financial institutions for the purpose for which it was obtained.
- v) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vi) The Group does not have any transactions with struck off companies.
- vii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- viii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- x) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2023

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in lakhs)

xi) During the year, the Composite Scheme of Amalgamation and Arrangement (the 'Scheme') for merger of Enviropro Water Tech Private Limited and Intergeo Solid Waste Management Private Limited with the Group was approved by National Group Law Tribunal. The details of the same are provided in note 50.

xii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

xiii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

63 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For G B C A & Associates LLP
Chartered Accountants
FRN: 103142W / W100292

For and on behalf of Board of Directors
SFC Environmental Technologies Private Limited

Yogesh R. Amal

Partner
Membership No. 111636

Place: Mumbai
Date: 27 October 2023

Sandeep Asolkar

Managing Director
DIN: 00097828

Place: Mumbai
Date: 27 October 2023

**Veera Venkata Satyanarayana
Yannamani**

Director
DIN: 02064547

Place: Mumbai
Date: 27 October 2023

Shweta Deshpande
Company Secretary
M. No.: A-67764

Place: Mumbai
Date: 27 October 2023