

NOTICE OF 19th ANNUAL GENERAL MEETING

To,
The Members,
SFC ENVIRONMENTAL TECHNOLOGIES LIMITED
(Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)

Notice is hereby given that the **19th ANNUAL GENERAL MEETING (“AGM”)** of the Members of **SFC ENVIRONMENTAL TECHNOLOGIES LIMITED (Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)** will be held on Thursday 05th September, 2024 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, 2024 together with the Report of Board of Directors’ and Auditors thereon.

SPECIAL BUSINESS:

2. SUB-DIVISION OF EQUITY SHARES:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 including the rules framed thereunder, and in accordance with the articles of association of the Company and any other approvals, consents, permissions and sanctions, if any, required from any competent authority, consent of the shareholders of the Company be and is hereby accorded to sub-divide each fully paid up equity share of the face value of INR 10 (Rupees Ten Only) each in the capital of the Company, into 5 (five) fully paid up equity shares of INR 2/- (Rupees Two Only) and all the fully paid up equity shares of the Company, be subdivided accordingly with effect from the record date being 04th September, 2024;

RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, all the issued, subscribed and paid up equity shares of face value of INR 10 (Rupees Ten Only) of the Company, existing as on the record date shall stand subdivided into equity shares of face value INR 2 (Rupees Two Only) each, fully paid up, without altering the share capital and shall rank *pari passu* in all respects with the existing fully paid equity shares of the Company and shall be entitled to participate in full dividend to be declared after subdivided Equity shares are allotted;

RESOLVED FURTHER THAT, consequently, pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, the existing clause V of the memorandum of association of the Company be and is hereby substituted with the following:

“The Authorized Share Capital of the Company is INR 17,40,00,000/- (Rupees Seventeen Crore Forty Lakhs only) divided into 8,70,00,000 (Eight Crore Seventy Lakhs) Equity Shares of INR 2 (Rupees Two only) each.”

RESOLVED FURTHER THAT upon sub-division of equity shares of the Company as aforesaid, the number of sub-divided equity shares to be credited to the respective beneficiary accounts of the shareholders with the depository participants, in lieu of the existing credits representing the equity shares before sub-division;

RESOLVED FURTHER THAT, any director of the Company be and is hereby authorized to take all steps for giving effect to the aforesaid resolution including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

3. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO THE MEMORANDUM OF ASSOCIATION:

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 Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications or re-enactment), and the rules notified thereunder, (collectively referred to as the **“Companies Act”**) the consent and approval be and is hereby accorded to increase the authorised share capital of the Company from the existing INR 17,40,00,000/- (Rupees Seventeen Crores Forty Lakhs Only) divided into 8,70,00,000 (Eight Crore Seventy Lakhs Only) equity shares of INR 2 (Rupees Two Only) each to INR 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakhs Only) equity shares of INR 2/- (Rupees Two Only) each.”

RESOLVED FURTHER THAT, pursuant to Section 13, 61 and 64 and other applicable provisions of the Companies Act, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

“V. The authorized share capital of the Company is INR 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakhs Only) equity shares of INR 2/- (Rupees Two Only) each.”

RESOLVED FURTHER THAT any Director be and is hereby authorised to do and perform all such other acts, deeds and things (including signing and filing eForms) as may be necessary or desirable and to

sign, execute any application, undertaking or confirmation required to be provided to the Registrar of Companies, Maharashtra at Mumbai, in this regard, or to give full effect to the abovementioned resolutions;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

4. APPROVAL FOR BONUS ISSUE OF EQUITY SHARES TO EXISTING SHAREHOLDERS:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 63 of the Companies Act, 2013 and other applicable provisions, if any, including rules notified thereunder, as may be amended from time to time, Articles of Association of the Company and subject to such consents and approvals as may be required from the appropriate authorities/Government, that equity shares of the Company of the face value of INR 2 each (**“Equity Shares”**) be allotted by capitalizing a sum of INR 12,45,48,360 (Rupees Twelve Crores Forty Five Lakhs Forty Eight Thousand Three Hundred & Sixty only) out of Securities Premium account and Free Reserves (Retained Earnings) of the Company which stands at INR 3.97 Million and INR 5000.35 Million, respectively per the audited accounts of the Company for the financial year ended 31st March, 2024 and set free for distribution amongst the members by the issue of 6,22,74,180 (Six Crores Twenty Two Lakhs Seventy Four Thousand One Hundred & Eighty) Equity Shares of INR 2 each credited as fully paid (hereinafter referred to as the **“Bonus Shares”**) to the members in the proportion of 2 (Two) Equity Shares for every 1 (One) Equity Share held by them on the Record Date being 04th September, 2024 (post sub division of shares) and the new Bonus Equity Shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity share capital of the Company held by each such members and not as income in lieu of dividend credited;

RESOLVED FURTHER THAT, the Bonus Shares shall be subject to the provisions of the memorandum and articles of association of the Company and shall rank *pari passu* in all respects with and carry the same rights as the existing Equity Shares in all respects;

RESOLVED FURTHER THAT, the Bonus Shares shall be credited to the respective beneficiary accounts of the shareholders of the Company;

RESOLVED FURTHER THAT, any director of the Company be and is hereby authorized to take all steps for giving effect to the aforesaid resolution including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

5. ADOPTION OF EMPLOYEE STOCK OPTION SCHEME:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the provisions of the Foreign Exchange Management Act, 1999, rules framed thereunder read with the guidelines issued by the Reserve Bank of India, from time to time and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, (“SEBI SBEB&SE Regulations”) provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the **“Applicable Laws”**) and subject to any approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the board of directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee), the consent of the shareholders be and is hereby accorded to adopt the **SFC Employee Stock Option Scheme 2024 (“Scheme”)**, and to create, offer, issue and allot in one or more tranches under the said Scheme at any time or for the benefit of employees (as defined under the Scheme) of the Company for such number of stock options/equity shares (hereinafter collectively referred to as **“ESOP Securities”**) of the Company not exceeding 1,86,822 (One Lakh Eighty Six Thousand Eight Hundred And Twenty Two) n aggregate representing 3% of the paid-up equity share capital of the Company on fully diluted basis as on 31st March 2024 (or such other adjusted figure for any bonus, stock splits, or consolidations or other reorganization of capital structure of the company as may be applicable from time to time), at such price and on such terms and conditions as may be fixed or determined by the Board of the Company in accordance with the Scheme, the Companies Act, 2013 and/or other Applicable Laws;

RESOLVED FURTHER THAT, the Board or any other official(s) of the company, as may be authorised by the Board be and is hereby authorized to make any modifications or revisions in the SFC Employee Stock Option Scheme 2024 as it may deem fit, from time to time, provided that the same is in conformity with the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, as amended, the SEBI SBEB&SE Regulations, the memorandum and articles of association of the Company and any other applicable laws;

RESOLVED FURTHER THAT the ESOP Securities to be issued and allotted by the Company in the manner aforesaid shall rank *pari passu* in all respects with the then existing equity shares of the Company;

RESOLVED FURTHER THAT, any director of the Company be and is hereby authorized to take all steps for giving effect to the aforesaid resolution including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

“RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

6. ADOPTION OF UPDATED ARTICLES OF ASSOCIATION:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations made thereunder (including any amendments, modifications or re-enactment thereof), each as amended (**“Companies Act”**), the applicable provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, and in accordance with the enabling provisions of the memorandum of association and articles of association of the SFC Environmental Technologies Limited (the **“Company”**) and further subject to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by the Registrar of Companies Maharashtra at Mumbai, and in order to align the articles of association of the Company with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**), and the listing requirements of the stock exchanges where the equity shares of the Company are proposed to be listed, and the amendment agreement dated 14th August, 2024 to the shareholder’s agreement dated 29th October 2022 entered into amongst the Company, and its Promoters and Other Shareholders the existing articles of association of the Company be and are hereby altered and substituted with the set of revised articles of association of which a copy is attached to the notice be and are hereby approved and adopted as the articles of association of the Company in total exclusion and substitution of the existing articles of association of the Company;

RESOLVED FURTHER THAT any Director of the Company be and is authorized to file necessary forms with the Registrar of Company Maharashtra at Mumbai, do and perform all such other acts, deeds and things as may be necessary or desirable and to sign, execute any application, undertaking or confirmation required to be provided to the Registrar of Company, Maharashtra at Mumbai in this regard, or to give full effect to the abovementioned resolutions;

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or the Company Secretary, be forwarded to the concerned authorities for necessary action.”

7. APPOINTMENT OF MRS. NEHA RAJEN GADA (DIN: 01642373) AS A WOMAN INDEPENDENT DIRECTORS OF THE COMPANY:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as a Special Resolution:

RESOLVED THAT, pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended ("**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) ("**SEBI Listing Regulations**"), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the "**Company**"), Mrs. Neha Rajen Gada (DIN: 01642373), who was appointed as an Additional Director (Category: Non-Executive Women Independent) of the Company by the Board of Directors with effect from 14th August 2024 and who holds office till the conclusion of this 19th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Women Independent Director of the Company, not liable to retire by rotation, for a term of one year commencing from date of Board's approval i.e. 14th August, 2024 to 13th August, 2025;

RESOLVED FURTHER THAT any Director of the Company, be and is hereby severally authorized to do all the acts, deeds, matters and things which are necessary to the appointment of Mrs. Neha Rajen Gada (DIN: 01642373) as a Women Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

"**RESOLVED FURTHER** a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions."

8. APPOINTMENT OF MR. SATISH CHANDRASHEKHAR DESHPANDE (DIN: 03153724) AS AN INDEPENDENT DIRECTORS OF THE COMPANY:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as a Special Resolution:

RESOLVED THAT, pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended ("**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) ("**SEBI Listing Regulations**"), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the "**Company**"), Mr. Satish Chandrashekhar Deshpande (DIN: 03153724), who was appointed as an Additional Director (Category: Non-Executive Independent) of the Company by the Board of Directors with effect from 14th August 2024 and who holds office till the conclusion of this 19th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, who shall not liable to retire by rotation, for a term of one year commencing from date of Board's approval i.e. 14th August, 2024 to 13th August, 2025;

RESOLVED FURTHER THAT any Director of the Company, be and is hereby severally authorized to do all the acts, deeds, matters and things which are necessary to the appointment of Mr. Satish

Chandrashekhar Deshpande (DIN: 03153724) as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

9. APPOINTMENT OF MR. NANDKISHOR TRIVIKRAM JOSHI (DIN: 02070242) AS AN INDEPENDENT DIRECTORS OF THE COMPANY:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as a Special Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended (“**Companies Act**”), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) (“**SEBI Listing Regulations**”), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the “**Company**”), Mr. Nandkishor Trivikram Joshi (DIN: 02070242), who was appointed as an Additional Director (Category: Non-Executive Independent) of the Company by the Board of Directors with effect from 14th August 2024 and who holds office till the conclusion of this 19th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, who shall not liable to retire by rotation, for a term of one year commencing from date of Board’s approval i.e. 14th August, 2024 to 13th August, 2025;

RESOLVED FURTHER THAT any Director of the Company, be and is hereby severally authorized to do all the acts, deeds, matters and things which are necessary to the appointment of Mr. Nandkishor Trivikram Joshi (DIN: 02070242) as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

10.APPOINTMENT OF MR. DILIP DAMODAR KARAMBELKAR (DIN: 00970812) AS AN INDEPENDENT DIRECTORS OF THE COMPANY:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as a Special Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended (“**Companies Act**”), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) (“**SEBI Listing Regulations**”),

and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the “**Company**”), Mr. Dilip Damodar Karambelkar (DIN: 00970812), who was appointed as an Additional Director (Category: Non-Executive Independent) of the Company by the Board of Directors with effect from 14th August 2024 and who holds office till the conclusion of this 19th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, who shall not liable to retire by rotation, for a term of one year commencing from date of Board’s approval i.e. 14th August, 2024 to 13th August, 2025;

RESOLVED FURTHER THAT any Director of the Company, be and is hereby severally authorized to do all the acts, deeds, matters and things which are necessary to the appointment of Mr. Dilip Damodar Karambelkar (DIN: 00970812) as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Maharashtra at Mumbai;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

11. TO APPROVE CONTINUATION OF MR. CHANDRAKANT VALLABHAJI GOGRI (DIN: 00005048) AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as a Special Resolution:

“**RESOLVED THAT** pursuant to Regulation 17(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions of the Companies Act, 2013, and rules made thereunder (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the “Applicable Laws”) approval of the shareholders of the Company be and is hereby accorded for continuation of Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048), as a Non-Executive Director of the Company who has attained the age of 75 years, , subject to retirement by rotation as per the provisions of the Articles of Association of the Company read with the provisions of Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorized to do all such acts, deeds, and things as may be necessary to give effect to this resolution, including filing the necessary forms with the stock exchanges and Registrar of Companies Maharashtra at Mumbai;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

12. APPROVAL OF THE TERM & REMUNERATION PAYABLE TO MR. SANDEEP SUDHAKAR ASOLKAR (DIN:00097828) AS A CHAIRMAN & MANAGING DIRECTOR:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as a Special Resolution:

“**RESOLVED THAT** consent of the shareholders of the Company be and is hereby accorded for the purpose of noting of the terms of appointment of Mr. Sandeep Sudhakar Asolkar (DIN:00097828), as

Chairman & Managing Director of the Company in accordance with the provisions of Section 197 of the Companies Act, 2013 (the 'Act'), read with Schedule V of the Act, and any other applicable provisions. for the term of 5 (five years) starting from 27th October 2023 to 26th October 2028 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Sandeep Sudhakar Asolkar;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, and things as may be necessary to give effect to this resolution, including making necessary filings with the Registrar of Companies Maharashtra at Mumbai and any other regulatory authorities;

RESOLVED FURTHER a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions."

13. INCREASE IN INVESTMENT LIMITS FOR NON-RESIDENT INDIAN OR OVERSEAS CITIZEN OF INDIA:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a special resolution:

In terms of Foreign Exchange Management Act, 1999, as amended ("FEMA"), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended (the "FEMA Rules"), and the Consolidated Foreign Direct Investment Policy Circular of 2020 dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India, Master Directions – Foreign Investment issued by the Reserve Bank of India, as amended, (together with the FEMA and FEMA Rules, the "FEMA Laws"), Master Directions – Foreign Investment issued by the Reserve Bank of India (as amended from time to time), the Companies Act, 2013, as amended, and the rules and regulations made thereunder, the Non-resident Indians ("NRIs") and Overseas Citizens of India ("OCIs"), together, can acquire and hold up to an aggregate limit of 10% of the paid up equity share capital of an Indian listed company on a fully diluted basis. The FEMA Laws further provide that the limit of 10% can be further increased up to 24%, by passing a special resolution to that effect by the shareholders and followed by necessary filings with Reserve Bank of India. Considering the proposal of intending to get the equity shares of the Company listed, the Board may consider, subject to the approval of the shareholders by way of a special resolution, to increase the foreign investment limit of NRIs and OCIs, together, to 24% of the paid up equity share capital of the Company, provided however that the shareholding of each NRI or OCI in the Company shall not exceed 5% or such other limit as may be stipulated by RBI in each case, from time to time.

"RESOLVED THAT pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, as amended, and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy Circular of 2020 dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and the rules made thereunder, each as amended and all other applicable acts, rules, regulations, provisions and guidelines, circulars (including any statutory modifications or re-enactments thereof for the time being in force) and subject to notification to the Reserve Bank of India, and such other statutory/regulatory compliances and approvals as may be

necessary, and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions which may be agreed to by the Board, the limit of investment by non-resident Indian (“NRI”) or overseas citizen of India (“OCI”) in the share capital of the Company, including, without limitation, on repatriation basis, on a recognised stock exchange in India, be increased from 10% (Ten per cent) to 24% (Twenty Four per cent) of the paid-up equity share capital of the Company, provided however, that the shareholding of each NRI or OCI shall not exceed 5 percent of the total paid-up equity capital of the Company on a fully diluted basis, and the total holdings of all NRIs and OCIs put together shall not exceed [10] percent of the total paid-up equity capital on a fully diluted basis;

RESOLVED FURTHER THAT any of the Directors of the Company and Ms. Shweta Deshpande (ACS 67764) Company Secretary of the Company, are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including without limitation intimating the Reserve Bank of India of the increase in investment limits of non-resident Indians in the equity shares of the Company and to comply with all other requirements in this regard;

RESOLVED FURTHER THAT Mr. Sandeep Sudhakar Asolkar (DIN:00097828), Chairman & Managing Director and Mr. Sarvesh Kumar Garg (DIN: 06873116) and Ms. Shweta Deshpande (ACS 67764) Company Secretary of the Company be and are hereby severally or jointly authorized to do all such acts, things and deeds on behalf of the Company and make such filings with the regulatory authorities, including the Reserve Bank of India, to effectively implement this resolution;

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

14. RAISING OF CAPITAL THROUGH AN INITIAL PUBLIC OFFERING OF EQUITY SHARES INCLUDING, ANY DISCOUNT AND RESERVATION CONTEMPLATED IN THE OFFER AND PRE-IPO PLACEMENT:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a special resolution:

“**RESOLVED THAT** in accordance with and subject to the provisions of Sections 23, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder, including the Companies (Share Capital and Debentures) Rules, 2014, and the Companies (Prospectus and Allotment of Securities) Rules, 2014 each as amended, (including any statutory modifications or re-enactment thereof, for the time being in force, collectively referred to as the “**Companies Act**”), and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956, as amended (“**SCRA**”) and the Securities Contracts (Regulation) Rules, 1957, as amended (“**SCRR**”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), the Foreign Exchange Management Act, 1999, as amended (“**FEMA**”), and the rules and regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and any other applicable rules, regulations, guidelines, policies, clarifications, circulars and notifications issued by the Securities and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”), Government of India (“**GOI**”) and any foreign investment laws or policies or guidelines

issued by RBI and any other applicable laws, rules and regulations, circulars, directions, clarifications and orders as may be applicable, in India or outside India (including any amendment thereto or re-enactment thereof, for the time being in force) (collectively, the “**Applicable Laws**”), and in accordance with the provisions of the memorandum of association of SFC Environmental Technologies Limited (the “**Company**”) and the articles of association of the Company, each as amended and the uniform listing agreements to be entered into between the Company and the respective stock exchanges where the equity shares are proposed to be listed (the “**Stock Exchanges**”), and subject to any approvals, consents, permissions and sanctions as may be required from the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”), SEBI, the RBI, the Department for Promotion of Industry and Internal Trade (“**DPIIT**”), Ministry of Commerce and Industry, GOI, the Stock Exchanges, and all other appropriate statutory authorities and departments (collectively the “**Regulatory Authorities**”), and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the board of directors of the Company (“**Board**”) (which term shall be deemed to include the IPO committee (“**IPO Committee**”) or any other duly constituted committee of the Board), the consent of the shareholders of the Company be and is hereby granted to the Board to create, offer, issue, allot and/or transfer such number of equity shares of the Company (“**Equity Shares**”) up to an aggregate amount of INR 2500 million (including share premium), by way of a fresh issuance of Equity Shares, out of the authorized share capital of the Company (“**Fresh Issue**”, and together with an offer for sale by some or all existing shareholders the “**Offer**”) for cash either at par or premium, (with an option to the Company to retain an over-subscription to the extent of 1% of the net Offer size, or such other extent as may be permitted under the Applicable Laws, for the purpose of making lots for the purpose of rounding off to the nearest integer while finalising the basis of allotment in consultation with the Stock Exchanges) including any issue and allotment of Equity Shares to the stabilizing agent pursuant to a green shoe option and/or any other person pursuant to any pre-IPO placement in terms of the SEBI ICDR Regulations, at a price to be determined by the Board in consultation with the book running lead managers in relation to the Offer (“**BRLMs**”) through the book building process in accordance with the SEBI ICDR Regulations which may also be subject to discount per Equity Share to the Offer price to retail individual bidders or retail individual shareholders or eligible employees, out of the authorized share capital of the Company to any category of persons who are eligible investors, who may or may not be the shareholder(s) of the Company as the Board may, in consultation with the BRLMs decide, including eligible employees (through reservation or otherwise), anchor investors and qualified institutional investors as defined under the SEBI ICDR Regulations, foreign/ resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), Hindu undivided families, employees working in India or abroad, non-resident Indians, registered foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, alternative investment funds, venture capital funds, foreign venture capital investors registered with SEBI, public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority of India, insurance funds set up by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, Indian mutual funds, provident funds, pension funds, national investment fund, trusts/societies registered under the Societies Registration Act, 1860, development financial institutions, multilateral and bilateral financial institutions, systemically important non-banking finance companies, bodies corporate, companies, private or public or other entities whether incorporated or not, authorities and to such other persons, including high net worth individuals, retail individual bidders or other entities/persons, in one or more combinations thereof, whether through

the Offer or otherwise in one or more modes or combinations thereof and/ or any other category of investors who are permitted to invest in Equity Shares as per Applicable Laws, through an Offer document, prospectus and/or an information memorandum, if any, and the decision to determine the category or categories of investors to whom the allotment/transfer shall be made to the exclusion of all other categories of investors and in such manner as the Board may in its discretion, deem fit, including in consultation with BRLMs, underwriters, placement agents and/or other advisors as may be appointed for the Offer on such terms as may be deemed appropriate by the Board and the Board in consultation with the BRLMs may finalise all matters incidental thereto as it may in its absolute discretion think fit;

RESOLVED FURTHER THAT the Board shall do all such acts, matters, deeds and things and negotiate, finalise and execute such deeds, documents and agreements as well as amendments, supplements, notices or addenda or corrigenda thereto in connection with the Offer, as it may, in its absolute discretion, deem necessary, proper or desirable in relation to the Offer and the consequent listing of the Equity Shares on the recognized Stock Exchanges on behalf of, and in the best interests, of the Company, including determination of the terms of the Offer, the timing, size and price, in terms of the SEBI ICDR Regulations or otherwise in accordance with Applicable Laws, in its absolute discretion deems fit in relation to the Offer, in consultation with the BRLMs, and approve and appoint intermediaries underwriters, escrow agents, registrar, banker(s) to the Offer, legal counsels, depository(ies), advertising agency, monitoring agency, and all such persons or agencies as may be involved in or in relation to the Offer, and to remunerate all such agencies in cash or otherwise, including by way of payment of commission, brokerage, fees, or reimbursement for expenses incurred in relation to the Offer, and to terminate any agreements or arrangements with such intermediaries and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, with respect to the Offer, including in relation to utilization of the proceeds of the Fresh Issue, if applicable, and such other activities as may be necessary in relation to the Offer, and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, without requiring any further approval of the members, and that all or any of the powers of the Company devolved pursuant to this resolution may be exercised by the Board or any duly constituted committee of the Board, including the IPO Committee;

RESOLVED FURTHER THAT in accordance with the provisions of Section 23, Section 42, Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, the SEBI ICDR Regulations and other Applicable Laws and subject to such further corporate and other approvals as may be required, the Board, either by itself or the IPO Committee thereof, be and is hereby authorised, on behalf of the Company, subject to such regulatory and/or corporate approvals that may be required, to undertake private placement of Equity Shares, at an appropriate stage ("**Pre-IPO Placement**") to certain investors up to such number of Equity Shares/ up to such amount and at such price as the Board may determine, in consultation with the BRLMs, in light of the then prevailing market conditions and in accordance with the Applicable Laws, and in the event of the consummation of the Pre-IPO Placement, the size of the Offer would be reduced to the extent of Equity Shares issued and subscribed under the Pre-IPO Placement, subject to the Offer satisfying the minimum issue size requirements under the SCRR and applicable law and do all such other acts, deeds, matters and things in connection thereof as the Board or the IPO Committee may, from time to time, in its absolute discretion deem fit and including without limitation, negotiate, finalize and execute any document or agreement, including without limitation any private placement offer letters, placement agreement, term sheet and such other documents or

any amendments or supplements, notices or corrigenda thereto and to open any bank account for the purpose, if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the Pre-IPO Placement or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing. It is clarified that, in the event of consummation of a Pre-IPO Placement, the size of the Offer would be reduced, only from the Fresh Issue portion of the Offer to the extent of Equity Shares issued under the Pre-IPO Placement, subject to the Offer satisfying the minimum issue size requirements under the SCRR and Applicable Laws;

RESOLVED FURTHER THAT in accordance with Applicable Laws, the Board either by itself or through the IPO Committee thereof, be and is hereby authorised, on behalf of the Company at its sole discretion, to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Law, including without limitation to the eligible employees (the “**Reservation**”) or to provide a discount to the Offer price to retail individual bidders or retail individual shareholders or eligible employees (the “**Discount**”), and to take any and all actions in connection with the Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; to seek any consent or approval required or necessary, to give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable, and to settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing resolution;

RESOLVED FURTHER THAT, the Board may invite the existing shareholders of the Company to participate in the Offer by making an Offer for Sale in relation to such number of Equity Shares held by them, and which are eligible for the Offer for Sale in accordance with the SEBI ICDR Regulations, as the Board may determine in consultation with the BRLMs, subject to the receipt of consent of SEBI, GoI, RBI, the RoC and/or such other approvals, permissions and sanctions of all other concerned statutory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined through the book building process in terms of the SEBI ICDR Regulations, for cash at such premium per share as may be fixed and determined by the Company In consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI ICDR Regulations or other Applicable Laws, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the BRLMs, and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer;

RESOLVED FURTHER THAT the Equity Shares so allotted or transferred pursuant to the Offer, shall be listed on one or more recognized stock exchanges in India;

RESOLVED FURTHER THAT the Equity Shares allotted and/or transferred pursuant to the Offer as aforesaid (including pursuant to any reservation or green shoe option) shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares in all respects, including with the existing fully paid-up Equity Shares of the Company, including voting rights and rights in respect of dividend from the date of allotment;

RESOLVED FURTHER THAT all monies received out of the Offer shall be transferred to a separate bank account opened for the purpose of the Offer referred to in Section 40(3) of the Companies Act, and if the application monies received pursuant to the Offer are not refunded within such time, as specified by SEBI and in accordance with Applicable Laws, the Company and/or the selling shareholders shall pay interest on failure thereof, as per Applicable Laws;

RESOLVED FURTHER THAT subject to the provisions of the SEBI ICDR Regulations and the SCRR, such Equity Shares as are not subscribed and/or not transferred by way of the Offer, may be disposed of by the Board to such persons and in such manner and on such terms as the Board may, in its absolute discretion, think most beneficial to the Company, including offering or placing them with banks / financial institutions / investment institutions / mutual funds / foreign portfolio investors / bodies corporate / such other persons or otherwise, in accordance with Applicable Laws, without the approval of the shareholders of the Company;

RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Offer, and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing, and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be;

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred to the IPO Committee or a sub-committee constituted by the Board, in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any transfer and allotment of Equity Shares pursuant to the Offer, including but without limitation, to the following:

- (i) constituting a committee for the purposes of any transfer, issue, offer and allotment of Equity Shares, and other matters in connection with or incidental to the Offer, including the pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be issued, offered and transferred in the Offer, the bid / Offer opening and bid/ Offer closing date, discount (if any), reservation, determining the anchor investor portion and allocating such number of Equity Shares to anchor investors in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;
- (ii) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the transfer, issue, offer and allotment of Equity Shares pursuant to the Offer;

- (iii) giving or authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (iv) to appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, sponsor bank to the Offer, advisors to the Offer, escrow collection banks to the Offer, registrars to the Offer, refund banks to the Offer, public offer account banks to the Offer, advertising agencies, legal counsel, monitoring agency and any other agencies or persons or intermediaries (including any replacements thereof) to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalisation, execution and, if required, the amendment of the offer agreement with the BRLMs and the underwriting agreement with the underwriters;
- (v) to authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- (vi) seeking, if required, any approval, consent or waiver from the Company's lenders, industry data providers and/or parties with whom the Company has entered into various commercial and other agreements including without limitation customers, suppliers, strategic partners of the Company, and/or any/all concerned governmental and regulatory authorities in India, including the RBI, SEBI and/or any other approvals, consents or waivers that may be required in connection with any transfer, offer and allotment of Equity Shares and approving and issuing advertisements in relation to the Offer, and taking such actions or giving such directions as may be necessary or desirable and to obtain such approvals, consents or waivers, as it may deem fit;
- (vii) approving suitable policies on insider trading, whistle blowing, risk management, and other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- (viii) to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the afore-stated documents;
- (ix) to make applications to seek clarifications, exemptions and obtain approvals from, where necessary, the SEBI, the RBI, and any other governmental or statutory/regulatory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- (x) deciding in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms of the Offer, Equity Shares, and all other related matters, including the determination of the minimum subscription for the Offer, price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto; in accordance with Applicable Laws

- (xi) to finalise, settle, approve, file, adopt and deliver or resubmit in consultation with the BRLMs and selling shareholders, the DRHP, the RHP, the Prospectus, the abridged prospectus and application forms, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, for the issue of Equity Shares and take all such actions in consultation with the BRLM(s) as may be necessary for the submission and filing, including any resubmission (if applicable) of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;
- (xii) withdrawing the DRHP or the RHP or not proceeding with the Offer at any stage, if considered necessary and expedient in accordance with Applicable Laws and in consultation with the BRLMs;
- (xiii) settling any questions, difficulties or doubts that may arise in relation to the Offer, in consultation with the BRLMs, if the need so arises, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;
- (xiv) seeking the listing and trading approval of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing and trading approval, including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
- (xv) appointing, in consultation with the BRLMs, the registrar, advertisement agency and other intermediaries to the Offer, in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws;
- (xvi) authorizing of the maintenance of a register of holders of the Equity Shares;
- (xvii) finalizing of the basis of allotment of the Equity Shares in accordance with Applicable Laws;
- (xviii) approving any corporate governance requirement that may be considered necessary by the Board or as may be required under Applicable Laws or listing agreements to be entered into by the Company with the Stock Exchanges, in connection with the Offer;
- (xix) approving code of conduct as may be considered necessary or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
- (xx) opening and operating bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013 or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (xxi) issuing advertisements in such newspapers as it may deem fit and proper in accordance with the SEBI ICDR Regulations and other Applicable Laws; and

- (xxii) to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction including any direction to settle all questions, removing any difficulties or doubts that may arise from time to time in relation to the Offer or allotment of the Equity Shares in the Offer and utilizing the Offer proceeds, in such manner as the Board may deem fit, and giving such directions and/or instructions as it may from time to time decide and accepting and giving effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, and taking such actions or giving such directions as may be necessary or desirable with regard to the Offer.”

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

Date: 14.08.2024

Place: Mumbai

For and on behalf of the Board
SFC ENVIRONMENTAL TECHNOLOGIES LIMITED
(Formerly known as 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

SANDEEP SUDHAKAR ASOLKAR
CHAIRMAN AND 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 special business under Item Nos. 2 to 14 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 09th August, 2024. 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. 02

The Board of Directors at their meeting held on 14th August, 2024 considered and approved the proposal of restructuring the Share Capital of the Company by sub-dividing the existing equity shares into face value of INR 2/- per share in place of INR 10/- per share. The new equity shares to be issued and allotted upon sub-division shall rank pari passu with the then existing equity shares of the Company in all respects.

Pursuant to the provisions of Section 13, 14 and 61 of the Companies Act, 2013 approval of the Members is required for sub-division of shares and consequent amendment to Clause V of the Memorandum of Association of the Company.

Accordingly, the resolutions set out at Item No. 2 seek approval of the Members for the proposed subdivision of face value of the Equity Shares and the consequent amendments to the existing Clause V of the Memorandum of Association of the Company.

The Board of Directors is of the opinion that the aforesaid sub-division of the face value of Equity Shares, is in the best interest of the Company and hence recommends passing of the resolutions set out at Item No. 2 as Special Resolutions.

Save and except the above. None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution.

Item No. 03

The Authorized Share Capital of the Company is INR 17,40,00,000/- (Rupees Seventeen Crore Forty Lakh Only) comprising of 1,74,00,000 (One Crore Seventy Four Lakh) Equity Shares of INR 10/- each and Paid up Share Capital of the Company is INR 6,22,74,180/- (Rupees Six Crores Twenty Two Lakh Seventy Four Thousand One Hundred and Eighty Only) comprising of 62,27,418 (Sixty Two Lakh Twenty Seven Thousand Four Hundred and Eighteen) Equity Shares of INR 10/- each.

The Board at its Meeting held on 14th August, 2024 has accorded its approval to the proposal of Capital Restructuring of the Company by way of (i) Subdivision of existing shares capital into face value of INR 2/- each and (ii) issue of Bonus Shares in the ratio of 2 (two) shares for every 1 (one) share held by the existing shareholders, which necessitates increase of Authorised Share Capital of the Company.

In this regard, the Board, at the same meeting, has also accorded its approval for increasing the Authorised Share Capital from INR 17,40,00,000/- (Rupees Seventeen Crore Forty Lakh Only) to INR 25,00,00,000 (Rupees Twenty-Five crore Only) to divided into 12,50,00,000 (Twelve Crore Fifty Lakh) equity shares of INR 2- each ranking pari passu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company, subject to shareholders' approval.

Pursuant to the provisions of Section 13 & 61 of the Companies Act, 2013, approval of the Members is required for increasing the Authorized Share Capital of the Company and alteration in the

Memorandum of Association and Articles of Association of the Company. Accordingly, the Board recommends the resolutions set out at Item No. 3 seeking approval of the Members for increasing the Authorised Share Capital of the Company and consequential amendment to the Memorandum of Association.

The Board recommends the Ordinary Resolution as set out at Item Nos. 03 respectively of the Notice for approval of the Members.

Save and except the above. None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions.

Item No. 04

As on March 31, 2024 total Securities Premium account and Free Reserves (Retained Earnings) of the Company stands at INR 3.97 millions and INR 5000.35 millions. With a view to rationalize the capital structure, Board of Directors in its meeting held on 14th August, 2024 have proposed to issue bonus shares at the ratio of 2:1 [i.e. 2 (Two) fully paid up equity shares for every 1 (One) equity share held to the shareholders appearing in the Register of Members as on the Record Date i.e. 04th September 2024 (post sub division of shares). The new equity bonus shares to be allotted and issued shall be subject to the terms of Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid equity shares of the Company.

Pursuant to the provisions of Section 63 of the Companies Act, 2013, approval of the Members is required for issuance of Bonus Shares to the Members of the Company by way of passing an Ordinary Resolution.

Accordingly, the resolutions set out at Item No. 4 seek approval of the Members for Issue of Bonus Shares to the Members of the Company. The Board of Directors is of the opinion that the aforesaid issue of Bonus shares, is in the best interest of the Company and hence recommends passing of the resolutions set out at Item No. 4 as Special Resolution.

Save and except the above. None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions.

Item No. 05

Employees Stock Option is useful tool to attract retain and motivate the best available talent and to reward them for performance. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

SFC Employee Stock Option Scheme 2024 proposed to be introduced is aimed at retaining best talent in the Company. The primary objectives of the Scheme are to reward the Employees for their association, retention, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract, retain and motivate the key talents by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The

Company views Options as a long-term incentive tool that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.

SFC Employee Stock Option Scheme 2024 (“**the Scheme**”) is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations'), issued by SEBI and other applicable laws, to the extent applicable. The Scheme has been approved by the Board of Directors at their Meeting held on 14th August 2024.

The Scheme will be operated and administered under the superintendence of the Company's Board (which shall include the Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose members shall be Independent Directors).

According to Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 no scheme shall be offered to employees of a company unless the shareholders of the company approve it by passing a special resolution in the general meeting, accordingly, Item Number 5 to this Notice is proposed as Special Resolution. The salient features of the SFC Employee Stock Option Scheme 2024 and the disclosures required under Rule 12(2) of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

1. The total number of stock options to be granted;

The total number of options to be granted under SFC Employee Stock Option Scheme 2024 shall not exceed 1,86,822 (One Lakh Eighty Six Thousand Eight Hundred and Twenty Two) options in aggregate representing 3% of the paid-up equity share capital of the Company on fully diluted basis as on 31st March 2024 (or such other adjusted figure for any bonus, stock splits, or consolidations or other reorganization of capital structure of the company as may be applicable from time to time). Each option when exercised shall be converted into 1 Equity Share.

2. Identification of classes of employees entitled to participate in the Employees Stock Option Scheme;

- (a) a permanent employee of the Company working in or outside India; or
- (b) a Director of the Company, whether a whole-time director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent director; or;
- (c) employees as mentioned in (a) and (b) above of the Subsidiary company(ies) or its Associate, in or outside India.

but shall not include:

- (i) an employee who is a Promoter or a person belonging to the Promoter Group; and
- (ii) a Director who either by himself /herself or through his/her relatives or through anybody corporate, directly or indirectly, holds more than 10% of the issued and subscribed Shares of the Company

3. The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme

The Committee shall, in accordance with the Scheme and Applicable Laws, decide the said appraisal process.

4. The requirements of vesting and period of vesting

Options granted shall vest not earlier than the minimum Vesting Period of 1 (One) year and not later than maximum Vesting Period of 5 (Five) years from the date of Grant in accordance with the Scheme.

5. The maximum period within which the options shall be vested

5 (Five) years from the date of Grant.

6. The exercise price or the formula

The Exercise Price per Option shall be determined by the Committee as on the date of Grant which shall be upto 50% discount to Fair Market Value. However, the Exercise Price shall not be lesser than the face value of Shares.

The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.

7. The exercise period and process of exercise of exercise

Employee shall receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme after he/she has made the payment of the Exercise Price and the applicable income tax.

8. The Lock-in period, if any

The Shares issued upon Exercise shall be freely transferable and shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that under the ICDR Regulations, or code of conduct framed, if any, by the Company after Listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

9. The maximum number of options to be granted per employee and in aggregate

The maximum number of Options that may be granted, under one or multiple Grants, to an Employee shall vary depending upon the eligibility criteria such as tenure, designation and the appraisal, ratings; however, shall be lesser than 1% (One Percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant. However, the Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to an Employee within this ceiling.

Provided that if the number of Options that may be offered to an eligible Employee, during any one year, shall be equal to or more than 1% (one percent) of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of Grant of Options, then the Company shall take prior approval from shareholders of the Company by way of special resolution and as a consequence the provisions Sub-clause above shall stand amended.

10. The method which the company shall use to value its options

The Company shall adopt 'fair value method' of valuation of options.

11. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct

The vested options in employees shall lapse on account of:

- Termination due to Misconduct
- The Options not exercised within the prescribed Exercise Period

12. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee

All the Vested Options as on date of notice of resignation / termination (other than due to Misconduct) shall be exercisable by the Option Grantee on the last working day subject to the Exercise Period specified in the Grant Letter.

13. A statement to the effect that the company shall comply with the applicable accounting standards

The Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations, as and to the extent applicable.

The Company shall follow the laws/regulations applicable to accounting and disclosure related to the Options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

Your Directors recommend the resolutions as set out under Item No. 5 to this Notice for your approval by way of Special Resolutions.

Save and except the above, none of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions, except to the extent of Equity Shares they may be offered to them under SFC Employee Stock Option Scheme 2024.

Item No. 06

The Members are requested to consider and approve the adoption of the updated Articles of Association (the "Updated Articles") of the Company, as detailed in the accompanying notice.

It is proposed that pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations made thereunder (including any amendments, modifications or re-enactment thereof), each as amended ("Companies Act"), the applicable provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, and in accordance with the enabling provisions of the memorandum of association and articles of association of the SFC Environmental Technologies Limited (the "Company") and further subject to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by the Registrar of Companies Maharashtra at Mumbai, and in order to align the articles of association of the Company with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and the listing requirements of the stock exchanges where the equity shares of the Company are proposed to be listed, and the amendment agreement to the shareholder's agreement dated 29th October 2022 entered into amongst the Company, and its Promoters and Other Shareholders the existing articles of

association of the Company be and are to be altered and substituted with the set of revised articles of association of which a copy is attached to the notice , to be approved and adopted as the articles of association of the Company in total exclusion and substitution of the existing articles of association of the Company.

The adoption of the Updated Articles also enables appointment/reappointment of an individual as the chairperson of the company as well as the managing director or Chief Executive Officer of the company at the same time.

The adoption of the Updated Articles of Association will ensure that the Company's governance framework is in line with the latest regulatory requirements and best practices. The Board recommends the approval of the resolution to facilitate this update. Board of Directors recommend the resolutions as set out under Item No. 6 to this Notice for your approval by way of Special Resolutions.

Save and except the above. None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions.

Item No. 07

Pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended ("**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) ("**SEBI Listing Regulations**"), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the "**Company**"), Mrs. Neha Rajen Gada (DIN: 01642373) who was appointed as an Additional Director (category Non-Executive Women Independent Director) of the Company by the Board of Director of the Company with effect from 14th August, 2024.

The Company has received declaration from Mrs. Neha Rajen Gada (DIN: 01642373) that she meets the criteria of independence, as prescribed, both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules 2014, provides for appointment of an Independent Directors. It is proposed to appoint Mrs. Neha Rajen Gada (DIN: 01642373) as Women Independent Director under Section 149 of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office for 1 (One) year with effect from 14th August, 2024 to 13th August, 2025. In the opinion of the Board, Mrs. Neha Rajen Gada (DIN: 01642373) fulfills the conditions for appointment as an Independent Director, as specified in the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Neha Rajen Gada (DIN: 01642373) is independent of the management.

Brief resume of Mrs. Neha Rajen Gada (DIN: 01642373), nature of her expertise in specific functional areas and names of Companies in which she holds directorships and memberships/chairmanships of

Board Committees, shareholding and relationships between Directors inter-se are provided in Annexure to this Notice.

The Board recommends the Special Resolution as set out at Item Nos. 07 respectively of the Notice for approval of the Members.

This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Save and except Mrs. Neha Rajen Gada (DIN: 01642373) and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Item No. 08

Pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended ("**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) ("**SEBI Listing Regulations**"), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the "**Company**"), Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) who was appointed as an Additional Director (category Non-Executive Independent Director) of the Company by the Board of Director of the Company with effect from 14th August, 2024.

The Company has received declaration from Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) that he meets the criteria of independence, as prescribed, both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules 2014, provides for appointment of Independent Directors. It is proposed to appoint Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) as an Independent Director under Section 149 of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office for 1 (One) year with effect from 14th August, 2024 to 13th August, 2025. In the opinion of the Board, Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) fulfills the conditions for appointment as an Independent Director, as specified in the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) is independent of the management.

Brief resume of Mr. Satish Chandrashekhar Deshpande (DIN: 03153724), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se are provided in Annexure to this Notice.

The Board recommends the Special Resolution as set out at Item No. 8 respectively of the Notice for approval of the Members.

This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. Save and except Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Item No. 09

Pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended ("**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) ("**SEBI Listing Regulations**"), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the "**Company**"), Mr. Nandkishor Trivikram Joshi (DIN: 02070242) who was appointed as an Additional Director (category Non-Executive Independent Director) of the Company by the Board of Director of the Company with effect from 14th August, 2024.

The Company has received declaration from Mr. Nandkishor Trivikram Joshi (DIN: 02070242) that he meets the criteria of independence, as prescribed, both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules 2014, provides for appointment of Independent Directors. It is proposed to appoint Mr. Nandkishor Trivikram Joshi (DIN: 02070242) as an Independent Director under Section 149 of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office for 1 (One) year with effect from 14th August, 2024 to 13th August, 2025. In the opinion of the Board, Mr. Nandkishor Trivikram Joshi (DIN: 02070242) fulfills the conditions for appointment as an Independent Director, as specified in the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Nandkishor Trivikram Joshi (DIN: 02070242) is independent of the management.

Brief resume of Mr. Nandkishor Trivikram Joshi (DIN: 02070242), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se are provided in Annexure to this Notice.

The Board recommends the Special Resolution as set out at Item No. 9 respectively of the Notice for approval of the Members.

This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Save and except Mr. Nandkishor Trivikram Joshi (DIN: 02070242) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

Item No. 10

Pursuant to the provisions of Sections 149 and 152 read with Schedule IV, Section 161 and other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, including, the Companies (Appointment and Qualification of Directors) Rules, 2014, each as amended ("**Companies Act**"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendments, modification(s) or re-enactment(s) thereof, for the time being in force) ("**SEBI Listing Regulations**"), and other applicable provisions thereof, if any, and pursuant to the provisions of the articles of association of SFC Environmental Technologies Limited (the "**Company**"), Mr. Dilip Damodar Karambelkar (DIN: 00970812) who was appointed as an Additional Director (category Non-Executive Independent Director) of the Company by the Board of Director of the Company with effect from 14th August, 2024.

The Company has received declaration from Mr. Dilip Damodar Karambelkar (DIN: 00970812) that he meets the criteria of independence, as prescribed, both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules 2014, provides for appointment of Independent Directors. It is proposed to appoint Mr. Dilip Damodar Karambelkar (DIN: 00970812) as an Independent Director under Section 149 of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office for 1 (One) year with effect from 14th August, 2024 to 13th August, 2025. In the opinion of the Board, Mr. Dilip Damodar Karambelkar (DIN: 00970812) fulfills the conditions for appointment as an Independent Director, as specified in the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Dilip Damodar Karambelkar (DIN: 00970812) is independent of the management.

Brief resume of Mr. Dilip Damodar Karambelkar (DIN: 00970812), nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se are provided in Annexure to this Notice.

The Board recommends the Special Resolution as set out at Item No. 10 respectively of the Notice for approval of the Members.

This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Save and except Mr. Dilip Damodar Karambelkar (DIN: 00970812) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

Item No. 11

Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) was appointed as an Additional Director by Board of Director at the Board Meeting held on 27th October, 2023 and regularisation as a Non-Executive Director of the Company by the members at the 18th Annual General Meeting of the Company held

on 18th November, 2023 and at the time of his original appointment he was at the age of 78 years. The provisions related to approval of the shareholders was not applicable to the Company at the time of his appointment.

In terms of Regulation 17(1A) of SEBI Listing Regulations, consent of members by way of special resolution is required for appointment or continuation of directorship of Non-Executive Director, beyond the age of 75 years. Further, Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) has attained the age of 75 years and approval of members is required for the continuation of his directorship in the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) as a Non-Executive Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to continuation of directorship of Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) as a Non-Executive Director of the Company for the approval by the shareholders of the Company.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval of the Members.

Save and except the above, Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) and his relatives, to the extent of their shareholding interest, if any, in the Company. None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in this Resolution.

Item No. 12

The Company has appointment Mr. Sandeep Sudhakar Asolkar (DIN: 00097828), as Chairman & Managing Director of the Company w.e.f. 27th October, 2023. The Company was a private limited Company at that time and therefore the provisions of Section 197 and Schedule V of the Companies Act, 2013 were not applicable for his appointment.

Term of Appointment:

Tenure: 5 years – Starting from 27th October 2023 to 26th October 2028;

Remuneration: Fixed Remuneration of INR 3,30,00,000/- per annum along with variable remuneration of 0.50% of net profit of the company, which is within to the limits as prescribed under Section 197 of the Companies Act, 2013 (the 'Act'), read with Schedule V of the Act, from Financial Year 2024-25 and onwards, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Sandeep Sudhakar Asolkar.

The net profits shall be computed in the manner referred to in section 198 of the Act.

Retirement by Rotation: Not liable to retire by rotation

The Company was converted into a public limited Company w.e.f. 12th August, 2024 and therefore according to the PART III of the Schedule V of the Companies Act, 2013 it is proposed to obtain the approval of the shareholders for appointment and remuneration of the Managing Director accordingly the resolution is proposed as mentioned in agenda number 12 of the Notice.

The Board recommends the Special Resolution as set out at Item Nos. 12 respectively of the Notice for approval of the Members.

Save and except the above Mr. Sandeep Sudhakar Asolkar (DIN: 00097828) and his relatives, to the extent of their shareholding interest, if any, in the Company. 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. 13

In terms of Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended (the “**FEMA Regulations**”), and the Consolidated Foreign Direct Investment Policy Circular of 2020, as amended (together with the FEMA Regulations, the “**FEMA Laws**”), the Companies Act, 2013, as amended, and the rules and regulations made thereunder, the Non-resident Indians (“**NRI**”) and Overseas Citizens of India (“**OCI**”), together, can acquire and hold on repatriation basis up to an aggregate limit of 10% of the paid up equity share capital of an Indian listed company on a fully diluted basis. The FEMA Laws further provide that the limit of 10% can be further increased up to 24%, by passing a special resolution to that effect by the shareholders and followed by necessary filings with Reserve Bank of India. In relation to the proposed Offer, the Company proposes to increase the aggregate limit of investment by NRIs and OCIs in the Company from 10% to 24% of the paid-up equity share. This would allow non-resident Indians to acquire to a greater extent the equity shares proposed to be offered in the Offer and also allow effective post-listing trading in the Equity Shares by non-resident Indians.

The Board recommends the Special Resolution as set out at Item Nos. 13 respectively of the Notice for approval of the Members.

Save and except the above, none of the Directors, key managerial personnel, senior management and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) and/or senior management (as defined in the SEBI ICDR Regulations) are concerned or interested in the proposed resolution, except in the ordinary course of business.

Item No 14

The Company proposes to undertake an initial public offering of its equity shares (“**Equity Shares**”) including by way of a fresh issue of the Equity Shares by the Company (“**Fresh Issue**”). Further, the Board may also invite the existing members of the Company to participate in such an offering by making an offer for sale (“**Offer for Sale**” and together with the Fresh Issue, the “**Offer**”) in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2018, as amended (the “**SEBI ICDR Regulations**”) and the Companies Act, 2013, and the rules made thereunder, as amended. The Company intends to undertake the Offer and list the Equity Shares at an opportune time in consultation with the book running lead managers appointed for the Offer (“**BRLMs**”) and other advisors in relation to the Offer and subject to Applicable Laws and regulatory approvals, to the extent necessary.

With respect to the Offer, the Company will be required to file a draft red herring prospectus (the “**DRHP**”) with the Securities and Exchange Board of India (the “**SEBI**”) and the Stock Exchanges, and subsequently file a red herring prospectus (the “**RHP**”) with the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”) and thereafter with SEBI, and the stock exchanges where the Equity Shares are proposed to be listed (“**Stock Exchanges**”) and file a prospectus with the RoC and thereafter with SEBI and the Stock Exchanges in respect of the Offer (and together with the DRHP and the RHP, the “**Offer Documents**”), in accordance with the SEBI ICDR Regulations, the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) (collectively referred to as the “**Companies Act**”) and other applicable laws.

Each shareholder may, in its sole discretion, participate in the Offer for Sale by offering to sell either all or a part of the Equity Shares held by it at a price to be determined through the book building process in accordance with the SEBI ICDR Regulations and the Offer Documents. In terms of Regulation 8 of the SEBI ICDR Regulations, the Equity Shares offered in the Offer (“**Offered Shares**”) are required to be fully paid-up and are required to have been held by the concerned shareholder for a period of at least one year prior to filing of the DRHP with SEBI. Please note that in terms of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of the Company (other than the Equity Shares offered under the Offer), shall be locked-in for a period of six months from the date of allotment pursuant to the Offer, subject to exceptions under the SEBI ICDR Regulations.

Further, in terms of the SEBI ICDR Regulations, Equity Shares held by the shareholders prior to the Offer and locked-in for a period of six months may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the applicable lock-in and the transferee being ineligible to transfer such Equity Shares until expiry of the lock-in period, and compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In the event a shareholder chooses to participate in the Offer (“**Selling Shareholders**”), they will be required to comply with certain terms and requirements and undertake certain activities in line with the SEBI ICDR Regulations and the Companies Act, an indicative list of which is set out below:

1. Offer Expenses: The Selling Shareholders and the Company shall share certain costs and expenses pertaining to the Offer (collectively, the “**Offer Expenses**”). The Offer Expenses shall be shared by the Selling Shareholders and the Company based on the proportion of Equity Shares included in the Offer for Sale, among the Selling Shareholders, and the Equity Shares allotted by the Company in the Fresh Issue, respectively, as a percentage of the total Equity Shares transferred or allotted pursuant to the Offer, and in accordance with applicable laws
2. Offer related agreements: At different stages of the Offer process, the Company and the Selling Shareholders will need to enter into various agreements, including the offer agreement, registrar agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement

and underwriting agreement. The drafts of these agreements will be shared with the Selling Shareholders at the appropriate stages.

3. Liability of Selling Shareholders: The Companies Act, 2013 imposes both criminal and civil liability on the Selling Shareholders for misstatements in the Offer Documents. In addition, a Selling Shareholder may be liable for punishment for fraudulently inducing persons to invest money in the Company, or actions by persons, or group of persons or association of persons affected by any misleading statements or inclusion or omission in any matter in relation to the Selling Shareholder and the portion of the Offered Shares in the Offer Documents. The Company, the book running lead managers appointed for the Offer (the "BRLMs"), and their respective legal counsels and other professional advisers appointed in relation to the Offer shall not be responsible or liable to the Selling Shareholders, or any other person in relation to the Offer, including for any default, negligence or misconduct by the Selling Shareholders. In addition, in the agreements set out above, the Selling Shareholders shall be required to provide an indemnity to the BRLMs and/or the underwriters, as applicable, with respect to the information about themselves, their respective portions of the Offered Shares and their representations and warranties.]

Further, the Company shall be entitled to take all decisions in relation to the Offer in accordance with applicable laws. The Company reserves the right, at its sole discretion, to modify or vary the terms and conditions of the participation of such Shareholder in the Offer for Sale, including where any relevant approvals are not obtained in a timely manner or at all.

In the event a shareholder is interested in participating in the Offer for Sale, please provide the consent letter, indicating the number of Equity Shares proposed to be offered in the Offer for Sale ("**Consent Letter**"). The Company reserves the right, at its sole discretion, to extend such period as may be required. In the event the Company does not receive the Consent Letter from interested shareholders within the timeline as may be communicated by the Company, it shall be presumed that such shareholders are not interested in participating in the Offer for Sale.

Upon receipt of the Consent Letter, the Company will send a detailed set of instructions and documents that a Selling Shareholder needs to execute to participate in the Offer for Sale.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, the approval of the shareholders of the Company is required through a special resolution.

The Company proposes to create, offer, issue and allot and/or transfer in the Offer such number of Equity Shares, for cash either at par or premium, as allowed under Applicable Laws and as may be fixed and determined in accordance with the SEBI ICDR Regulations such that the amount being raised pursuant to the Offer aggregates up to ₹ INR 2500 million on such terms and at such price and at such time as may be considered appropriate by the board of directors of the Company (the "**Board**"), or a duly authorised committee thereof, in consultation with the BRLMs, to the various categories of permitted investors, who may or may not be the shareholder(s) of the Company, in the Offer through the book building process in accordance with the SEBI ICDR Regulations. The Equity Shares, if any, allotted vide the Offer shall rank in all respects *pari passu* with the existing equity shares of the Company. The proceeds of the Fresh Issue will be utilised for the purposes that shall be disclosed in the DRHP, RHP and the Prospectus. The Board has the authority to modify the aforesaid objects on

the basis of the requirements of the Company, in accordance with applicable laws.

Material information pertaining to the Offer is as follows:

- (i) *Offer Price:*
The price at which the Equity Shares will be allotted through the Offer shall be determined and finalized by the Company in consultation with the BRLMs in accordance with the SEBI ICDR Regulations, on the basis of the book building process.
- (ii) *The object(s) of the Offer:*
The proceeds of the Offer are to be utilized for the purposes that shall be disclosed in the Offer Documents to be filed with the SEBI, the RoC and the Stock Exchanges, as applicable, in connection with the Offer, [including for general corporate purposes.] The Board has the authority to modify the above objects on the basis of the requirements of the Company, subject to applicable law.
- (iii) *Intention of Directors/Key managerial personnel/ senior management to subscribe to the Offer:*
The Company has not made and will not make an offer of Equity Shares to any directors or key managerial personnel or senior management. However, the directors or the key managerial personnel or senior management may apply for the Equity Shares in the various categories under the Offer in accordance with the SEBI ICDR Regulations.
- (iv) *Whether a change in control is intended or expected:*
No change in control is intended or expected as a result of the Offer.
- (v) *Allotment*
The allotment of Equity Shares pursuant to the Offer shall be completed within such time period as may be prescribed under applicable law.
- (vi) *Pre- Offer and post-Offer shareholding pattern*
The pre-Offer and post-Offer shareholding pattern (to the extent applicable) shall be as disclosed in the offer documents filed in connection with the Offer.

The Board recommends the resolution for your approval. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act, the SEBI ICDR Regulations, any other law or if recommended by various advisors to the Company in connection with the Offer, the Board will make necessary amendments.

All the directors, key managerial personnel, senior management and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) and/or senior management (as defined in the SEBI ICDR Regulations) may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company and, to the extent shares may be subscribed for and allotted in their names.

Date: 14.08.2024

Place: Mumbai

For and on behalf of the Board
SFC ENVIRONMENTAL TECHNOLOGIES LIMITED
(Formerly known as 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

SANDEEP SUDHAKAR ASOLKAR
MANAGING DIRECTOR
DIN: 00097828

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/REGULARISATION/REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

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

Name	DILIP DAMODAR KARAMBELKAR	NEHA RAJEN GADA
Director Identification Number	00970812	01642373
Father's Name	DAMODAR KARAMBELKAR	HEMENDRA M NAGDA
Date of Birth	28/12/1954	22/03/1976
Date of Appointment on Board and total tenure in company	14/08/2024	14/08/2024
Qualification	- Master's of Business Administration (MBA). - Bachelor of Science (BSC).	- Chartered Accountant, Insolvency Professional Jun 2017, Bachelor of Law July 2023 from University of Mumbai
Experience / Expertise	Printer and Publisher- Vivek Marathi Weekly. Managing Editor- Vivek Group, which publishes magazines Marathi Weekly - Vivek, Hindi Monthly - Hindi Vivek and Monthly for Students, Shikshan Vivek. Was held position of Director- Siddhi Offset Pvt. Ltd and Shree Multimedia Vision Ltd Director in- Aswad Prakashan Trustee & Chairman- Vivek Vyaspeeth, a Charitable Trust, which is associated with various cultural, social, health related, intellectual and research events and projects. Former Trustee- Marmagoa Port Trust	A Chartered Accountant, Insolvency Professional and Bachelor of Law having experience of 20 years. Have been working with oldest Asian Stock Exchange, BSE Ltd for more than 6 years. Have vast experience in Compliance pertaining to Securities Law, Corporate Law. Specializes in Restructuring, Acquisitions and Mergers, Due Diligence, Takeovers, SEBI Exemption and Consent applications, LODR & ICDR Compliance, Listing matters, Insolvency, NBFC Registrations and Takeovers.
Directorships held in other Companies	1. Vivek Webmedia Foundation 2. Vivek rural development centre 3. Aaswad prakashan private limited	1. Sejal Glass Limited. 2. Asian Star Company Limited 3. Aarti Drugs Limited 4. Tamboli Industries Limited (formerly Tamboli Capital Limited) 5. MSE Enterprises Limited (formerly Metropolitan Clearing Corporation of

		India Limited) 6. Gala Precision Engineering Limited 7. Motilal Oswal Home Finance Limited 8. Dhhanish Advisors Private Limited. 9. Pinnacle Life Science Private Limited 10. Jito Mumbai Midtown Chapter Foundation 11. Infineon Capital Advisors Private Limited
Shareholding in Company	Nil	1,250
Terms and conditions of Appointment or re-appointment	1 (One) Year	1 (One) Year
Remuneration last drawn	NA	NA
Relationship with other Directors or Key Managerial Personnel of the Company	NA	NA

Name	SATISH CHANDRASHEKHAR DESHPANDE	NANDKISHOR TRIVIKRAM JOSHI
Director Identification Number	03153724	02070242
Father's Name	CHANDRASHEKHAR DESHPANDE	TRIVIKRAM JOSHI
Date of Birth	25/01/1954	16/08/1946
Date of Appointment on Board and total tenure in company	14/08/2024	14/08/2024
Qualification	<ul style="list-style-type: none"> - M. Tech. (PHE) Year of Post-graduation 1979 - Bachelor of Engineering (Civil) Year of Graduation 1976 	<ul style="list-style-type: none"> - Post Graduate in Microbiology. - Ph.D. Biotechnology (Waste water Treatment)
Experience / Expertise	<p>He was Managing Director OPT Engineers Pvt. Ltd. (1st May 2010 to 31st May 2015).</p> <p>He was in employment with CIDCO</p>	<p>Founder Director of PAPL Ph.D. Biotechnology (Waste water Treatment) Post Graduate in Microbiology</p> <p>- Started the career in medical</p>

	<p>from 1985 to 2010 and handled various works of Civil Engineering including works of Water Supply, Sewerage, Sewage Treatment Plant, Solid Waste Management, Building Works, Road Works etc.</p> <ul style="list-style-type: none"> - External consultant for CITARA, IIT[Bombay] from 2016 till date. - Proof checking of DPR on sanitation for Sangole, Sinnar, Vengurle etc. assignments. <p>Freelance work:</p> <ul style="list-style-type: none"> - Quality audit expert for Mira Bhayander Corp. Scheme. <p>Freelance Work</p> <ul style="list-style-type: none"> - Consultancy for modernization of Sasoon dock Mumbai (Fishing Harbor). <p>Membership of Professional Associations:</p> <ul style="list-style-type: none"> - Member – FIE - Member –MIWWA 	<p>Microbiology from Haffkine Institute Mumbai.</p> <ul style="list-style-type: none"> - Ph.D from BARC (Biotechnology) - Was an undergraduate Teacher at K.J. Somaiya college and post Graduate teacher at university of Mumbai. - Was a Member of Maharashtra state pollution control Board and had an exposure to environment at issues for the state. Was involved in forming the Environment policies for the state through state Board. - Invited by ILLINOIS STATE UNIVERSITY (CHICAGO) USA to study the impact of Urban Development on Environment. - Involved in Environment Impact Assessment projects. - Director on Hazardous waste Management Association. - Executive committee member of Thane Belapur Industrial Association. - Member of Indian Merchants chamber Navi Mumbai
Directorships held in other Companies	Nil	<ol style="list-style-type: none"> 1. Paona Chempro Private Limited 2. Common Effluent Treatment Plant (Thane - Belapur) Association 3. Padmaja Areobiologicals Private Limited 4. Trans Thane Creek Waste Management Association
Shareholding in Company	Nil	Nil
Terms and conditions of Appointment or re-appointment	1 (One) Year	1 (One) Year
Remuneration last drawn	NA	NA
Relationship with other Directors or Key Managerial Personnel of the Company	NA	NA

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 - 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 (UICT) 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. Navitas Waste Treatment Private Limited. 2. Pentagen Biofuels Private Limited 	<ol style="list-style-type: none"> 1. Aarti Surfactants Limited. 2. Anushakti Enterprise Private Limited. 3. Alchemie Financial Services Ltd 4. Crystal Millennium Realtors Private Limited. 5. Saswat Trusteeship Private Limited. 6. Aarti Nature Care Private Limited

		7. KJF Shelters Foundation. 8. KJF Manavta-Ni-Mahek Foundation 9. Parakh Hospitals Private Limited 10. Prozeal Green Energy Private Limited.
Shareholding in Company	21,05,698	56,725
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: 14.08.2024

Place: Mumbai

For and on behalf of the Board
SFC ENVIRONMENTAL TECHNOLOGIES LIMITED
(Formerly known as 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

SANDEEP SUDHAKAR ASOLKAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 00097828

ATTENDANCE SLIP

(To be presented at the entrance)

19th Annual General Meeting of the Members of **SFC ENVIRONMENTAL TECHNOLOGIES LIMITED (Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)** to be held on Thursday 05th September, 2024 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:	U37003MH2005PLC152235
Name of the company:	SFC ENVIRONMENTAL TECHNOLOGIES LIMITED (Formerly known as 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:

_____ E-mail _____ Id:

Signature: _____ or
failing him

2. Name:

Address:

_____ E-mail _____ 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 19th Annual General Meeting of the company, to be held on Thursday, the 05th September, 2024 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, 2024 together with the Report of Board of Directors and Auditors thereon.		
Special Business			
2	Sub-Division of Equity Shares		
3	Increase in Authorized Share Capital and Amendment to the Memorandum of Association		
4	Approval For Bonus Issue of Equity Shares to Existing Shareholders		
5	Adoption of Employee Stock Option Scheme		
6	Adoption of Updated Articles of Association		
7	Appointment of Mrs. Neha Rajen Gada (DIN: 01642373) as a Woman Independent Directors of the Company		
8	Appointment of Mr. Satish Chandrashekhar Deshpande (DIN: 03153724) as an Independent Directors of The Company		
9	Appointment of Mr. Nandkishor Trivikram Joshi (DIN: 02070242) as an Independent Directors of the Company		
10	Appointment of Mr. Dilip Damodar Karambelkar (DIN: 00970812) as an Independent Directors of the Company		
11	To Approve Continuation of Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) as a Non-Executive Director of the Company		
12	Approval of the Term & Remuneration Payable to Mr. Sandeep Sudhakar Asolkar (DIN:00097828) as a Chairman & Managing Director		
13	Increase in Investment Limits for Non-Resident Indian or Overseas Citizen of India		
14	Raising of Capital Through an Initial Public Offering of Equity Shares Including, any Discount and Reservation Contemplated in the Offer and Pre-Ipo Placement		

Signed this.....day of.....2024

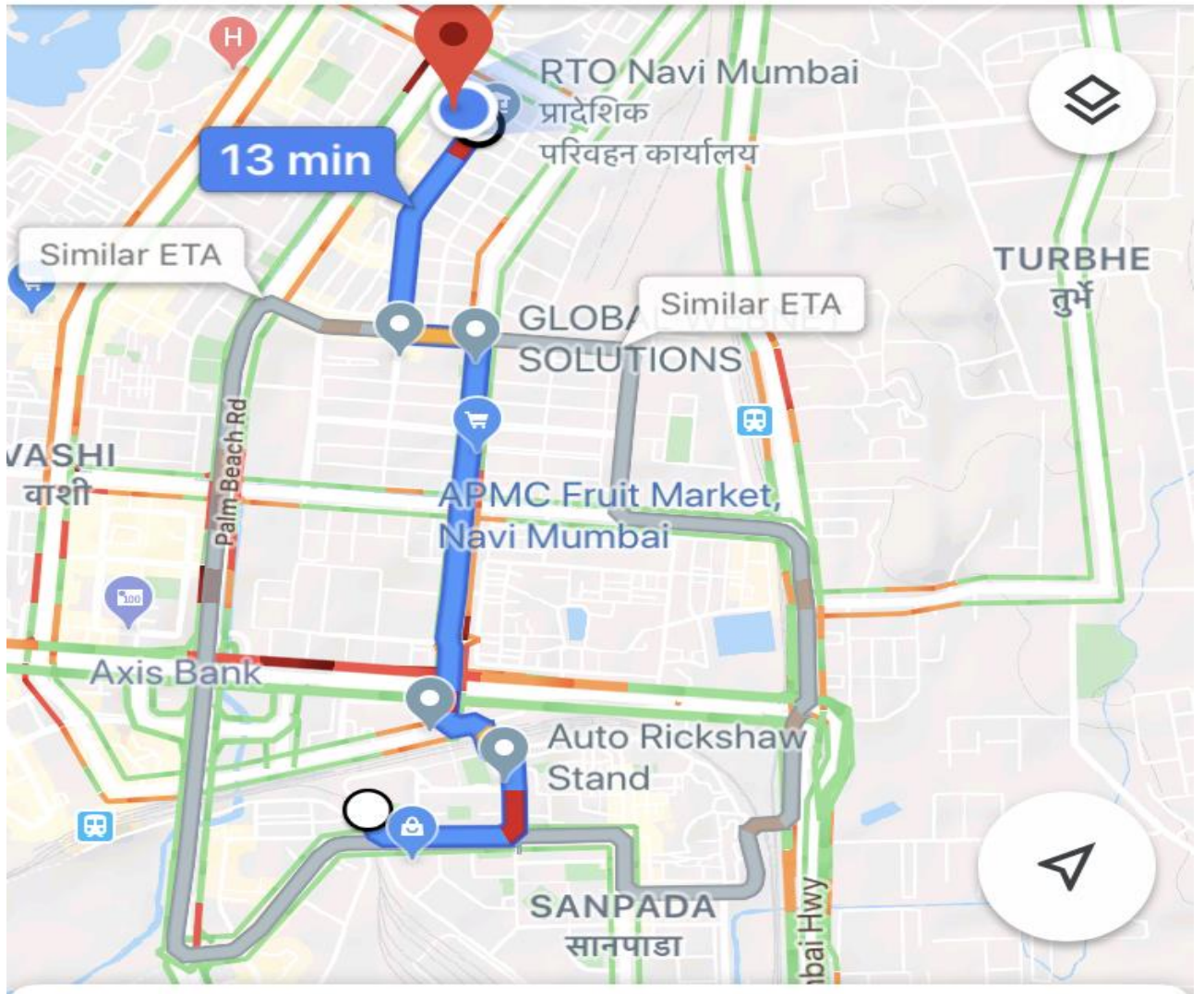
.....
Signature of Shareholder

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

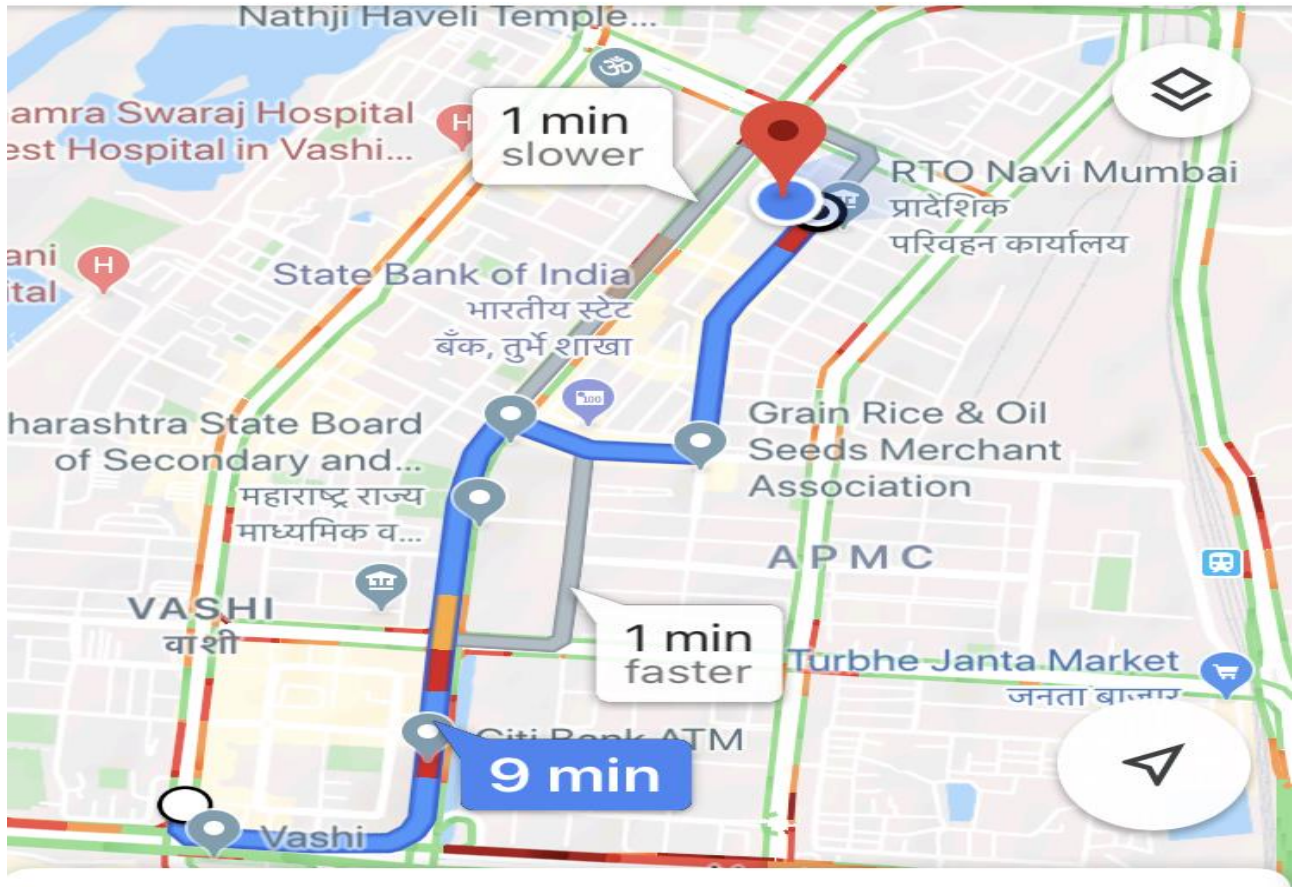
Affix
Revenue
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at The Ambience Court, Hi-Tech Business Park, 21st Floor, Sector 19-D, Vashi, Navi Mumbai- 400705 not less 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 Limited
(Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)

Your Directors are pleased to present 19th Annual Report of **SFC ENVIRONMENTAL TECHNOLOGIES LIMITED** (Formerly known as of **SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED**) along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2024.

FINANCIAL HIGHLIGHTS:

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

(INR in Millions)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	5,219.22	4,117.72	6,583.92	5,196.86
Other Income	242.75	153.92	199.55	113.78
Impairment gain on financial assets	-	-	1.79	-
Total Income	5,461.96	4,271.64	6,785.26	5,310.64
Less: Expenses	3,636.76	3,046.14	4,874.85	4,051.26
Profit/ (Loss) before Tax	1,825.21	1,225.49	1,934.47	1,272.51
Less: Tax (including deferred tax)	478.43	318.50	492.74	324.42
Profit/(Loss) after Tax	1,346.77	906.99	1,441.73	948.09
Profit for the year attributable to				
a) Owners of the Group			1,416.07	938.81
b) Non-controlling interests	NA	NA	25.66	9.28
Total comprehensive Income for the year	1,345.55	901.47	1,447.61	944.76
a) Owners of the Group	1,345.55	901.47	1,423.18	935.19
b) Non-controlling interests	NA	NA	24.43	9.57

PERFORMANCE REVIEW:

Your Company has recorded total revenue for the financial year 2023-24 of INR 5,461.96/- millions as compared to INR 4,271.64/- millions 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 216.27/- per share as at 31st March, 2024 as against INR 145.65/- per share as at 31st March, 2023 as per its Standalone Financials.

Your Company is an environmental technology company offering efficient technologies and comprehensive engineering solutions in the field of wastewater treatment (“WWT”) and solid waste treatment (“SWT”). During the year, we strategically expanded our portfolio by entering the agro-based biogas / compressed biogas projects, enhancing the breadth of our offerings. 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.

DIVIDEND:

During the year under review, based on the Company’s performance, the Board of Directors recommended, and shareholders have declared a final dividend of Rs. 15/- per share on equity shares held by the shareholders of the Company in the 18th Annual General Meeting conducted on 18th November, 2023. The aggregate amount of final dividend was Rs. 9,34,11,270/- (Rupees Nine Crores Thirty Four Lakhs Eleven Thousand Two Hundred Seventy Only) which was duly paid for the financial year 2022-23. Due effect of the same has been duly reflected in the Standalone Financial Statements of the Company.

CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there are no changes in the business line of the Company. The Company is carrying its existing business activities.

RESERVES:

During the year under review, the Company has not transferred its profit amount to the reserves during the financial year 2023-24.

SHARE CAPITAL:

The changes in the capital of the Company are mentioned herein:

Authorized Share Capital:

The authorised share capital of the Company is Rs. 17,40,00,000/- (Rupees Seventeen Crores Forty Lakhs Only) comprising of 1,74,00,000 (One Crore Seventy Four Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Paid-up Share Capital:

The Paid-Up Share Capital of your Company is INR 6,22,74,180/- (Rupees Six Crore Twenty Two Lakhs Seventy Four Thousand One Hundred and Eighty Only) divided into 62,27,418 (Sixty Two Lakhs Twenty Seven Thousand Four Hundred and Eighteen) equity shares of INR 10/- (Rupees Ten Only) 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, 2024 is available on the Company's website on www.sfcenvironment.com and at the registered office of the Company.

EMPLOYEES STOCK OPTION SCHEME (ESOP):

During the year under review, 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

Sr. No.	Directors Name	DIN	Designation
1.	Mr. Sandeep Sudhakar Asolkar	00097828	Chairman and Managing Director
2.	Mr. Sarvesh Kumar Garg	06873116	Director
3.	Mr. Chandrakant Vallabhaji Gogri	00005048	Director

1. Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) was appointed as an additional Director w.e.f. 27th October, 2023.
2. Designations of Mr. Sandeep Sudhakar Asolkar (DIN: 00097828) has been changed from Managing Director to Chairman and Managing Director and he is appointed for 5 (five) years w.e.f 27th October, 2023 to 26th October 2028.
3. Mr. Sandeep Sambhaji Parab (DIN: 03569568) and Mr. Veera Venkata Satyanarayana Yannamani (DIN: 02064547) have resigned from the role of Director w.e.f. 06th November, 2023.
4. Mr. Chandrakant Vallabhaji Gogri (DIN: 00005048) was regularized as a Non-Executive Director in the Annual General Meeting held on 18th November, 2023.

None of the Directors of the Company are disqualified under section 164 of the Companies Act, 2013 from being appointed as a Director.

MEETINGS:

i. Board Meetings:

During the year under review, the Board of Directors of the Company convened Nineteen (19) meeting during the year, all the Board Meetings were conducted in due compliance with Companies Act, 2013 and gap between the two (2) consecutive meetings are 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	18 th April, 2023	Tuesday
2	24 th April, 2023	Monday
3	03 rd May, 2023	Wednesday
4	13 th June, 2023	Tuesday
5	17 th July, 2023	Monday
6	24 th July, 2023	Monday
7	10 th August, 2023	Thursday
8	06 th September, 2023	Wednesday
9	21 st October, 2023	Saturday
10	27 th October, 2023	Friday
11	06 th November, 2023	Monday
12	04 th December, 2023	Monday
13	29 th December, 2023	Friday
14	08 th January, 2024	Monday
15	09 th January, 2024	Tuesday
16	02 nd February, 2024	Friday
17	12 th March, 2024	Tuesday
18	20 th March, 2024	Wednesday
19	28 th March, 2024	Thursday

ii. Annual General Meeting:

During the year under review, Company was held Annual General Meeting on 18th November, 2023.

iii. Extra-Ordinary General Meeting:

During the year under review, Company was held Extra-Ordinary General Meeting on 19th May, 2023.

iv. Corporate Social Responsibility Committee Meeting:

During the year under review, CSR committee meetings were held on 06th September, 2023 and 28th March, 2024. All the members attended CSR meeting.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS:

During the year under review, the Company was appointed M/s G B C A & Associates LLP, Chartered Accountants (Firm Reg. No. W100292/103142W), on 19th May, 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 up to 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, M/s G B C A & Associates LLP, Chartered Accountants (Firm Reg. No. W100292/103142W), was appointed in the 18th Annual General Meeting on 18th November, 2023 to hold office for the period of 5 years till the conclusion of the 23rd Annual General Meeting to be held in the financial year 2028-29. M/s. G B C A & Associates LLP, Chartered Accountants (Firm Reg. No. W100292/103142W), had given their consent for appointment as the Statutory Auditors of the Company.

The Board has duly examined the Statutory Auditors' Report to the Standalone and Consolidated financial statements for the financial year ended March 31, 2024. and Statutory Auditors' Report do not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS:

During the year under review, pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company is not required to appoint Secretarial Auditor for the year 2023-24.

INTERNAL AUDITOR:

During the year under review, pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company appointed M/s Shrirang S Hardikar, Chartered Accountants, Navi Mumbai as Internal Auditor of the Company to conduct the Internal Audit of the Company for the Financial Year 2023-24.

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 100% wholly owned subsidiary of the Company and the Company holds 10000 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.

- **TURBOMAX INDIA PRIVATE LIMITED:** This is 49% Associate of Company and the Company holds 38,76,000 equity shares of Rs. 10/- each. 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).
- **HINDUSTAN WASTE TREATMENT PRIVATE LIMITED:** This is 80% subsidiary of Company wherein the Company holds 3,12,32,000 equity shares of Rs. 10/- each. During the year, Company has purchased and created beneficial ownership on 3,12,32,000 equity shares.
- **PENTAGEN BIOFUELS PRIVATE LIMITED:** During the year, Company has invested and subscribed 8,00,000 equity shares of Rs. 10/- each aggregate Rs. 80,00,000/- (Rupees Eighty Lakhs) at the time of incorporation of the Subsidiary Company. Thereafter, Pentagen Biofuels Private Limited had allotted 9,60,000 Equity Shares of Rs. 10/- each aggregate Rs. 96,00,000/- (Rupees Ninety Six Lakhs) in a Board Meeting dated 1st November, 2023 on a right issue basis. This is 88% subsidiary of Company wherein the Company holds 17,60,000 equity shares of Rs. 10/- each
- **Apart from above the Company is having following subsidiaries /associate/joint venture through its subsidiaries:**
 1. SFC Ekotechnika S.r.o: 100 % subsidiary of SFC UMWELTTECHNIK GMBH (AUSTRIA).
 2. Endress + Hauser & Chavare Engineering (JV) Private Limited: Associate of Chavare Engineering 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.

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:

During the year under review, 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:

During the year under review, all the related party transaction entered by the Company 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 are on arm's length and in the ordinary course of business. Hence, disclosure in Form AOC-2 with respect to material resolution party transactions is not required to given in this Report.

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:

During the year under review, 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:

During the year under review, 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 – NIL (Previous Year- INR 3.46 million)

Foreign Exchange Expenditure – INR 1,465.70 million (Previous Year INR 1,293.445 million)

DEPOSITS:

During the year under review, there is no deposit accepted which is covered under chapter V of the Companies Act, 2013.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

During the year under review, 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, there are no such 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:

During the year under review, 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 LIMITED
(Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)**

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

**Date: 14.08.2024
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 Millions)

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, 2024
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	0.10
5.	Reserves & surplus	0.02
6.	Total assets	0.65
7.	Total Liabilities	0.65
8.	Investments	0.00
9.	Turnover	-
10.	Profit before taxation	28.36
11.	Provision for taxation	0.00
12.	Profit after taxation	28.36
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

❖ **SUBSIDIARY – II**

(INR in Millions)

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, 2024
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	40
5.	Reserves & surplus	171.73
6.	Total assets	424.60
7.	Total Liabilities	424.60
8.	Investments	0.85
9.	Turnover	927.88
10.	Profit before taxation	55.61
11.	Provision for taxation	15.33
12.	Profit after taxation	40.27
13.	Proposed Dividend	NIL
14.	% of shareholding	51%

❖ SUBSIDIARY - III

(INR in Millions)

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, 2024
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	75.30
6.	Total assets	940.85
7.	Total Liabilities	940.85
8.	Investments	-
9.	Turnover	256.23
10.	Profit before taxation	43.30
11.	Provision for taxation	10.62
12.	Profit after taxation	32.69
13.	Proposed Dividend	NIL
14.	% of shareholding	74%

SUBSIDIARY - IV

(INR in Millions)

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, 2024
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	(15.71)
6.	Total assets	164.63
7.	Total Liabilities	164.63
8.	Investments	-
9.	Turnover	228.99
10.	Profit before taxation	(18.10)
11.	Provision for taxation	(3.30)
12.	Profit after taxation	(14.80)
13.	Proposed Dividend	NIL
14.	% of shareholding	51%

SUBSIDIARY – V

(INR in Millions)

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, 2024
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	59.07
5.	Reserves & surplus	5.76
6.	Total assets	181.91
7.	Total Liabilities	181.91
8.	Investments	25.35
9.	Turnover	193.65
10.	Profit before taxation	10.16
11.	Provision for taxation	1.60
12.	Profit after taxation	8.56
13.	Proposed Dividend	Nil
14.	% of shareholding	87.23%

❖ **SUBSIDIARY – VI**

(INR in Millions)

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, 2024
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	10.36
6.	Total assets	20.06
7.	Total Liabilities	20.06
8.	Investments	0
9.	Turnover	14.12
10.	Profit before taxation	0.06
11.	Provision for taxation	0.02
12.	Profit after taxation	0.04
13.	Proposed Dividend	Nil
14.	% of shareholding*	100%

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

❖ **SUBSIDIARY – VII**

(INR in Millions)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Hindustan Waste Treatment Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2024
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	390.40
5.	Reserves & surplus	319.93
6.	Total assets	959.43
7.	Total Liabilities	959.43
8.	Investments	-
9.	Turnover	499.35
10.	Profit before taxation	123.47
11.	Provision for taxation	20.93
12.	Profit after taxation	102.54
13.	Proposed Dividend	Nil
14.	% of shareholding*	80%

❖ **SUBSIDIARY – VIII**

(INR in Millions)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Pentagen Biofuels Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2024
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	20.00
5.	Reserves & surplus	(21.74)
6.	Total assets	142.38
7.	Total Liabilities	142.38
8.	Investments	-
9.	Turnover	28.50
10.	Profit before taxation	(22.18)
11.	Provision for taxation	0.44
12.	Profit after taxation	(21.74)
13.	Proposed Dividend	Nil
14.	% of shareholding*	88%

Part “B”: Associate/Joint Venture

❖ **Associate – I**

(INR in Millions)

Sl. No.	Particulars	Details
1.	Name of the Associate	Turbomax India Private Limited
2.	Latest audited Balance Sheet Date	31 st March, 2024
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	37.24
	- 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.	Net worth attributable to Shareholding asper latest audited Balance Sheet	23.06
	Profit / (Loss) for the year	
	(i) Considered in Consolidation	(10.74)
	(ii) Not Considered in Consolidation	(11.17)

❖ Joint Venture – I

(INR in Millions)

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, 2024
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	0.245
	- 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.	Net worth attributable to Shareholding as per latest audited Balance Sheet	0.56
	Profit / (Loss) for the year	
	(i) Considered in Consolidation	(0.02)
	(ii) Not Considered in Consolidation	(0.02)

*held through its subsidiary – Chavare Engineering 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.

**For and on behalf of the Board of Directors
SFC ENVIRONMENTAL TECHNOLOGIES LIMITED
(Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)**

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

DATE: 14.08.2024

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. Sarvesh Kumar Garg	Member	1	1
3	Mr. Chandrakant Vallabhaji Gogri	Member	1	1

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 Millions)
2022-23	1225.495
2021-22	1105.368
2020-21	360.080
Average of above said Profit	897.222

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: INR 17.94/- Millions.

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: INR 0.10/- Millions.

(d) Amount required to be set-off for the financial year, if any: INR. 0.00/- Millions.

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : INR 18.05/- Millions.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

Details of CSR amount spent in the financial year for **ongoing projects** of the financial year(s):

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of Schedule VII to the act	Local Area (Yes/No)	Location of the Project		Amount spent on the project in the reporting Financial Year (in Rs. In millions)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	Distri ct			Name	CSR registratio n number
1	Prime Minister's National Relief fund (PMNRF)	National Relief	No	PAN India	PAN India	INR. 4.16 /-	No	Prime Minister's National Relief fund (PMNRF)	-
2	Swami Swaroopanan d Seva Mandal Pawas	Promoting healthcare	Yes	Maharashtra	Ratnagiri	INR. 6.01 /-	Yes	-	CSROO 048934
3	Rotary Club of Navi Mumbai Industrial Area	Promoting healthcare	Yes	Maharashtra	Thane	INR.3.15 /-	Yes	-	-

	Charita Ble Trus								
4	Bharat Vikas Parishad	Contribution to the Swach Bharat Kosh set-up by the Central Government	Yes	Maharashtra	Kokan	INR.0.20/-			CSR00000558
5	Stree Mukti Sanghatana	Women Empowerment	Yes	Maharashtra	Mumbai	INR.1/-	Yes	-	CSR00001126
6	Popular High School Trust	Promoting Education	Yes	Maharashtra	Goa	INR.2.5/-	Yes	-	-
7	Vidyadaan Sahayak Mandal, Thane	Promoting Education	Yes	Maharashtra	Thane	INR.0.52/-	Yes	-	CSR00002267
8	Snehalaya	Promoting Education	Yes	Maharashtra		INR.0.50/-	Yes	-	CSR00001248
	Total					INR.18.05/-			

(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)]. INR. 18.05/- Millions

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

Total Amount Spent for the Financial Year. (In Millions)	Amount Unspent	
		Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135

2	FY 2								
3	FY 3								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address

(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 Limited
(Formerly known as SFC ENVIRONMENTAL TECHNOLOGIES PRIVATE LIMITED)**

**SANDEEP SUDHAKAR ASOLKAR
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00097828
DATE: 14.08.2024
PLACE: MUMBAI**

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 financial statements of SFC Environmental Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 Companies Act, 2013 ("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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its Profit, Total Comprehensive Income, Changes in Equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our 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 Standalone Financial Statements.

Information other than the Standalone Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for other information. The other information comprises Board's Report including Annexures to Board's Report and such other disclosure related information 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 other 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 Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the IND AS 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 of appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit log; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The company's board of directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone financial

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

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

- (a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 except for the matters stated in paragraph (h) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the IND AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
 - (e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, 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) In our opinion and to the best of our information and according to the explanation given

to us, the Company being a private limited company, provisions of section 197 of the Act are not applicable.

- (h) The modification relating to the maintenance of accounts and other matters connected there with are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position as at March 31, 2024. (Refer Note 44 of Financial Statement)
 - 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. Based on our examination, which included test checks, the Company has used accounting software (Tally Prime Edit Log) for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility. However, the said feature of recording audit trail (edit log) facility was enabled w.e.f. 17th April, 2023. Further, for the period for which audit trail (edit log) facility was enabled, it has been operated throughout the period for all relevant transactions recorded in the software. We have been informed that in Tally Prime Edit Log, once edit log functionality is enabled even admin user has no right to disable the same.

Based on our procedures performed for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

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

Yogesh Amal
Partner
Membership No.: 111636

Place: Mumbai

Date: August 08, 2024

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)

(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.

(B) As per the information and explanations given to us, the Company does not have any 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 favor 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 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. (Rs. in Millions)

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, Kotak Bank & Axis Bank	Jun-23	Debtors	1,150.59	1,221.00	(70.42)
		Creditors	345.65	341.41	4.23
		Closing Stock	370.48	397.33	(26.86)
	Sep-23	Debtors	1,329.48	1,381.65	(52.17)
		Creditors	233.84	232.96	0.88
		Closing Stock	380.03	379.46	0.57
	Dec-23	Debtors	1,711.48	1,853.41	(141.93)
		Creditors	503.31	502.18	1.13
		Closing Stock	360.02	358.88	1.14
	Mar-24	Debtors	2,905.71	2,908.79	(3.09)
		Creditors	1,001.29	1,002.97	(1.68)
		Closing Stock	429.80	453.09	(23.29)

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 Millions)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year	-	-	625.43	
- Subsidiaries	-	-	430.41	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	195.02	-

Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	627.53	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	201.36	-

(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 Millions)

Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans	-	485.46
Repayable on Demand (A)	-	485.46

Agreement does not specify any terms or period of repayment (B)	-	-
Total (A+B)	-	485.46
Percentage of loans/ advances in nature of loans to the total loans	-	77.62%

- 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 March 31, 2024 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) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(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.

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 transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

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 no resignation of the statutory auditors during the year. Accordingly, reporting under clause (xviii) of the Order is not applicable.
- 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.

For G B C A & Associates LLP

Chartered Accountants

Firm Registration No.: 103142W / W100292

Yogesh Amal

Partner

Membership No.: 111636

Place: Mumbai

Date: August 08, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) 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 with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of SFC Environmental Technologies Private Limited (“the Company”) for the period ended March 31, 2024, 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 March 31, 2024, 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

Yogesh Amal

Partner

Membership No.: 111636

Place: Mumbai

Date: August 08, 2024

Date: 14th August, 2024

To,
SFC Environmental Technologies Private Limited,
The Ambience Court HI-Tech Business Park,
21ST Floor, Sector 19, Vashi, Thane, Navi Mumbai,
Maharashtra, India, 400705

Dear Sir/Madam,

Ref: Independent Auditor's Report ("Report") under The Companies Act, 2013 on Standalone Financial Statements of the Company for the year ended on 31st March, 2024

Sub: Communication on generation of Unique Documentation Identification Number (UDIN) after the date of signing of Report.

We would like to draw your attention that UDIN for Report for the year ended on 31st March, 2024 has been generated subsequent to our signing of Report, the details of which are as follows:

Type of Report	UDIN	Date of Signing	Date of Generation
Independent Auditors Report on Standalone Financial Statements for FY 2023-24	24111636BKCSSO9806	08-08-2024	14-08-2024

Kindly disseminate this information to your stakeholders and produce this letter on every submission of such Report and / or Annexures to such report to any third parties to enable them to check authenticity of such documents.

Thanking you

Yours faithfully,
For GBCA & Associates LLP
Chartered Accountants
Firm Reg. No. 103142W / W100292



Yogesh R. Amal
Partner

SFC Environmental Technologies Private Limited

Standalone Balance Sheet as at March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)



Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	431.82	296.42
(b) Right-of-use asset	6	65.92	18.44
(c) Investment Property	7	144.80	184.91
(d) Financial assets			
(i) Investments	8	599.66	400.34
(ii) Loans	9	-	496.61
(iii) Other financial assets	10	67.06	232.86
(e) Deferred tax assets (Net)	42	34.93	28.02
(f) Income tax assets (Net)	11	5.97	6.05
(g) Other non - current assets	12	4.42	1.80
Total non-current assets		1,354.57	1,665.45
2 Current assets			
(a) Inventories	13	568.34	419.90
(b) Financial assets			
(i) Trade receivables	14	2,812.78	1,777.18
(ii) Cash and cash equivalents	15	1.28	199.22
(iii) Other bank balance	16	1,729.89	951.89
(iv) Loans	17	828.89	380.12
(v) Other Financial Asset	18	37.38	8.61
(c) Other current assets	19	78.35	355.22
Total current assets		6,056.92	4,092.14
Total assets		7,411.49	5,757.58
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	62.27	62.27
(b) Other equity	21	5,067.00	3,814.85
Total equity		5,129.27	3,877.13
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	76.00	-
(ii) Lease liabilities	23	49.70	8.24
(b) Provisions	24	(0.40)	11.20
(c) Deferred tax liabilities (net)	42	-	-
Total non-current liabilities		125.30	19.44
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	685.63	457.88
(ii) Lease liabilities	26	16.26	10.75
(iii) Trade payables	27		
Total outstanding dues of micro and small enterprises		141.47	164.02
Total outstanding dues of creditors other than micro and small enterprises		831.93	682.23
(iv) Other financial liabilities	28	135.90	73.21
(b) Other current liabilities	29	249.32	472.87
(c) Provisions	30	-	0.06
(d) Current tax liabilities	31	96.40	-
Total current liabilities		2,156.91	1,861.02
Total liabilities		2,282.22	1,880.46
Total equity and liabilities		7,411.49	5,757.58

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: August 08, 2024

Sandeep Sudhakar Asolkar

Chairman & Managing Director

DIN: 00097828

Sarvesh Kumar Garg

Director

DIN: 06873116

Shweta Deshpande

Company Secretary

Membership No.: A-67764

SFC Environmental Technologies Private Limited

Statement of Standalone Profit and Loss for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)



Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
I Revenue from operations	32	5,219.22	4,117.72
II Other income	33	242.75	153.92
III Total income (I+II)		5,461.96	4,271.64
Expenses			
Purchases of stock-in-trade	34	2,540.44	2,392.85
Cost of Material Consumed	35	218.20	58.22
Changes in inventories of work-in-progress	36	(99.95)	(155.29)
Employee benefits expense	37	400.10	341.78
Finance costs	38	66.02	33.42
Depreciation and amortization expense	39	69.99	46.73
Impairment loss on financial assets	40	2.78	3.74
Other expenses	41	439.18	324.68
IV Total expenses		3,636.76	3,046.14
V Profit before tax (III-IV)		1,825.21	1,225.49
Tax expense	42		
Current tax		485.34	324.04
Deferred tax		(6.91)	(5.54)
VI Total tax expense		478.43	318.50
VII Profit for the year (V-VI)		1,346.77	906.99
VIII Other comprehensive income (OCI)			
a) Items that will not be reclassified to profit or loss			
i) Re-measurement loss on defined benefit liabilities		(1.63)	(7.43)
Income tax relating to items that will not be reclassified to profit or loss		0.41	1.90
		(1.22)	(5.53)
VIII Other comprehensive losses for the year, net of tax		(1.22)	(5.53)
IX Total comprehensive income for the year (VII+VIII)		1,345.55	901.47
Earnings per share face value of ₹10 each fully paid up	43		
Basic earnings per share (₹)		216.27	145.65
Diluted earnings per share (₹)		216.27	145.65

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: August 08, 2024

For and on behalf of the Board of Directors of

SFC Environmental Technologies Private Limited

Sandeep Sudhakar Asolkar

Chairman & Managing Director

DIN: 00097828

Sarvesh Kumar Garg

Director

DIN: 06873116

Shweta Deshpande

Company Secretary

Membership No.: A-67764

SFC Environmental Technologies Private Limited

Statement of Standalone Cash Flows for the year ended March 31, 2024

CIN: U90000MH2005PTG152235

(Currency: Indian Rupees in Millions)



Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Profit for the year before tax	1,825.21	1,225.49
Adjustments for :		
Depreciation and amortization expenses	69.99	46.73
Finance costs	52.95	19.24
Interest income	(172.57)	(115.16)
Impairment loss/ (gain) on trade receivables arising from contracts with customer	2.78	3.74
Bad Debts written off	3.53	0.85
Unrealized foreign exchange gain	(6.90)	(9.23)
Net (gain)/ loss on Fair Valuation of Mutual Fund	(11.72)	(4.22)
Net gain of sale of Property, Plant and Equipment	(16.86)	(1.11)
Net gain on sale of Investment Property	(16.63)	(19.91)
Operating profit before working capital changes	1,729.78	1,146.42
Working capital adjustments :		
(Decrease)/ increase in other current liabilities	(223.55)	104.45
(Decrease)/ increase in trade payables	132.82	220.81
(Decrease)/ increase in other financial liabilities	57.20	34.03
(Decrease)/ increase in provisions	(11.66)	9.41
Decrease/ (increase) in inventories	(148.45)	(212.25)
Decrease/ (increase) in trade receivables	(1,041.91)	(665.70)
Decrease/ (increase) in other financial assets	137.03	25.58
Decrease/ (increase) in other current assets	276.88	(162.83)
Decrease/ (increase) in non-current assets	(2.62)	(1.17)
Cash generated from operations	905.52	498.75
Income taxes paid (net of refunds)	(388.85)	(340.85)
Net cash from operating activities (A)	516.67	157.90
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(177.65)	(77.38)
Sale of property, plant and equipment	16.86	1.11
Proceeds from sale of Investment Property	48.00	66.43
Investment in Associates	-	(37.24)
Investment in Subsidiary	(389.55)	(0.51)
Purchase of Investments	201.94	-
(Purchase)/ Proceeds from bank deposits	(672.09)	(5.23)
Loans given	114.50	(56.84)
Net cash generated from/(used in) investing activities (B)	(857.98)	(109.67)
Cash flows from financing activities		
Repayment of lease liabilities	(14.02)	(6.56)
Dividend paid	(93.41)	(269.46)
Loan taken (net)	303.75	247.97
Interest paid on bank overdraft	(43.57)	(17.90)
Interest paid on term loan	(5.68)	
Interest paid on lease liabilities	(3.71)	(1.34)
Net cash flow from/(used in) financing activities (C)	143.37	(47.28)
Net increase(decrease) in cash and cash equivalents (A)+(B)+(C)	(197.93)	0.95
Cash and cash equivalent at the beginning of the year	199.22	198.27
Cash and cash equivalents at the end of the year (refer note 15)	1.28	199.22
Components of Cash and cash equivalents -		
Cash in hand	-	-
Foreign Cash in Hand	1.14	0.85
Balances with banks on current account	0.14	198.37
Total cash and cash equivalents (refer note 15)	1.28	199.22

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: August 08, 2024

Sandeep Sudhakar Asolkar

Chairman & Managing Director

DIN: 00097828

Sarvesh Kumar Garg

Director

DIN: 06873116

Shweta Deshpande

Company Secretary

Membership No.: A-67764

SFC Environmental Technologies Private Limited

Statement of changes in equity for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)



(A) Equity share capital

	No. of shares	Amount
Balance as at April 01, 2023	62,27,418	62.27
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	62,27,418	62.27
Balance as at April 01, 2022	62,27,418	62.27
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	62,27,418	62.27

(B) Other equity

Particulars	Reserve and surplus				Total
	Retained Earnings	General Reserves	Securities Premium	Other Comprehensive Income	
Balance as at April 01, 2023	3,746.99	70.24	3.97	(6.34)	3,814.85
Profit for the year	1,346.77	-	-	-	1,346.77
Re-measurement gain/(loss) of defined benefit plans (net of tax)	-	-	-	(1.22)	(1.22)
Total comprehensive income for the year	1,346.77	-	-	(1.22)	1,345.55
Transactions with owners of the company					
- Dividends	(93.41)	-	-	-	(93.41)
Balance as at March 31, 2024	5,000.35	70.24	3.97	(7.56)	5,067.00

Particulars	Reserve and surplus				Total
	Retained earnings	General Reserves	Securities Premium	Other Comprehensive Income	
Balance as at April 01, 2022	3,109.45	70.24	3.97	(0.81)	3,182.85
Profit for the year	906.99	-	-	-	906.99
Re-measurement gain/(loss) on defined benefit plans (net of tax)	-	-	-	(5.53)	(5.53)
Total comprehensive income for the year	906.99	-	-	(5.53)	901.47
Transactions with owners of the company					
- Dividends	(269.46)	-	-	-	(269.46)
Balance as at March 31, 2023	3,746.99	70.24	3.97	(6.34)	3,814.85

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: August 08, 2024

Sandeep Sudhakar Asolkar

Chairman & Managing Director

DIN: 00097828

Sarvesh Kumar Garg

Director

DIN: 06873116

Shweta Deshpande

Company Secretary

Membership No.: A-67764

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)



1 Company Overview

SFC Environmental Technologies Private Limited is a 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 an environmental technology company offering efficient technologies and comprehensive engineering solutions in the field of wastewater treatment (“WWT”) and solid waste treatment (“SWT”) (including agro-based biogas projects).

2 Basis for Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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 financial statements have been approved by the Board of Directors at their meeting held on 08 August, 2024.

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, the Company 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 Millions (INR 000,000), 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 Standalone financial statement for the year ended March 31, 2024

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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 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.

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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 Material accounting policies

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

3.1 Revenue from operations

Revenue from contracts with customers

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.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

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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 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 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. After initial recognition, the company measures investment property by using cost model. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The company depreciates the investment properties on written down value which is in line with the indicative useful life of relevant type of building mentioned in Part C of Schedule II to the Act.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes.

3.5 Leases

The Company, as a lessee, recognises a right-of use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right of use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation/amortisation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated/amortised using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot

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be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms

of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.6 Financial instruments

i) Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Classification and subsequent measurement

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss. This includes all derivative financial assets (refer Note 48).

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the standalone statement of profit and loss.

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 contractual rights to receive the cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

b) Financial Liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying value of the financial liability and the consideration paid is recognised in standalone statement of profit and loss.

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3.7 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 valued 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, the recoverable amount of an asset or Cash Generating Unit (CGU) is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belong. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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 to the extent, asset's carrying amount exceeds its recoverable amount.

3.8 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.

3.9 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.

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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, respectively.

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.

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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 it 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 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 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, cheque in hand, cash at banks 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

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued and not effective as at March 31, 2024.

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)



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, 2022	45.08	179.00	6.95	23.93	4.94	11.93	-	271.82
Additions	-	1.19	2.14	61.48	2.44	4.13	6.13	77.51
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	45.08	180.19	9.09	85.41	7.38	16.06	6.13	349.33
Additions	-	132.79	5.04	22.73	16.59	14.00	9.20	200.35
Disposals	-	14.96	0.18	0.00	0.29	0.77	4.83	21.03
Balance as at March 31, 2024	45.08	298.02	13.94	108.14	23.68	29.29	10.50	528.64
Depreciation / Impairment								
Balance as at April 01, 2022	-	8.71	2.61	7.01	1.20	4.78	-	24.30
Charge for the year	-	8.33	2.36	10.74	1.07	5.58	0.52	28.61
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	17.04	4.97	17.75	2.28	10.35	0.52	52.91
Charge for the year	-	12.66	2.22	21.85	1.67	7.42	1.92	47.74
Disposals	-	1.86	0.11	-	0.11	0.59	1.16	3.83
Balance as at March 31, 2024	-	27.83	7.08	39.60	3.84	17.18	1.29	96.82
Net Block								
Balance as at March 31, 2023	45.08	163.15	4.11	67.66	5.10	5.70	5.61	296.42
Balance as at March 31, 2024	45.08	270.18	6.86	68.54	19.84	12.11	9.21	431.82

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.

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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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	Building	Total
Gross Block		
Balance as at April 01, 2022	5.71	5.71
Additions	20.94	20.94
Deletions	-	-
Balance as at March 31, 2023	26.65	26.65
Additions	60.99	60.99
Deletions	-	-
Balance as at March 31, 2024	87.64	87.64
Accumulated Depreciation		
Balance as at April 01, 2022	1.19	1.19
Charge for the year	7.02	7.02
Disposals	-	-
Balance as at March 31, 2023	8.21	8.21
Charge for the year	13.51	13.51
Disposals	-	-
Balance as at March 31, 2024	21.72	21.72
Net Block		
Balance as at March 31, 2023	18.44	18.44
Balance as at March 31, 2024	65.92	65.92

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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7 Investment property

Particular	Building	Total
Gross Block		
Balance as at April 01, 2022	266.62	266.62
Additions	-	-
Deletions	53.80	53.80
Balance as at March 31, 2023	212.83	212.83
Additions	-	-
Deletions	38.37	38.37
Balance as at March 31, 2024	174.46	174.46
Accumulated Depreciation		
Balance as at April 01, 2022	24.09	24.09
Additions	11.10	11.10
Deletions	7.28	7.28
Balance as at March 31, 2023	27.92	27.92
Additions	8.74	8.74
Deletions	7.00	7.00
Balance as at March 31, 2024	29.66	29.66
Net Block		
Balance as at March 31, 2023	184.91	184.91
Balance as at March 31, 2024	144.80	144.80

Details with respect to fair valuation of Investment property

Aggregate amount of investment property at fair value *

As at March 31, 2024	201.05
As at March 31, 2023	249.04

* Fair valuation by independent registered valuer.

Independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 Note: Above valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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8 Non-current assets - Financial assets - Investments

Unquoted Investments

Investment stated at Cost

Investment in Equity Instruments

(a) Subsidiary companies

(b) Associate companies

Investment stated at Fair Value through profit and loss

Investment in Mutual Funds

	March 31, 2024	March 31, 2023
(a) Subsidiary companies	562.42	172.87
(b) Associate companies	37.24	37.24
Investment in Mutual Funds	-	190.23
	599.66	400.34

Details of Non-current Assets - Financial Assets - Investments

Investments in fully paid equity instruments

(a) Subsidiary companies:

(i) Chavare Engineering Pvt. Ltd.

2,04,000 (March 31, 2023: 2,04,000) equity shares of Rs. 10 each fully paid-up

(ii) Fine Aeration Systems Pvt. Ltd.

51,000 (March 31, 2023: 51,000) equity shares of Rs. 10 each fully paid-up

(iii) Navitas Waste Treatment Pvt. Ltd.

10,000 (March 31, 2023: 10,000) equity shares of Rs. 10 each fully paid-up

(iv) SFC Umwelttechnik GmbH

7,17,000 (March 31, 2023: 7,17,000) equity shares of Euro 1 each fully paid-up

(v) Vasudha Waste Treatment Pvt. Ltd

7,40,000 (March 31, 2023: 7,40,000) equity shares of Rs. 10 each fully paid-up

(vi) Pentagen Biofuels Pvt. Ltd

17,60,000 (March 31, 2023: Nil) equity shares of Rs. 10 each fully paid-up

(vii) Hindustan Waste Treatment Pvt. Ltd

3,12,32,000 (March 31, 2023: Nil) equity shares of Rs. 10 each fully paid-up

(b) Associate companies

(i) Turbomax India Pvt. Ltd.

37,24,000 (March 31, 2023: 37,24,000) equity shares of Rs. 10 each fully paid-up

	March 31, 2024	March 31, 2023
(i) Chavare Engineering Pvt. Ltd. 2,04,000 (March 31, 2023: 2,04,000) equity shares of Rs. 10 each fully paid-up	81.60	81.60
(ii) Fine Aeration Systems Pvt. Ltd. 51,000 (March 31, 2023: 51,000) equity shares of Rs. 10 each fully paid-up	0.51	0.51
(iii) Navitas Waste Treatment Pvt. Ltd. 10,000 (March 31, 2023: 10,000) equity shares of Rs. 10 each fully paid-up	0.10	0.10
(iv) SFC Umwelttechnik GmbH 7,17,000 (March 31, 2023: 7,17,000) equity shares of Euro 1 each fully paid-up	82.89	82.89
(v) Vasudha Waste Treatment Pvt. Ltd 7,40,000 (March 31, 2023: 7,40,000) equity shares of Rs. 10 each fully paid-up	7.77	7.77
(vi) Pentagen Biofuels Pvt. Ltd 17,60,000 (March 31, 2023: Nil) equity shares of Rs. 10 each fully paid-up	17.60	-
(vii) Hindustan Waste Treatment Pvt. Ltd 3,12,32,000 (March 31, 2023: Nil) equity shares of Rs. 10 each fully paid-up	371.95	-
	562.42	172.87
(b) Associate companies		
(i) Turbomax India Pvt. Ltd. 37,24,000 (March 31, 2023: 37,24,000) equity shares of Rs. 10 each fully paid-up	37.24	37.24
	37.24	37.24

Details of quoted / unquoted investments:

Aggregate book value of unquoted investments

Aggregate amount of impairment in value of Investments

Aggregate amount of unquoted investment at fair value

	March 31, 2024	March 31, 2023
Aggregate book value of unquoted investments	599.66	400.34
Aggregate amount of impairment in value of Investments	-	-
Aggregate amount of unquoted investment at fair value	-	-

9 Non-current assets - Financial assets - Loans

(considered good, unless otherwise stated)

Unsecured loans:

- To subsidiaries

- To others

	March 31, 2024	March 31, 2023
- To subsidiaries	-	435.00
- To others	-	61.61
	-	496.61

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

10 Non-current assets - Financial assets - Others	March 31, 2024	March 31, 2023
Security deposits	26.65	7.57
Bank deposits with more than twelve months maturity *	40.41	225.29
	67.06	232.86

*Note: Fixed deposit is in lien with borrowings from bank from various Banks of Rs. 1256.49 Million as on March 31, 2024.

11 Non-current assets - Income tax assets (net)	March 31, 2024	March 31, 2023
Advance income taxes (net of provisions)*	5.97	6.05
	5.97	6.05

*Net of provisions as on March 31, 2024 - 800.26 Million (March 31, 2023 - 316.55 Million)

12 Non-current assets - Others	March 31, 2024	March 31, 2023
Prepaid expense	4.42	1.80
	4.42	1.80

13 Current assets - Inventories	March 31, 2024	March 31, 2023
(Valued at lower of cost and net realizable value)		
Raw materials	105.47	56.97
Stock-in-trade	455.04	362.93
Finished goods	7.84	-
	568.34	419.90

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

14 Current assets - Financial assets - Trade receivables

Secured, considered good

Unsecured, considered good

Less: Allowance for expected credit loss

Net trade receivables

*Hypothecated as charge against short term-borrowings.

Refer note 46 for information about receivables from related party.

	March 31, 2024	March 31, 2023
	-	-
	2,905.71	1,867.33
	2,905.71	1,867.33
	(92.93)	(90.15)
	2,812.78	1,777.18

Ageing schedule of trade receivables as at March 31, 2024

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	-	1,520.40	918.16	49.24	247.90	56.66	2.61	2,794.99
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	37.71	37.71
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	73.01	73.01
(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	-	-	-	(0.11)	(1.14)	(1.13)	(90.54)	(92.93)
Total	-	1,520.40	918.16	49.13	246.76	55.53	22.80	2,812.78

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	-	-	1,629.95	18.89	90.22	17.54	-	1,756.60
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	37.71	37.71
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	73.01	73.01
(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	-	-	-	(0.05)	(0.45)	(0.35)	(89.30)	(90.15)
Total	-	-	1,629.95	18.84	89.77	17.19	21.43	1,777.18

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

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Notes to Standalone financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

	March 31, 2024	March 31, 2023
15 Current assets - Financial assets - Cash & cash equivalents		
Cash in Hand:		
- Cash in Hand	-	-
- Foreign Cash in Hand	1.14	0.85
Balances with banks:		
- On current account	0.14	198.37
	1.28	199.22
16 Current assets - Financial assets - Other bank balances		
Deposits with banks*	1,729.76	951.84
Ear marked bank balances - Dividend	0.02	0.05
Ear marked bank balances - Gratuity	0.10	-
	1,729.89	951.89
*Note: Fixed deposit is in lien for various credit facilities (bank overdraft, letter of credit, bank guarantee) from various Banks amounting to Rs. 1496.40 Million as on March 31, 2024 (March 31, 2023 - Rs. 80.03 Million)		
17 Current assets - Financial assets - Loans		
(considered good, unless otherwise stated)		
Unsecured loans:		
- To subsidiaries	627.53	378.63
- To employees	1.29	1.49
- To others	200.06	-
	828.89	380.12
18 Current assets - Financial assets - Others		
(considered good, unless otherwise stated)		
Earnest money deposits	37.38	8.61
	37.38	8.61
19 Other current assets		
Balance with government authorities	8.36	312.38
Advance to suppliers & employees	25.81	17.76
Prepaid expenses	17.87	7.04
Export incentives receivable	0.03	0.36
Other receivables	10.03	-
Other assets	16.25	17.68
	78.35	355.22

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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20 Equity share capital

Authorized

1,74,00,000 (March 31, 2023: 1,74,00,000) equity shares of Rs. 10 each

Issued, subscribed and paid up

62,27,418 (March 31, 2023: 62,27,418) equity shares of Rs. 10 each fully paid up

	March 31, 2024	March 31, 2023
	174.00	174.00
	174.00	174.00
	62.27	62.27
	62.27	62.27

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

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	62,27,418	62.27	62,27,418	62.27
Add: Issuance and allotment of shares	-	-	-	-
Less: cancellation of shares	-	-	-	-
Outstanding at the end of the year	62,27,418	62.27	62,27,418	62.27

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

Name of the shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Mr. Sandeep Asolkar*	21,05,698	33.81%	21,05,698	33.81%
Mr. Saket Dhandoriya	5,62,275	9.03%	5,62,275	9.03%
Mrs. Jaya Chandrakant Gogri*	3,75,790	6.03%	2,21,120	3.55%
Mr. Sarvesh Garg	3,68,481	5.92%	3,74,801	6.02%
Mrs. Aparna Kapoor	3,53,638	5.68%	5,74,778	9.23%
Mr. Rajesh Nambisan	3,06,181	4.92%	3,74,801	6.02%
Mr. Sandeep Parab	3,06,181	4.92%	3,74,801	6.02%
Mr. Madurakavi Kumaraguru	3,06,181	4.92%	3,74,801	6.02%
	46,84,425	75.22%	49,63,075	79.70%

* including joint holding (as first named shareholder)

(c) Shares held by promoters in the company

Name of the Promoter	March 31, 2024		March 31, 2023		% Change during the year
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	
Mr. Sandeep Asolkar*	21,05,698	33.81%	21,05,698	33.81%	0.00%
Mr. Saket Dhandoriya	5,62,275	9.03%	5,62,275	9.03%	0.00%
	26,67,973	42.84%	26,67,973	42.84%	0.00%

* it includes 12,05,698 Equity shares held by Mr. Sandeep Asolkar jointly with Mrs. Priya Sandeep Asolkar

(d) 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, 2024. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(e) During the Financial Year 2023-2024 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, 2024 and also March 31, 2023. 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, 2024 and also as at March 31, 2023 which are convertible into equity/preference shares.

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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21 Other equity

A Movement in reserves and surplus

	March 31, 2024	March 31, 2023
Retained earnings	5,000.35	3,746.99
General Reserves	70.24	70.24
Securities Premium	3.97	3.97
Total Reserve and Surplus	5,074.55	3,821.19

Retained earnings

	March 31, 2024	March 31, 2023
Opening balance	3,746.99	3,109.45
Add: Profit for the year	1,346.77	906.99
Less: Dividend Paid	(93.41)	(269.46)
Closing balance	5,000.35	3,746.99

Retained earnings:

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

General Reserves

	March 31, 2024	March 31, 2023
Opening balance	70.24	70.24
Add: Profit for the year	-	-
Closing balance	70.24	70.24

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

	March 31, 2024	March 31, 2023
Opening balance	3.97	3.97
Add: Profit for the year	-	-
Closing balance	3.97	3.97

Securities Premium :

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

B Movement in Other Comprehensive Income

	March 31, 2024	March 31, 2023
Opening balance	(6.34)	(0.81)
Add: Re-measurement loss on defined benefit liabilities (net of tax)	(1.22)	(5.53)
Closing balance	(7.56)	(6.34)
Total other equity	5,067.00	3,814.85

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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22 Non-current liabilities - Financial liabilities - Borrowing

Secured term loan (Refer note 50)

March 31, 2024	March 31, 2023
76.00	-
76.00	-

23 Non-current liabilities - Financial liabilities - Leases

Long term maturities of lease obligations (refer note 51)

March 31, 2024	March 31, 2023
49.70	8.24
49.70	8.24

24 Non-current liabilities - Provisions

Provision for employee benefits

Net defined benefit liability - Gratuity (refer note 45)

March 31, 2024	March 31, 2023
(0.40)	11.20
(0.40)	11.20

25 Current liabilities - Financial liabilities - Borrowings

Bank overdraft*

Current Maturities of Long term borrowing (Refer note 22)

March 31, 2024	March 31, 2023
671.41	457.88
14.22	-
685.63	457.88

*Note: Overdraft facility has been received from various banks, for the purpose of working capital with interest rate ranging from 6.25% to 9.75% 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. Refer Note no. 53

26 Current liabilities - Financial liabilities - Leases

Lease obligations (refer note 51)

March 31, 2024	March 31, 2023
16.26	10.75
16.26	10.75

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

26 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, 2024	March 31, 2023
141.47	164.02
831.93	682.23
973.39	846.25

Refer note 46 for information about payable from related party.

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, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	141.47	164.02
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.04	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.88	-
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	0.04	-
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	0.00	-

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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Ageing schedule for trade payables outstanding as at March 31, 2024:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Undisputed:								
(i) MSME	-	-	141.47	-	-	-	-	141.47
(ii) Others	-	-	815.50	0.31	-	-	16.12	831.93
Disputed:								
(i) MSME	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-	-
Total	-	-	956.96	0.31	-	-	16.12	973.39

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

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Undisputed:								
(i) MSME	-	-	162.00	-	-	-	2.02	164.02
(ii) Others	-	-	681.98	0.25	-	-	-	682.23
Disputed:								
(i) MSME	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-	-
Total	-	-	8,439.79	2.51	-	-	20.16	846.25

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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28 Current liabilities - Financial liabilities - Others	March 31, 2024	March 31, 2023
Creditors for capital goods	5.69	0.20
Creditors for expenses	86.00	54.63
Security Deposit	2.78	-
Employee benefits payable	41.43	18.38
	135.90	73.21

29 Current liabilities - Others	March 31, 2024	March 31, 2023
Statutory dues Payable		
GST	133.28	392.30
TDS	15.63	7.57
Profession tax payable	0.03	0.03
Provident fund payable	0.63	0.56
Contract liabilities	17.26	66.81
Other payables	72.00	0.13
Provision for expenses others	10.50	5.48
	249.32	472.87

30 Provisions	March 31, 2024	March 31, 2023
Provision for gratuity (refer note 45)	-	0.06
	-	0.06

31 Current tax liabilities	March 31, 2024	March 31, 2023
Provision for tax*	96.40	-
	96.40	-

* Refer Note 11

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

32 Revenue from operations

Revenue from contracts with customer

Sale of goods

Sale of services

Total (A)

Other operating revenues

Export benefits earned

Scrap sales

Total (B)

Total revenue from operations (A+B)

	Year Ended March 31, 2024	Year ended March 31, 2023
	4,852.24	3,765.19
	362.65	346.95
	5,214.89	4,112.14
	-	3.77
	4.33	1.80
	4.33	5.57
	5,219.22	4,117.72

33 Other income

Interest income under the effective interest method on

- on loans

- on loan given to Subsidiaries

- on term deposits

- on security deposits

Interest Income from customers

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

Dividend income

Miscellaneous income

Total other income

	Year Ended March 31, 2024	Year ended March 31, 2023
	6.44	56.90
	60.22	-
	100.84	57.63
	0.48	0.22
	5.07	0.64
	11.72	4.22
	6.90	9.23
	16.86	1.11
	16.63	19.91
	1.38	0.88
	6.87	0.77
	4.08	-
	5.26	2.42
	242.75	153.92

34 Purchases of stock-in-trade

Purchase of goods and services - Domestic

Purchase of goods and services - Imports

	Year Ended March 31, 2024	Year ended March 31, 2023
	937.42	2,255.95
	1,603.02	136.90
	2,540.44	2,392.85

35 Cost of material consumed:

Cost of material consumed:

- Opening stock of raw materials

- Add: Purchases of raw materials

- Less: Closing stock of raw materials

Total Cost of Material Consumed

	Year Ended March 31, 2024	Year ended March 31, 2023
	56.97	-
	266.70	115.19
	(105.47)	(56.97)
	218.20	58.22

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

	Year Ended March 31, 2024	Year ended March 31, 2023
36 Changes in inventories		
Inventories at the beginning of the year		
- Finished goods & Stock in trade	362.93	207.65
	362.93	207.65
Less: Inventories at the end of the year		
- Finished goods & Stock in trade	462.88	362.93
	462.88	362.93
Net decrease / (increase)	(99.95)	(155.29)
37 Employee benefits expense		
Salaries, wages and bonus	301.36	246.68
Contribution to provident and other funds	20.41	16.63
Gratuity (refer note 45)	3.46	1.98
Directors' remuneration	57.58	65.31
Staff welfare expenses	17.29	11.19
Total employee benefits expense	400.10	341.78
38 Finance costs		
Interest expense on financial liabilities measured at amortized cost		
- on bank overdraft	43.57	17.90
- on term loan	5.68	-
Other borrowing costs	13.07	14.18
Interest expense on lease liabilities	3.71	1.34
Total finance costs	66.02	33.42
39 Depreciation and amortization expense		
Depreciation on property, plant and equipment	47.74	28.61
Depreciation on right-of-use asset	13.51	7.02
Depreciation on Investment property	8.74	11.10
Total depreciation and amortization expense	69.99	46.73
40 Impairment losses on financial assets		
Impairment loss on trade receivables arising from contracts with customer	2.78	3.74
	2.78	3.74

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

41 Other expenses

	Year Ended March 31, 2024	Year ended March 31, 2023
Advertisement and marketing expenses	16.36	8.87
Bad debts written off	3.53	0.85
Bank charges	1.18	1.71
Brokerage expenses	2.86	0.90
Business promotion	27.66	5.29
Clearing and forwarding	-	1.06
Commission	1.42	0.98
Computer expenses	1.24	1.01
Consultancy charges	0.30	22.96
Corporate Social Responsibility (Refer note 52)	18.05	12.95
Donation	10.12	1.06
Electricity expenses	3.00	2.37
Fabrication charges	-	0.18
GST expenses	(1.27)	1.20
Guest house expenses	0.44	1.95
Inspection charges	7.51	5.53
Insurance	6.66	4.92
Labour charges	6.21	1.86
Legal & professional fees	103.41	71.30
Lodging expenses	33.45	30.24
Merger related expenses	0.02	0.02
Miscellaneous expenses	1.41	1.35
O & M expenses	20.66	11.09
Packing & forwarding expenses	0.78	0.31
Payment to auditors (refer note 41.a)	4.30	1.00
Postage & courier	2.79	4.09
Printing & stationery expenses	2.01	1.98
Rates & taxes	4.75	4.17
Recruitment charges	0.15	0.31
Rent	7.89	1.94
Repair and maintenance	12.30	14.28
Security charges	2.13	1.42
Site expenses	15.73	8.66
Subscription expenses	4.64	1.66
Telephone & Internet charges	1.10	1.26
Transportation charges	70.55	53.37
Travelling & conveyance	43.94	38.35
Vehicle expenses	1.94	2.26
Total other expenses	439.18	324.68

41.a) Payment to auditors

As auditor:

Statutory audit

Total

	Year Ended March 31, 2024	Year ended March 31, 2023
	4.30	1.00
Total	4.30	1.00

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

42 Income tax

(A) Current tax expense

- Current tax charge
- Short / (excess) provision of income tax of earlier years
- Deferred tax charge / (income)

Income tax expense reported in the statement of profit or loss

March 31, 2024	March 31, 2023
483.76	318.40
1.16	5.64
(6.91)	(5.54)
478.02	318.50

(B) Deferred tax relates to the following:

Deferred tax assets

- On investment property
- On lease arrangements as per Ind AS 116
- On fair valuation of investment
- On acquisition of Financial Assets
- Unabsorbed losses
- On inventory
- On expected credit loss for trade receivables

March 31, 2024	March 31, 2023
7.46	7.03
5.39	4.89
-	0.07
6.44	-
-	-
-	-
23.39	22.69
42.68	34.68

Deferred tax liabilities

- On property, plant and equipment
- On Financial Instruments
- On gratuity provision
- On unbilled trade receivables as per Ind AS 115

7.59	6.66
0.06	-
0.10	-
-	-
7.76	6.66

Deferred tax asset / liabilities (net)

34.93	28.02
--------------	--------------

(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, 2024	March 31, 2023
0.41	1.90
0.41	1.90

(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
- Effective Tax Rate

March 31, 2024	March 31, 2023
1,825.21	1,225.49
459.37	308.43
4.54	3.53
-	(1.30)
14.53	4.86
1.16	5.64
2.77	2.88
(6.91)	(5.54)
475.47	318.50
26.05	25.99

Movement in deferred tax balances

For the year ended March 31, 2024:

Particulars	Opening Balance	Recognized in Profit or Loss	Recognized in OCI	Closing Balance
Tax effect of items constituting deferred tax asset				
On investment property	70.27	(62.81)	-	7.46
On lease arrangements as per Ind AS 116	48.94	(43.55)	-	5.39
On fair valuation of investment	0.69	(0.69)	-	-
On acquisition of Financial Assets	-	6.44	-	6.44
Unabsorbed losses	-	-	-	-
On inventory	-	-	-	-
On expected credit loss for trade receivables	226.90	(203.51)	-	23.39
	346.80	(304.12)	-	42.68

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

Movement in deferred tax balances

For the year ended March 31, 2024:

Tax effect of items constituting deferred tax liabilities				
On property, plant and equipment	66.57	(58.98)	-	7.59
On Financial Instruments	-	0.06	-	0.06
On gratuity provision	-	0.10	-	0.10
On unbilled trade receivables as per Ind AS 115	-	-	-	-
	66.57	(58.81)	-	7.76
Net Deferred Tax Asset / (Liabilities)	280.23	(245.30)	-	34.93

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	-	70.27
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 property, plant and equipment	-	-	-	-
Unabsorbed losses	-	-	-	-
On inventory	-	-	-	-
On expected credit loss for trade receivables	217.48	9.42	-	226.90
	298.55	48.25	-	346.80
Tax effect of items constituting deferred tax liabilities				
On property, plant and equipment	73.72	(7.15)	-	66.57
On impairment of investment in JV	-	-	-	-
On gratuity provision	-	-	-	-
On unbilled trade receivables as per Ind AS 115	-	-	-	-
	73.72	(7.15)	-	66.57
Net Deferred Tax Asset / (Liabilities)	224.83	55.40	-	280.23

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

43 Earnings per share ("EPS")

Basic EPS is calculated by dividing the Profit / (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS are calculated by dividing the Profit / (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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/D)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year for basic and diluted EPS (A)	1,346.77	906.99
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)	216.27	145.65
Earnings per share (Rs.) - Diluted (face value of Rs. 10 per share) (A/D)	216.27	145.65

44 Contingent liabilities and commitments

I. Claims against the company not acknowledged as debts

Corporate guarantees given for subsidiaries

Total Contingent Liabilities

	Year ended March 31, 2024	Year ended March 31, 2023
Corporate guarantees given for subsidiaries	877.10	160.00
Total Contingent Liabilities	877.10	160.00

II. Capital commitments

There are no capital commitments for the company as on March 31, 2024 and also as on March 31, 2023.

	March 31, 2024	March 31, 2023
Capital commitments	Nil	Nil

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

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 the head Employee Benefit Expense.

	Year ended March 31, 2024	Year ended March 31, 2023
- Employer's contribution to Provident Fund and other funds	20.41	16.63

(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, 2024	As at March 31, 2023
I) Reconciliation in present value of obligation (PVO)		
Defined benefit obligation:		
Liability at the beginning of the year	33.76	24.02
Interest cost	2.48	1.73
Current service cost	2.44	2.13
Benefits paid	(0.51)	(1.24)
Actuarial (gain) / loss - Financial Assumptions	1.10	(0.57)
Actuarial (gain) / loss - Experience	0.63	7.70
Liability at the end of the year	39.90	33.76
II) Change in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	22.56	22.46
Expected return on plan assets	1.69	1.65
Interest income plan assets	-	-
Employer contributions	16.46	-
Benefits paid	(0.51)	(1.24)
Actuarial gain / (loss) on plan assets	0.10	(0.30)
Funded status	40.30	22.56
III) Expenses recognized in the Statement of Profit & Loss:		
Current service cost	2.44	2.13
Net interest costs	0.79	0.09
Other expenses / adjustments	-	-
Components of defined benefit cost recognized in Profit and Loss	3.23	2.21
IV) Expenses recognized in the Other Comprehensive Income:		
Actuarial (gain) / loss	1.63	7.43
	1.63	7.43
V) Included in Other Comprehensive Income		
Amount recognized in OCI, beginning of the period	-	-
Remeasurements due to:		
Effect of change in financial assumptions	1.11	(0.57)
Effect of change in demographic assumptions	0.63	7.70
Effect of experience adjustments	-	-
Return on plan assets (excluding interest)	(0.10)	0.31
Total remeasurements recognized in OCI	1.63	7.43
Amount recognized in OCI, end of the period	1.63	7.43

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

VI) Net liability recognized in the Balance Sheet

Fair value of plan assets at the end of the year
Liability at the year end
Amount recognized in the Balance Sheet

March 31, 2024	March 31, 2023
40.30	22.56
(39.90)	(33.76)
0.40	(11.20)

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

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

100.00 100.00

VIII) Actuarial Assumptions

Discount rate (%)
Expected salary increase rate (%)
Attrition rate (%)
Mortality rate
Retirement age

March 31, 2024	March 31, 2023
7.21	7.50
5.00	5.00
2.00	2.00
IALM (2012-14) Ultimate 60 years	IALM (2012-14) Ultimate 60 years

IX) Experience adjustments

Present value of defined benefit obligation
Fair value of the plan assets
(Surplus)/ Deficit in the plan
Experience adjustments on:
On plan liability
On plan asset

March 31, 2024	March 31, 2023
39.90	33.76
40.30	22.56
(0.40)	11.20
0.63	7.70
0.10	(0.30)

Five year disclosure of liability as per actuarial report:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit obligation	39.90	33.76	24.02	-	-
Fair value of Plan Assets	40.30	22.56	22.46	-	-
(Surplus)/ Deficit	(0.40)	11.20	1.56	-	-
Experience Adjustments on Plan Assets	0.10	(0.30)	(0.15)	-	-
(Gains)/Losses due to change in Assumptions	1.10	(0.57)	-	-	-
Experience (Gains)/ Losses on DBO	0.63	7.70	0.94	-	-
Total Actuarial (Gain)/Loss on DBO	1.73	7.13	0.94	-	-

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

X) Sensitivity Analysis

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

	Year ended March 31, 2024	Year ended March 31, 2023
Increase in		
Discount rate (1% movement)	3.61	3.09
Future salary growth (1% movement)	(2.25)	(1.90)
Decrease in		
Discount rate (1% movement)	(4.22)	(3.61)
Future salary growth (1% movement)	2.12	2.08

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.

XI) Expected future cash flows

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

	As At March 31, 2024	As At March 31, 2023
Expected future benefit payments		
Year 1	1.37	1.41
Year 2	3.28	1.24
Year 3	1.38	3.09
Year 4	3.21	1.24
Year 5	8.33	3.00
Year 6-10	13.51	17.40
Above 10 years	64.93	57.80
Average Expected Future Working life (in years)	18.37	18.42

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 risk actively in a conventional fund.

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
Pentagen Biofuels Pvt. Ltd	Subsidiary Company
SFC Ekotechnika S.r.o	Subsidiary Company of our Subsidiary Company
Hindustan Waste Treatment Pvt. Ltd.	Subsidiary Company (Associate Company till October 05, 2023)

Associate Companies:

Hindustan Waste Treatment Pvt. Ltd.	Associate Company (Till October 05, 2023)
Turbomax India Private Limited	Associate Company
Endress + Hauser & Chavare Engineering (JV) Private Limited	Joint Venture of our Subsidiary Company
Chavare Engineering & Endress Plus Hauser JV	Joint Venture of our Subsidiary Company

2 Key Management Personnel:

Sandeep Asolkar	Chairman & Managing Director (Managing Director till October 27, 2023)
Sarvesh Garg	Director
Sandeep Parab	Director till November 06, 2023
Veera Venkata Satyanarayana Yannamani	Director till November 06, 2023
Shweta Deshpande	Company Secretary

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

46.1 Disclosure of transactions between the Company and Related parties and the status of outstanding balances as at year ending	Year ended March 31, 2024	Year ended March 31, 2023
(i) Transactions with related parties:		
Directors Remuneration and Incentives		
Sandeep Asolkar	33.00	32.99
Sarvesh Garg	11.83	11.83
Sandeep Parab	7.11	11.83
Y V V Satyanarayana	7.11	11.83
Salary		
Shweta Deshpande	0.77	0.05
Dividend (Paid)		
Sandeep Asolkar	31.59	40.50
Sarvesh Garg	5.53	-
Dividend (Income)		
Chavare Engineering Pvt. Ltd.	4.08	-
Purchases of Material at Gross		
Chavare Engineering Pvt. Ltd.	99.17	43.71
Pentagen Biofules Pvt. Ltd	6.82	-
Fine Aeration Systems Private Limited	229.02	-
Services Procured (Expense)		
Pentagen Biofules Pvt. Ltd	9.75	-
Fine Aeration Systems Private Limited	0.11	-
Purchase of Shares		
Navitas Waste Treatment Pvt. Ltd.	219.99	-
Repairs & Maintenance Expenses		
Chavare Engineering Pvt. Ltd.	0.10	0.01
Corporate Guarantee Commission (Income)		
Chavare Engineering Pvt. Ltd.	2.20	1.60
Pentagen Biofules Pvt. Ltd	0.26	-
Vasudha Waste Treatment Pvt. Ltd.	1.58	-
Erection, Commissioning & Installation Charges		
Chavare Engineering Pvt. Ltd.	-	4.20
Loan Given (Payment)		
Navitas Waste Treatment Pvt. Ltd.	-	13.00
Vasudha Waste Treatment Pvt. Ltd.	83.80	138.10
Hindustan Waste Treatment Pvt. Ltd.	90.00	-
Fine Aeration Systems Private Limited	111.78	7.00
Chavare Engineering Pvt. Ltd.	80.00	-
Pentagen Biofules Pvt. Ltd	17.52	-
Repayment of Loan (Receipt)		
Navitas Waste Treatment Pvt. Ltd.	186.29	93.00
Hindustan Waste Treatment Pvt. Ltd.	-	-
Vasudha Waste Treatment Pvt. Ltd.	394.97	7.53
Chavare Engineering Pvt. Ltd.	55.30	-

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

	Year ended March 31, 2024	Year ended March 31, 2023
Rent (Income)		
Navitas Waste Treatment Pvt. Ltd.	0.24	0.21
Turbomax India Private Limited	0.18	0.09
Sales of Goods (Income)		
Hindustan Waste Treatment Pvt. Ltd.	40.75	-
Vasudha Waste Treatment Pvt. Ltd.	15.34	24.15
Fine Aeration Systems Private Limited	97.88	0.67
Supply of Services (Income)		
Hindustan Waste Treatment Pvt. Ltd.	7.80	66.80
Vasudha Waste Treatment Pvt. Ltd.	1.20	525.78
Pentagen Biofuels Pvt. Ltd	3.53	-
Sale of Fixed Assets		
Turbomax India Private Limited	5.05	-
Interest on Loan (Income)		
Hindustan Waste Treatment Pvt. Ltd.	1.05	0.14
Vasudha Waste Treatment Pvt. Ltd.	54.15	52.57
Fine Aeration Systems Private Limited	5.97	0.05
Reimbursement of Expenses		
Vasudha Waste Treatment Pvt. Ltd.	-	0.00
Reimbursement of Fees towards Business Support Services		
Turbomax India Private Limited	-	5.16

(ii) Balances outstanding as at the year end are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Chavare Engineering Pvt. Ltd. (Payable)	-15.89	-18.35
Chavare Engineering Pvt. Ltd.- Loan Account	24.70	-
Navitas Waste Treatment Pvt. Ltd.	0.50	-
Navitas Waste Treatment Pvt. Ltd.- Loan Account	-	186.29
Navitas Waste Treatment Pvt. Ltd.- Interest Receivable	-	35.28
Hindustan Waste Treatment Pvt. Ltd.	56.46	1.51
Hindustan Waste Treatment Pvt. Ltd. - Loan Account	90.95	-
Vasudha Waste Treatment Pvt. Ltd	3.08	187.44
Vasudha Waste Treatment Pvt. Ltd. - Loan Account	369.89	585.01
Vasudha Waste Treatment Pvt. Ltd. - Interest Receivable	-	47.31
Fine Aeration Systems Pvt Ltd	15.22	0.80
Fine Aeration Systems Pvt Ltd - Loan Account	124.20	7.04
Pentagen Biofuels Pvt Ltd (Payable)	-5.79	-
Pentagen Biofuels Pvt Ltd (Receivable)	4.47	-
Pentagen Biofuels Pvt Ltd - Loan Account	17.52	-
Turbomax India Private Limited	0.21	6.19

- The information given above, has been reckoned on The basis of information available with The Company and relied upon by The auditors.

- The transactions from related parties are made at terms equivalent to those that prevail in arm's length transactions.

47 Segment reporting

As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements.

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

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

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, 2024

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	-	-	599.66	599.66	-	599.66	-	599.66
Loans - Non-current	-	-	-	-	-	-	-	-
Other financial assets - Non-current	-	-	67.06	67.06	-	-	67.06	67.06
Trade receivables - Current	-	-	2,812.78	2,812.78	-	-	2,812.78	2,812.78
Cash and cash equivalents - Current	-	-	1.28	1.28	-	-	1.28	1.28
Other bank balance - Current	-	-	1,729.89	1,729.89	-	-	1,729.89	1,729.89
Loans - Current	-	-	828.89	828.89	-	-	828.89	828.89
Other Financial Asset - Current	-	-	37.38	37.38	-	-	37.38	37.38
Financial Liabilities								
Borrowings - Non-current	-	-	76.00	76.00	-	76.00	-	76.00
Lease liabilities - Non-current	-	-	49.70	49.70	-	-	49.70	49.70
Borrowings - Current	-	-	685.63	685.63	-	14.22	671.41	685.63
Lease liabilities - Current	-	-	16.26	16.26	-	-	16.26	16.26
Trade payables - Current	-	-	973.39	973.39	-	-	973.39	973.39
Other financial liabilities - Current	-	-	135.90	135.90	-	-	135.90	135.90

SFC Environmental Technologies Private Limited

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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			400.34	400.34	-	400.34	-	400.34
Loans - Non-current			496.61	496.61	-	-	496.61	496.61
Other financial assets - Non-current			232.86	232.86	-	-	232.86	232.86
Trade receivables - Current			1,777.18	1,777.18	-	-	1,777.18	1,777.18
Cash and cash equivalents - Current			199.22	199.22	-	-	199.22	199.22
Other bank balance - Current			951.89	951.89	-	-	951.89	951.89
Loans - Current			380.12	380.12	-	-	380.12	380.12
Other Financial Asset - Current			8.61	8.61	-	-	8.61	8.61
Financial Liabilities								
Lease liabilities - Non-current			8.24	8.24	-	-	8.24	8.24
Borrowings - Current			457.88	457.88	-	-	457.88	457.88
Lease liabilities - Current			10.75	10.75	-	-	10.75	10.75
Trade payables - Current			846.25	846.25	-	-	846.25	846.25
Other financial liabilities - Current			73.21	73.21	-	-	73.21	73.21

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Notes to Standalone financial statement for the year ended March 31, 2024

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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, 2024	March 31, 2023
Variable rate borrowings	761.63	457.88
Fixed rate borrowings	-	-
Total	761.63	457.88

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 rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit after tax	Effect on equity
For year ended March 31, 2024			
INR	+100	0.37	0.37
INR	-100	(0.37)	(0.37)
For year ended March 31, 2023			
INR	+100	0.13	0.13
INR	-100	(0.13)	(0.13)

(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 and monetary liabilities) at the end of the reporting period are as follows :

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Notes to Standalone financial statement for the year ended March 31, 2024

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Exposure to currency risk	March 31, 2024	March 31, 2023
Financial Assets		
Receivables	41.69	41.11
Receivables	-	-
	<u>41.69</u>	<u>41.11</u>
Financial liabilities		
Payables	764.92	594.09
Payables	(13.21)	(12.82)
	<u>751.71</u>	<u>581.27</u>
Net exposure	<u>710.02</u>	<u>540.16</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 after tax	
	Strengthening	Weakening
As at March 31, 2024		
USD (10% Movement)	(54.12)	54.12
EURO (10% Movement)	0.99	(0.99)
As at March 31, 2023		
USD (10% Movement)	(41.38)	41.38
	Effect on Equity	
	Strengthening	Weakening
As at March 31, 2024		
USD (10% Movement)	(54.12)	54.12
EURO (10% Movement)	0.99	(0.99)
As at March 31, 2023		
USD (10% Movement)	(41.38)	41.38

(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.

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Particulars

Impairment losses on financial assets recognised profit & loss were as follows:
Impairment loss/(gain) on trade receivables arising from contracts with customer

	March 31, 2024	March 31, 2023
	2.78	3.74
	2.78	3.74

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

Trade Receivable for March 31, 2024

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	0.00%	-	-	-
Not due	0.00%	1,520.40	-	1,520.40
Less than 6 months	0.00%	918.16	-	918.16
6 months-1 Year	0.23%	49.24	(0.11)	49.13
1-2 years	0.46%	247.90	(1.14)	246.76
2-3 years	2.00%	56.66	(1.13)	55.53
More than 3 years	79.89%	113.34	(90.54)	22.80
Total		2,905.71	(92.93)	2,812.78

Trade Receivable for March 31, 2023

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	0.00%	-	-	-
Not due	0.00%	-	-	-
Less than 6 months	0.00%	1,629.95	-	1,629.95
6 months-1 Year	0.25%	18.89	(0.05)	18.84
1-2 years	0.50%	90.22	(0.45)	89.77
2-3 years	2.00%	17.54	(0.35)	17.19
More than 3 years	80.65%	110.72	(89.30)	21.43
Total		1,867.33	(90.15)	1,777.18

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, 2024	March 31, 2023
Balance as at April 01	90.15	86.40
Amounts written off	-	-
Provision for the year	2.78	3.74
Net measurement of loss allowance	2.78	3.74
Balance as at March 31	92.93	90.15

(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, 2024	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Borrowings	685.63	28.47	28.51	19.03	761.63
Trade payables	956.96	0.31	16.12	-	973.39
Lease liabilities	16.26	26.12	23.58	-	65.96
Other financial liabilities	135.90	-	-	-	135.90
	1,794.76	54.90	68.21	19.03	1,936.89
As at March 31, 2023	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Borrowings	457.88	-	-	-	457.88
Trade payables	843.98	0.25	2.02	-	846.25
Lease liabilities	8.24	10.75	-	-	18.99
Other financial liabilities	73.21	-	-	-	73.21
	1,383.31	11.00	2.02	-	1,396.33

SFC Environmental Technologies Private Limited

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50 Secured Borrowing

The Company has entered into Term Loan facility from Axis Bank, for the purpose of purchase of commercial premises situated at 22nd Floor, The Ambience Court, Sector 19D, Vashi, Navi Mumbai-400 705. Loan amount is Rs 100 Mn. @ Repo + 2.25% for period of 84 months from the date of disbursement. Disclosure in respect of term loan pursuant to Indian Accounting Standards 109 on 'Financial Instruments' pertaining current and non current are as follows :

	Year ended March 31, 2024
Current	14.22
Non Current	76.00
TOTAL	90.22

51 Leases

As a Lessee

- (i) The Company has entered into Finance Lease agreements as a lessee. Disclosure in respect of leases pursuant to Indian Accounting Standards 116 on 'Leases' pertaining to minimum lease rentals and the future minimum lease payments are as follows :

Right-of-Use Asset	March 31, 2024	March 31, 2023
Balance as at the beginning of the period	18.44	4.52
Additions during the current year	60.99	20.94
Deletions during the current year	-	-
Amortisation of ROU	(13.51)	(7.02)
Balance as at the end of the period	65.92	18.44
Lease Liabilities	March 31, 2024	March 31, 2023
Current	16.26	8.24
Non-current	49.70	10.75
Total Lease Liabilities	65.96	18.99

- (ii) Following are the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023
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, 2024	For Year ended March 31, 2023
Decrease in lease rentals by	(15.25)	(7.90)
Increase in finance cost by	3.70	1.34
Increase in depreciation by	13.44	7.02
Net impact on profit/loss	1.90	0.46

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

	Year ended March 31, 2024	For Year ended March 31, 2023
Less than one year	23.40	7.90
One to three year	41.21	18.06
Three to five year	25.53	3.15
More than five year	-	-
Total undiscounted lease liabilities as at	90.14	29.11

- (v) The total cash outflow for leases for year ended March 31

General description of leasing agreements:

Leased assets: Buildings

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.

15.25

7.90

SFC Environmental Technologies Private Limited

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52 Ratio analysis

Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variation	Remarks
Current Ratio	Current assets	Current Liabilities	2.81	2.20	28%	Due to relative increase in working capital
Debt to Equity Ratio	Total Debt	Shareholder's Equity	0.15	0.12	26%	Due to term loan from bank availed during the year
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	39.54	72.28	45%	Due to term loan from bank availed during the year
Return on Equity Ratio (%)	Net profit after taxes	Average Shareholder's Equity	30%	25%	17%	NA
Inventory Turnover Ratio	Revenue from contracts with customer	Average Inventory	10.55	13.11	19%	NA
Trade receivable Turnover Ratio	Revenue from contracts with customer	Average Trade receivable	2.27	2.84	20%	NA
Trade payable Turnover Ratio	Purchases	Average Trade Payables	3.09	3.40	9%	NA
Net capital turnover ratio	Revenue from operations	Working Capital	1.34	1.85	27%	Due to relative increase in working capital
Net profit ratio	Net profit after taxes	Revenue from operations	26%	22%	17%	NA
Return on capital employed	Earning before interest and taxes	Capital Employed	32%	29%	11%	NA
Return on investment	Income from Marketable Securities and Fixed Deposits	Average Marketable Securities and Fixed Deposits	7%	5%	55%	Improved yields on current investments during current year

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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 contribution towards promoting education & health care, woman empowerment and contribution to Prime Minister's National Relief Fund.

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.17.94 Million

Amount spent during the year:	March 31, 2024			March 31, 2023		
	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	18.05	-	18.05	12.95	-	12.95

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year	17.94	12.94
Amount of expenditure incurred	18.05	12.95
Shortfall/(Excess) at the end of the year	(0.10)	(0.01)
Total of previous years (Excess)/shortfall	(0.02)	(0.01)
Reason for shortfall	NA	NA
Nature of CSR activities	Contribution to promoting education & health care, woman empowerment and contribution to 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	(0.12)	(0.02)

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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, 2024

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, Kotak Bank and Axis Bank	Jun-23	Debtors	1,150.59	1,221.00	(70.42)
		Creditors	345.65	341.41	4.23
		Closing Stock	370.48	397.33	(26.86)
	Sep-23	Debtors	1,329.48	1,381.65	(52.17)
		Creditors	233.84	232.96	0.88
		Closing Stock	380.03	379.46	0.57
	Dec-23	Debtors	1,711.48	1,853.41	(141.93)
		Creditors	503.31	502.18	1.13
		Closing Stock	360.02	358.88	1.14
	Mar-24	Debtors	2,905.71	2,908.79	(3.09)
		Creditors	1,001.29	1,002.97	(1.68)
		Closing Stock	429.80	453.09	(23.29)

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, Kotak Bank and Axis Bank	Jun-22	Debtors	656.84	672.30	(15.45)
		Creditors	333.69	327.89	5.81
		Closing Stock	254.55	235.42	19.13
	Sep-22	Debtors	493.09	489.21	3.88
		Creditors	153.95	153.25	0.70
		Closing Stock	258.72	232.12	26.60
	Dec-22	Debtors	779.16	777.93	1.23
		Creditors	312.37	312.08	0.29
		Closing Stock	259.63	238.62	21.01
	Mar-23	Debtors	1,862.18	1,791.48	70.70
		Creditors	846.14	797.71	48.43
		Closing Stock	419.90	279.99	139.91

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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	-	-	573.096
- Subsidiaries	-	-	383.10
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	190.0000
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	877.10	-	627.53
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	200.06

Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans	-	627.53
Repayable on Demand (A)	-	627.53
Agreement does not specify any terms or period of repayment (B)	-	-
Total (A+B)	-	627.53
Percentage of loans/advances in nature of loans to the total loans	0.00%	100.00%

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, 2024 and March 31, 2023.

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, 2024	March 31, 2023
Borrowings	827.60	476.87
Less: cash and cash equivalent	(1.28)	(199.22)
Net Debt	826.31	277.66
Total Equity	5,129.27	3,877.13
Capital and Net debt	5,955.58	4,154.78
Gearing Ratio	0.14	0.07

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.

57 Events Occurring After The Reporting Period

i) Dividends in respect of year ended 31 March 2023 paid aggregating to Rs. 93.41 million (Rs. 15 per equity share outstanding as on 31 March 2023) is out of Retained Earnings for the year ended 31 March 2023.

ii) On 03 June 2024, in respect of the year ended 31 March 2024, the Board of Directors of the Company have approved an interim dividend of Rs. 20 per equity share which has been paid, resulting to cash outflow of Rs. 124.55 million.

SFC Environmental Technologies Private Limited

Notes to Standalone financial statement for the year ended March 31, 2024

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58 Other additional regulatory information

- 58.01 The Company has not revalued any property, plant & equipment nor any intangible assets.
- 58.02 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 58.03 The Company does not hold any intangible assets under development and accordingly, no ageing nor completion schedule is provided.
- 58.04 The Company has utilised borrowings from banks or financial institutions for the purpose for which it was obtained.
- 58.05 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 58.06 The Company does not have any transactions with struck off companies.
- 58.07 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 58.08 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 58.09 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.
- 58.10 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.
- 58.11 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.
- 58.12 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 59 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: August 08, 2024

Sandeep Sudhakar Asolkar
Chairman & Managing Director
DIN: 00097828

Sarvesh Kumar Garg
Director
DIN: 06873116

Shweta Deshpande
Company Secretary
Membership No.: A-67764

INDEPENDENT AUDITOR'S REPORT

To

The Members of

SFC Environmental Technologies Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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 31st March, 2024, the Consolidated Statement of Profit and Loss including other comprehensive income, consolidated statement of changes in equity and the consolidated Statement of Cash Flows for the year then ended and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("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 and other accounting principles generally accepted in India, of the consolidated state of affairs as at 31st March, 2024, and their consolidated profit including Other Comprehensive Income, consolidated statement of changes in Equity and their consolidated cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 made 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 Consolidated Financial Statements.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon ("Other Information")

The Holding Company's Board of Directors is responsible for other information. The other information comprises Board's Report including Annexures to Board's Report and such other disclosure related information 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the IND AS specified under Section 133 of the Act.

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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection of appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit log; 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 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 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 board of directors either intends to liquidate the Company 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

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 judgement and maintain professional skepticism throughout the audit. We also:

- (a) 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.
- (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 Holding 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 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.

- (e) 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, 2024. 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

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. 424.60 (in Millions) as at March 31, 2024, and total revenues of Rs. 936.82 (in Millions) and net cash inflows of Rs. 264.03 (in Millions) 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.

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. 201.97 (in Millions) as at March 31, 2024 and total revenues of Rs. 208.05 (in Millions) 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.

The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial

statements and other financial information reflect total assets of Rs. 77.71 (in Millions) as at March 31, 2024 and total revenues of Rs. 97.74 (in Millions) 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. Our opinion, 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 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.

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 & 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 Section 143(11) of the Act, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3(xxi) and 4 of the Order, to the extent applicable.
2. 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 appears from our examination of those books except for the matters stated in paragraph (h) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (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 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 the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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 B**' 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) In our opinion and to the best of our information and according to the explanation given to us, the Company being a private limited company, provisions of section 197 of the Act are not applicable.
- (h) The modification relating to the maintenance of accounts and other matters connected there with are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements 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 50 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, 2024;

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, 2024.

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, 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. 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. Based on our examination, which included test checks, the Holding Company, its subsidiary companies and associate company incorporated in India has used accounting software (Tally Prime Edit Log) for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility. However, the said feature of recording audit trail (edit log) facility was enabled w.e.f. following dates:

- (a) In case of holding company and 2 of its subsidiaries, the said feature is enabled w.e.f from 17th April 2023,
- (b) In case of 1 of its subsidiary, the said feature is enabled w.e.f from 18th April 2023,
- (c) In case of 1 of its subsidiary, the said feature is enabled w.e.f from 13th June 2023,
- (d) In case of 2 of its subsidiary, the said feature is not enabled throughout the year.

We have been informed that in Tally Prime Edit Log, once edit log functionality is enabled even admin user has no right to disable the same.

Based on our procedures performed for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

For **G B C A & Associates LLP**

Chartered Accountants

Firm Registration No.: 103142W / W100292

Yogesh Amal

Partner

Membership No.: 111636

Place: Mumbai

Date: August 08, 2024

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)

- xxi. According to the information and explanations given to us and based on our examination of the records of the Company, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order reports of the companies included in the consolidated financial statements.

For **G B C A & Associates LLP**

Chartered Accountants

Firm Registration No.: 103142W / W100292

Yogesh Amal

Partner

Membership No.: 111636

Place: Mumbai

Date: August 08, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) 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 with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

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, 2024 in conjunction with our audit of the Consolidated Financial Statements of the company for the year ended on that date.

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, 2024, 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 Financials Controls

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.

Auditors Responsibility

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.

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.

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

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Other Matters

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.

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.

Our opinion is not modified in respect of these matters.

For **G B C A & Associates LLP**

Chartered Accountants

Firm Registration No.: 103142W / W100292

Yogesh Amal

Partner

Membership No.: 111636

Place: Mumbai

Date: August 08, 2024

Date: 14th August, 2024

To,
SFC Environmental Technologies Private Limited,
The Ambience Court HI-Tech Business Park,
21ST Floor, Sector 19, Vashi, Thane, Navi Mumbai,
Maharashtra, India, 400705

Dear Sir/Madam,

Ref: Independent Auditor's Report ("Report") under The Companies Act, 2013 on Consolidated Financial Statements of the Company for the year ended on 31st March, 2024

Sub: Communication on generation of Unique Documentation Identification Number (UDIN) after the date of signing of Report.

We would like to draw your attention that UDIN for Report for the year ended on 31st March, 2024 has been generated subsequent to our signing of Report, the details of which are as follows:

Type of Report	UDIN	Date of Signing	Date of Generation
Independent Auditors Report on Consolidated Financial Statements for FY 2023-24	24111636BKCSSP1709	08-08-2024	14-08-2024

Kindly disseminate this information to your stakeholders and produce this letter on every submission of such Report and / or Annexures to such report to any third parties to enable them to check authenticity of such documents.

Thanking you

Yours faithfully,

For GBCA & Associates LLP
Chartered Accountants

Firm Reg. No. 103142W / W100292



Yogesh R. Amal
Partner

SFC Environmental Technologies Private Limited

Consolidated Balance Sheet as at March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	611.09	381.18
(b) Right-of-use asset	6	128.46	24.13
(c) Capital Work-in-Progress	7	67.33	-
(d) Investment property	8	144.80	184.91
(e) Goodwill	9	28.08	28.08
(f) Intangible Asset	10	127.20	1.38
(g) Financial assets			
(i) Investments	11	48.69	547.90
(ii) Loans	12	80.00	61.61
(iii) Trade Receivables	13	199.20	184.13
(iv) Other financial assets	14	159.60	263.99
(h) Deferred tax assets (Net)	48	87.46	70.33
(i) Income tax assets (Net)	15	29.58	20.07
(j) Other Non - Current Assets	16	63.29	4.38
Total Non-Current Assets		1,774.79	1,772.09
2 Current assets			
(a) Inventories	17	1,084.08	738.08
(b) Financial assets			
(i) Loans	18	201.98	20.14
(ii) Trade receivables	19	3,745.93	2,198.25
(iii) Cash and cash equivalents	20	77.32	226.48
(iv) Other Bank Balances	21	1,808.74	1,020.75
(v) Other Financial Asset	22	141.46	8.61
(c) Other Current Assets	23	223.81	415.70
Total Current Assets		7,283.32	4,628.01
Total Assets		9,058.11	6,400.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	24	62.27	62.27
(b) Other equity	25	5,280.68	3,891.89
Total equity		5,342.96	3,954.16
Non Controlling Interests			
		268.50	109.98
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	461.05	3.90
(ii) Lease liabilities	27	104.82	13.71
(b) Provisions	28	62.46	70.86
(c) Deferred tax liabilities (Net)	48	83.15	77.02
Total non-current liabilities		711.49	165.49
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	845.62	460.18
(ii) Lease liabilities	30	28.02	11.68
(iii) Trade payables			
Total outstanding dues of micro and small enterprises	31	217.40	164.02
Total outstanding dues of creditors other than micro and small enterprises	31	889.74	913.70
(iv) Other financial liabilities	32	228.16	84.31
(b) Other current liabilities	33	424.22	533.55
(c) Provisions	34	1.00	0.81
(d) Current tax liabilities	35	101.00	2.24
Total current liabilities		2,735.17	2,170.48
Total liabilities		3,446.66	2,335.96
Total equity and liabilities		9,058.11	6,400.11

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

Yogesh R. Amal

Partner

Membership No. 111636

Place: Mumbai

Date: August 08, 2024

Sandeep

Sudhakar Asolkar

Chairman &
Managing Director

DIN: 00097828

Sarvesh Kumar Garg

Director

DIN: 06873116

Shweta Deshpande

Company Secretary

M. No.: A-67764

SFC Environmental Technologies Private Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I Income			
Revenue from operations	36	6,583.92	5,196.86
Other income	37	199.55	113.78
Impairment gain on financial assets	38	1.79	-
Total income		6,785.26	5,310.64
II Expenses			
Purchases of Stock-in-trade	39	2,062.82	2,517.15
Cost of Material Consumed	40	1,221.90	682.85
Project Cost	41	261.66	15.45
Changes in inventories	42	(162.69)	(198.70)
Employee benefits expense	43	600.00	494.73
Finance costs	44	100.48	36.04
Depreciation and amortization expense	45	124.58	59.08
Impairment loss on financial assets	46	2.78	4.24
Other expenses	47	663.31	440.43
Total expenses		4,874.85	4,051.26
III Profit before share of profit of joint ventures and associate		1,910.41	1,259.38
IV Add: Share of profit of joint ventures and associate		24.06	13.13
V Profit before tax		1,934.47	1,272.51
VI Tax expense			
Current tax	48	505.46	332.24
Deferred tax	48	(11.01)	(7.82)
MAT Credit	48	(1.72)	-
Total tax expense		492.74	324.42
VII Profit after Tax		1,441.73	948.09
VIII Profit for the year attributable to:			
- Owners of the group		1,416.07	938.81
- Non-controlling interests		25.66	9.28
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		(5.11)	(7.30)
ii) Income taxes related to items that will not be reclassified to profit or loss		1.33	1.87
b) Items that may be reclassified to profit or loss			
i) Exchange differences on translating the financial statements of foreign operations		9.66	2.11
Total other comprehensive income		5.88	(3.32)
X Other comprehensive income for the year attributable to:			
- Owners of the group		7.11	(3.62)
- Non-controlling interests		(1.23)	0.29
XI Total comprehensive income for the year		1,447.61	944.76
XII Total comprehensive income for the year attributable to:			
- Owners of the group		1,423.18	935.19
- Non-controlling interests		24.43	9.57
Earnings per share face value of ₹10 each fully paid up			
Basic earnings per share (₹)	49	227.39	150.75
Diluted earnings per share (₹)	49	227.39	150.75

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: August 08, 2024

For and on behalf of the Board of Directors of

Sandeep Sudhakar Asolkar **Sarvesh Kumar Garg**
Chairman & Managing Director Director
DIN: 00097828 DIN: 06873116

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

SFC Environmental Technologies Private Limited

Statement of changes in equity for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

(A) Equity share capital

Balance as at April 01, 2023

Changes in equity share capital during the year

Balance as at March 31, 2024

	No. of shares	Amount
Balance as at April 01, 2023	62,27,418	62.27
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	62,27,418	62.27

Balance as at April 01, 2022	62,27,418	62.27
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	62,27,418	62.27

(B) Other equity

Particulars	Reserve and surplus						Exchange differences on translation of foreign operations	Other Comprehensive Income - Actuarial Gain/ (Loss)	Total
	Securities Premium	Retained earnings	General Reserves	Capital Reserves	Gain on Bargain Purchase	Standard Reserve u/s 45IC of the RBI Act			
Balance as at April 01, 2023	3.97	3,787.64	70.30	21.37	-	0.03	15.07	(6.50)	3,891.88
Profit for the year	-	1,416.07	-	-	-	-	-	-	1,416.07
Acquisition of Subsidiary	-	171.70	-	-	-	-	-	0.57	172.28
Transfers during the year	-	0.12	(0.12)	-	-	-	-	-	-
Additions/ Utilisations during the year	-	-	-	0.03	58.41	-	-	-	58.44
Other Changes	-	(171.99)	-	-	-	-	-	-	(171.99)
Re-measurement gain/(loss) of defined benefit plans (net of tax)	-	-	-	-	-	-	9.91	(2.50)	7.41
Total other comprehensive income for the year	3.97	5,203.54	70.18	21.40	58.41	0.03	24.98	(8.42)	5,374.09
Transactions with owners of the group									
- Contributions and Distributions									
Dividends	-	(93.41)	-	-	-	-	-	-	(93.41)
Balance as at March 31, 2024	3.97	5,110.13	70.18	21.40	58.41	0.03	24.98	(8.42)	5,280.68

Particulars	Reserve and surplus						Exchange differences on translation of foreign operations	Other Comprehensive Income - Actuarial Gain/ (Loss)	Total
	Securities Premium	Retained earnings	General Reserves	Capital Reserves	Gain on Bargain Purchase	Standard Reserve u/s 45IC of the RBI Act			
Balance as at April 01, 2022	3.97	3,117.90	70.54	21.37	-	-	13.23	(1.05)	3,225.97
Profit for the year	-	938.81	-	-	-	-	-	-	938.81
Transfers during the year	-	0.20	(0.24)	-	-	0.03	-	-	(0.01)
Other Changes	-	0.18	-	-	-	-	-	-	0.18
Re-measurement gain/(loss) of defined benefit plans (net of tax)	-	-	-	-	-	-	1.84	(5.46)	(3.62)
Total other comprehensive income for the year	3.97	4,057.10	70.30	21.37	-	0.03	15.07	(6.50)	4,161.34
Transactions with owners of the group									
- Contributions and Distributions									
Dividends	-	(269.46)	-	-	-	-	-	-	(269.46)
Balance as at March 31, 2023	3.97	3,787.64	70.30	21.37	-	0.03	15.07	(6.50)	3,891.89

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

Yogesh R. Amal
Partner
Membership No. 111636
Place: Mumbai
Date: August 08, 2024

Sandeep Sudhakar Asolkar
Chairman & Managing Director
DIN: 00097828

Sarvesh Kumar Garg
Director
DIN: 06873116

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

SFC Environmental Technologies Private Limited

Statement of Consolidated Cash Flows for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit for the year before tax	1,934.47	1,272.51
Adjustments for :		
Depreciation and amortization expenses	124.58	59.08
Finance costs	100.14	36.04
Interest income on fixed deposit	(109.65)	(60.73)
Interest income on loans given	(3.19)	(4.80)
Bad debts written off	10.09	4.00
Impairment gain/loss on financial asset	1.00	4.24
Net (gain)/loss on fair valuation of Mutual Funds	(11.72)	(4.22)
Net (gain)/loss of sale of Fixed Assets	(16.42)	(1.11)
Net (gain)/loss of sale of Investment Property	(16.63)	(19.91)
Share of profit of the Associate Companies (Net)	(24.06)	(13.13)
Operating profit before working capital changes	1,988.60	1,271.97
Working capital adjustments :		
(Decrease)/ increase in other current liabilities	(109.33)	122.17
(Decrease)/ increase in trade payables	29.43	272.96
(Decrease)/ increase in other financial liabilities	81.81	31.87
(Decrease)/ increase in provisions	(11.99)	(25.35)
Decrease/ (increase) in inventories	(345.99)	(280.09)
Decrease/ (increase) in trade receivables	(1,561.74)	(585.17)
Decrease/ (increase) in other financial assets	(153.74)	29.50
Decrease/ (increase) in other current assets	191.89	(176.90)
Decrease/ (increase) in non-current assets	(58.91)	(1.27)
Adjustments on account of acquisition of subsidiary	333.12	-
Cash generated from operations	383.16	659.70
Income taxes paid (net of refunds)	(414.49)	(338.10)
Net cash from operating activities (A)	(31.34)	321.60
Cash flows from investing activities		
Payment for property, plant and equipment and intangible assets	(276.08)	(111.75)
Sale of property, plant and equipment and intangible assets	34.49	-
Sale of investment property	48.00	66.43
Investment in Mutual Fund (Net)	201.94	(0.00)
Consideration paid on acquisition of subsidiary	(151.96)	-
Investment in Equity Instrument	-	(37.23)
Investments in fixed deposits (Net)	(609.36)	(120.29)
Interest received on fixed deposits	109.65	60.73
Loans given (Net)	(120.23)	6.75
Interest received on loans given	3.19	4.80
Net cash generated from/(used in) investing activities (B)	(760.36)	(130.55)
Cash flows from financing activities		
Dividend Paid	(97.33)	(269.46)
Proceeds from long-term borrowings (Net)	457.15	(2.64)
Proceeds from short-term borrowings (Net)	385.44	86.93
Interest paid on long-term borrowings	(32.62)	(14.90)
Interest paid on short-term borrowings	(46.30)	(19.26)
Repayment of lease liability	(20.56)	(7.40)
Interest paid on lease liability	(21.17)	(2.00)
Net cash flow used in financing activities (C)	624.60	(228.73)
Net increase(decrease) in cash and cash equivalents (A)+(B)+(C)	(167.09)	(37.69)
Cash and cash equivalent at the beginning of the year	226.48	264.17
Add: Upon Addition of Subsidiary	17.94	-
Cash and cash equivalents at the end of the year (refer note 20)	77.33	226.48
Components of Cash and cash equivalents -		
Cash in hand	1.57	1.31
Balances with bank	75.75	225.17
Bank Overdraft	-	-
Total cash and cash equivalents (refer note 20)	77.32	226.48

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

Yogesh R. Amal
Partner
Membership No. 111636
Place: Mumbai
Date: August 08, 2024

Sandeep Sudhakar Asolkar
Chairman & Managing Director
DIN: 00097828

Sarvesh Kumar Garg
Director
DIN: 06873116

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

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

1 Group Overview

SFC Environmental Technologies Private Limited ('the company' or 'the parent' or 'the holding company') 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 an environmental technology group offering efficient technologies and comprehensive engineering solutions primarily in the field of wastewater treatment ("WWT") and solid waste treatment ("SWT") (including agro-based biogas projects).

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.

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 August 08, 2024.

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, the group 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 Millions (INR 000,000), 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 Group 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 Group. 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

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

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 Group 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.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PLC152235

(Currency: Indian Rupees in Millions)

3 Material 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. 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.

iii) Equity - accounted investee (Associate)

The interest in equity in investees comprise interests in associates. An associate is an entity in which the group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition the Restated Consolidated Financial Information include the groups share of profit or loss and OCI of equity accounted investee until the date on which significant influence ceases.

Name of the Company	Country of Incorporation	Effective holding as of March 31,		Subsidiary controlled/owned by Group since
		2024	2023	
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%	51.00%	2022-23
Hindustan Waste Treatment Private Limited	India	80.00%	-	2023-24
Pentagen Biofuels Private Limited	India	88.00%	-	2023-24
Chavare Engineering & Endress Plus Hauser JV *	India	26.01%	-	2023-24
Associate Companies:				
Hindustan Waste Treatment Private Limited	India	-	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

* It is non-corporate entity (Association of Persons) being consolidated as per the requirement of IND AS 110 "Consolidated Financial Statement".

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PLC152235

(Currency: Indian Rupees in Millions)

Additional information as required by Paragraph 2 of the General Instructions to Schedule III to the Companies Act, 2013.

For year ended March 31, 2024

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 OCI	Amount	As a % of Total Comprehensive income	Amount
Parent								
SFC Environmental Technologies Pvt. Ltd.	91%	5,129.27	93%	1,346.77	-21%	(1.22)	93%	1,345.55
Subsidiary								
Chavare Engineering Private Limited	2%	107.98	1%	20.54	-23%	(1.36)	1%	19.18
Navitas Waste Treatment Private Limited	0%	(15.55)	2%	28.36	0%	-	2%	28.36
Vasudha Waste Treatment Private Limited	1%	63.12	2%	24.19	0%	(0.03)	2%	24.16
SFC Umwelttechnik GmbH	1%	56.64	1%	7.47	6%	0.35	1%	7.82
SFC Ekotechnika S.r.o	0%	9.33	0%	0.04	158%	9.26	1%	9.30
Fine Aeration Systems Private Limited	0%	(7.50)	-1%	(7.55)	0%	-	-1%	(7.55)
Hindustan Waste Treatment Private Limited	10%	568.26	2%	25.27	2%	0.11	2%	25.37
Pentagen Biofuels Private Limited	0%	2.85	-1%	(14.75)	0%	-	-1%	(14.75)
Chavare Engineering & Endress Plus Hauser JV *	0%	(0.71)	0%	(2.03)	0%	-	0%	(2.03)
Non Controlling Interest	5%	268.50	2%	25.66	-21%	(1.23)	2%	24.43
Share of Profit of joint ventures and associate		-	2%	24.06	0%	-	2%	24.06
Inter- Group Elimination & Consolidation	-10%	(571.02)	-3%	(36.30)	0%	-	-3%	(36.30)
Total	100%	5,611.17	100%	1,441.73	100%	5.88	100%	1,447.61

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 OCI	Amount	As a % of Total Comprehensive income	Amount
Parent								
SFC Environmental Technologies Pvt. Ltd.	95%	3,877.13	97%	1,346.77	166%	(5.53)	95%	901.47
Subsidiary								
Chavare Engineering Private Limited	4%	168.67	1%	9.72	-2%	0.07	1%	9.80
Navitas Waste Treatment Private Limited	0%	18.38	0%	0.17	0%	-	0%	0.17
Vasudha Waste Treatment Private Limited	1%	40.70	1%	7.51	0%	-	1%	7.51
SFC Umwelttechnik GmbH	1%	56.74	-1%	(15.42)	-55%	1.82	-1%	(13.60)
SFC Ekotechnika S.r.o	0%	1.07	0%	0.54	-1%	0.02	0%	0.56
Fine Aeration Systems Private Limited	0%	0.54	0%	(0.46)	0%	-	0%	(0.46)
Non Controlling Interest	3%	109.98	1%	9.28	-9%	0.29	1%	9.57
Share of Profit of joint ventures and associate	0%	-	1%	13.13	0%	-	0%	-
Inter- Group Elimination & Consolidation	-5%	(210.43)	1%	16.62	0%	-	3%	29.75
Total	100%	4,062.77	100%	1,387.86	100%	(3.32)	100%	944.76

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

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 group 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 group 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.

3.5 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. After initial recognition, the company measures investment property by using cost model. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The company depreciates the investment properties on written down value which is in line with the indicative useful life of relevant type of building mentioned in Part C of Schedule II to the Act.

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fair value of such investments is disclosed in the notes.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes.

3.6 Leases

The Group, as a lessee, recognises a right-of use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right of use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation/amortisation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated/amortised using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Group, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.7 Financial Instruments

i) Recognition and initial measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Classification and subsequent measurement

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss. This includes all derivative financial assets (see Note 55).

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the standalone statement of profit and loss.

iii) Derecognition

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 contractual rights to receive the cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial Liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying value of the financial liability and the consideration paid is recognised in standalone statement of profit and loss.

3.8 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

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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, the recoverable amount of an asset or Cash Generating Unit (CGU) is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belong. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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 to the extent, asset's carrying amount exceeds its recoverable amount.

3.9 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.

3.10 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.

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

3.11 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.

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

3.12 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, respectively.

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 it 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 group 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.

3.13 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.

3.14 Cash and cash equivalents

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

3.15 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.

3.16 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, cheque in hand, cash at banks and bank deposits with original maturity of three months or less.

3.17 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

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued and not effective as at March 31, 2024.

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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 April 01, 2022	61.14	204.88	9.59	12.57	12.64	1.26	0.97	5.38	31.62	340.06
Additions	-	1.19	33.39	2.62	5.09	-	-	2.47	67.01	111.77
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange Difference on Translation of foreign operations	-	-	0.18	0.30	-	-	-	-	-	0.49
Balance as at March 31, 2023	61.14	206.07	43.16	15.50	17.74	1.26	0.97	7.86	98.63	452.32
Addition on account of acquisition of subsidiary	-	-	34.60	2.03	1.99	-	-	1.55	1.67	41.83
Additions *	14.83	143.79	48.75	6.32	17.17	0.01	-	19.09	24.99	274.96
Disposals	-	14.96	4.83	0.18	0.77	-	-	0.29	0.00	21.03
Exchange Difference on Translation of foreign operations	-	-	0.07	-	-	-	-	-	-	0.07
Balance as at March 31, 2024	75.97	334.91	121.73	23.67	36.13	1.27	0.97	28.21	125.28	748.13
Depreciation / Impairment										
Balance as at April 01, 2022	-	11.06	1.62	4.46	4.95	0.23	0.14	1.24	7.76	31.46
Charge for the year	-	10.57	5.41	3.78	5.95	0.25	0.12	1.11	12.22	39.40
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange Difference on Translation of foreign operations	-	-	0.13	0.14	-	-	-	-	-	0.27
Balance as at March 31, 2023	-	21.62	7.16	8.38	10.91	0.48	0.25	2.36	19.97	71.13
Addition on account of acquisition of subsidiary	-	-	0.29	0.57	1.81	-	-	0.26	0.40	3.33
Charge for the year *	-	15.62	10.68	4.91	8.99	0.19	0.10	2.22	23.66	66.36
Disposals	-	1.86	1.16	0.11	0.59	-	-	0.11	-	3.83
Exchange Difference on Translation of foreign operations	-	-	0.01	0.05	-	-	-	-	-	0.05
Balance as at March 31, 2024	-	35.38	16.97	13.80	21.11	0.67	0.35	4.73	44.03	137.04
Net Block										
Balance as at March 31, 2023	61.14	184.45	36.00	7.12	6.83	0.78	0.72	5.50	78.65	381.18
Balance as at March 31, 2024	75.97	299.53	104.76	9.87	15.01	0.60	0.62	23.45	81.24	611.09

* The above figures includes full-year amounts of the subsidiary acquired during the year.

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 the investment property are presented as property, plant and equipment.

Particular	Buildings	Total
I. Gross Block		
Balance as at April 01, 2022	13.47	13.47
Additions	20.94	20.94
Deletion	-	-
Balance as at March 31, 2023	34.41	34.41
Additions *	128.02	128.02
Deletion	-	-
Balance as at March 31, 2024	162.43	162.43
II. Accumulated Depreciation		
Balance as at April 01, 2022	2.22	2.22
Additions	8.05	8.05
Deletion	-	-
Balance as at March 31, 2023	10.28	10.28
Additions *	23.70	23.70
Deletion	-	-
Balance as at March 31, 2024	33.97	33.97
Net Block (I-II)		
Balance as at March 31, 2023	24.13	24.13
Balance as at March 31, 2024	128.46	128.46

* The above figures includes full-year amounts of the subsidiary acquired during the year.

7 Capital Work-in-Progress

	March 31, 2024	March 31, 2023
Opening Balance	-	-
Add: Expenditure during the year *	67.33	-
Less: Capitalisation/Adjustments during the year	-	-
Closing Balance	67.33	-

* The above figures includes full-year amounts of the subsidiary acquired during the year.

Ageing schedule of capital work-in-progress as at March 31, 2024

Particulars	Ageing as on March 31, 2024				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	67.33	-	-	-	67.33
Projects temporarily suspended	-	-	-	-	-
Total	67.33	-	-	-	67.33

There are no capital work-in-progress whose completion is overdue compared to its original plan.

8 Investment Property

Particular	Buildings	Total
I. Gross Block		
Balance as at April 01, 2022	266.62	266.62
Additions	-	-
Deletion	53.80	53.80
Balance as at March 31, 2023	212.83	212.83
Additions	-	-
Deletion	38.37	38.37
Balance as at March 31, 2024	174.46	174.46
II. Accumulated Depreciation		
Balance as at April 01, 2022	24.09	24.09
Charge for the year	11.10	11.10
Deletion	7.28	7.28
Balance as at March 31, 2023	27.92	27.92
Charge for the year	8.74	8.74
Deletion	7.00	7.00
Balance as at March 31, 2024	29.66	29.66
Net Block (I-II)		
Balance as at March 31, 2023	184.91	184.91
Balance as at March 31, 2024	144.80	144.80

Details with respect to fair valuation of Investment property

Aggregate amount of investment property at fair value *

As at March 31, 2024	201.05
As at March 31, 2023	249.04

* Fair valuation by independent registered valuer.

Independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 Note: Above valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

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9 Goodwill

Particulars	As at March 31, 2024	As at March 31, 2023
I. Gross Block		
Balance at beginning of the year	28.08	28.08
Additions	-	-
Impairment	-	-
Balance at the end of the year	28.08	28.08

The Goodwill is tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2024 and March 31, 2023.

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

Particulars	As at March 31, 2024	As at March 31, 2023
SFCU GmbH	5.97	5.97
Chavare Engineering Private Limited	18.97	18.97
Vasudha Waste Treatment Private Limited	3.14	3.14
Total	28.08	28.08

10 Intangible Assets

Description of Assets	Plant Assets	Software	Total
Gross Block			
Balance as at April 01, 2022	-	1.08	1.08
Additions	-	1.21	1.21
Disposals	-	-	-
Exchange Difference on Translation of foreign operations	-	0.06	0.06
Balance as at March 31, 2023	-	2.35	2.35
Addition on account of acquisition of subsidiary	292.30	-	292.30
Additions *	-	0.99	0.99
Disposals	-	-	-
Exchange Difference on Translation of foreign operations	-	0.01	0.01
Balance as at March 31, 2024	292.30	3.36	295.66
Depreciation / Impairment			
Balance as at April 01, 2022	-	0.43	0.43
Charge for the year	-	0.52	0.52
Disposals	-	-	-
Exchange Difference on Translation of foreign operations	-	0.02	0.02
Balance as at March 31, 2023	-	0.97	0.97
Addition on account of acquisition of subsidiary	111.35	-	111.35
Charge for the year *	55.68	0.44	56.12
Disposals	-	-	-
Exchange Difference on Translation of foreign operations	-	0.01	0.01
Balance as at March 31, 2024	167.03	1.42	168.45
Net Block			
Balance as at March 31, 2023	-	1.38	1.38
Balance as at March 31, 2024	125.27	1.93	127.20

* The above figures includes full-year amounts of the subsidiary acquired during the year.

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.

^Represents value less than Rs. 0.01 Mn.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

	March 31, 2024	March 31, 2023
11 Non current Assets - Financial Assets - Investments		
Unquoted investment		
Investment stated at Cost		
Investment in Equity Instruments		
Associate companies	22.66	331.55
Investment in Abhinav Sahakari Bank Shares	0.61	0.61
Investment in equity instruments of joint venture		
Investment in JV Endress Hauser	0.30	0.39
Investment in JV Gharpure	-	0.01
Investment stated at Fair Value through profit and loss		
Investment in Mutual Funds	-	190.23
Securities for Provision (Severance Payments)	25.12	25.12
Total	48.69	547.90
Details of Non-current Assets - Financial Assets - Investments	March 31, 2024	March 31, 2023
Investments in fully paid equity instruments		
Associate companies		
(i) Hindustan Waste Treatment Private Limited- March 31, 2024 : 3,12,32,000 (classified as Subsidiary) (March 31, 2023 : 1,91,29,600) equity shares of Rs. 10 each fully paid-up	-	297.75
(ii) Turbomax India Private Limited- March 31, 2024 : 37,24,000 (March 31, 2023 : 37,24,000) equity shares of Rs. 10 each fully paid- up	22.66	33.80
	22.66	331.55
Details of quoted / unquoted investments:	March 31, 2024	March 31, 2023
Aggregate book value of Unquoted investments	48.69	547.90
Aggregate amount of impairment in value of Investments	-	-
12 Non - Current Assets - Financial Assets - Loans	March 31, 2024	March 31, 2023
(considered good, unless otherwise stated)		
Unsecured Loans:		
- To Others	80.00	61.61
	80.00	61.61

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

	March 31, 2024	March 31, 2023
14 Non - Current Assets - Financial assets - Others		
Financial assets at amortised cost		
Bank Deposits with more than twelve months maturity	129.01	254.29
Security deposits	30.59	9.70
	159.60	263.99
*Refer Note 21 for information about lien on fixed deposits.		
15 Non - Current Asset - Income tax assets (Net)		
Advance income taxes (Net off provisions)*	29.58	20.07
	29.58	20.07
*Net of provisions as on March 31, 2024 - 829.9 Million (March 31, 2023 - 316.56 Million)		
16 Non - current assets - Others		
Capital advances	53.95	-
MVAT refund receivable	2.45	2.45
Prepaid expenses	6.09	1.94
Others	0.81	-
	63.29	4.38
17 Current Assets - Inventories		
(Valued at lower of cost and net realizable value)		
Raw materials	295.17	133.39
Work in Progress	264.93	198.03
Stock-in-trade	509.44	406.67
Finished Goods	14.53	-
	1,084.08	738.08
18 Current Assets - Financial Assets - Loans		
(Unsecured, considered good, unless otherwise stated)		
Loan to Employees	1.92	20.14
Loan to Others	200.06	-
To related parties		
Hindustan Waste Treatment Private Limited	-	-
(classified as subsidiary as on March 31, 2024)		
	201.98	20.14

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

19 Current Assets - Financial Assets - Trade receivables

Secured, considered good
Unsecured, considered good

Less: Allowance for expected credit loss

Net trade receivables

	March 31, 2024	March 31, 2023
		-
	3,840.09	2,290.43
	3,840.09	2,290.43
	(94.17)	(92.19)
	3,745.93	2,198.25

Refer note 52 for information about receivables from related party.

Ageing schedule of trade receivables as at March 31, 2024

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	-	1,520.40	1,427.83	53.95	430.72	287.23	9.23	3,729.37
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	37.71	37.71
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	73.01	73.01
(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	-	-	1.79	(0.11)	(3.18)	(2.12)	(90.54)	(94.17)
Total	-	1,520.40	1,429.62	53.84	427.54	285.11	29.41	3,745.93

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	-	-	1,642.72	164.80	341.97	21.14	9.07	2,179.71
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	37.71	37.71
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	73.01	73.01
(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	-	-	(1.86)	(0.07)	(0.45)	(0.36)	(89.44)	(92.19)
Total	-	-	1,640.87	164.73	341.51	20.79	30.35	2,198.25

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

20 Current Assets - Financial Assets - Cash & cash equivalents	March 31, 2024	March 31, 2023
Cash in Hand:		
- Cash on hand	0.43	0.46
- Foreign Cash in Hand	1.14	0.85
Balances with banks:		
-On current account	55.91	221.51
-Deposit with original maturity of less than three months	19.84	3.66
	77.32	226.48

21 Current Assets - Financial Assets - Other bank balances	March 31, 2024	March 31, 2023
Deposits with banks*	1,808.61	1,020.70
Ear marked bank balances - Gratuity	0.10	-
Ear Marked Bank Balances - Dividend	0.02	0.05
	1,808.74	1,020.75

*Note: Fixed deposit is in lien for various credit facilities (bank overdraft, letter of credit, bank guarantee) from various Banks amounting to Rs. 1603.02 Million as on March 31, 2024 (March 31, 2023 - Rs. 147.47 Million)

22 Current Assets - Financial Assets - Others (considered good, unless otherwise stated)	March 31, 2024	March 31, 2023
Earnest Money Deposits	37.38	8.61
Other Deposits	0.47	-
Security Deposit	89.75	-
Interest on Loans given	13.31	-
Advance to Others	0.54	-
	141.46	8.61

23 Other current assets	March 31, 2024	March 31, 2023
Balance with government authorities	68.83	360.77
Advances to employee	25.91	1.27
Advance to suppliers	69.15	41.80
Prepaid expenses	31.99	11.17
Export Incentives Receivable	0.03	0.36
Duty Drawback Receivable	-	-
Other Receivables	10.03	-
Other assets	17.87	0.32
	223.81	415.70

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

24 Share capital

Share Capital

Authorized

1,74,00,000 (March 31, 2023: 1,74,00,000) equity shares of Rs. 10 each

Issued, subscribed and paid up

62,27,418 (March 31, 2023: 62,27,418) equity shares of Rs.10 each fully paid up

	March 31, 2024	March 31, 2023
	174.00	174.00
	174.00	174.00
	62.27	62.27
	62.27	62.27

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

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	62,27,418	62.27	62,27,418	62.27
Add: Issuance and allotment of shares	-	-	-	-
Less: cancellation of shares				
Outstanding at the end of the year	62,27,418	62.27	62,27,418	62.27

(b) Particulars of shares held by shareholders holding more than 5% of the aggregate shares in the Group

Name of the shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Mr. Sandeep Asolkar*	21,05,698	33.81%	21,05,698	33.81%
Mr. Saket Dhandoriya	5,62,275	9.03%	5,62,275	9.03%
Mrs. Jaya Chandrakant Gogri*	3,75,790	6.03%	2,21,120	3.55%
Mr. Sarvesh Garg	3,68,481	5.92%	3,74,801	6.02%
Mrs. Aparna Kapoor	3,53,638	5.68%	5,74,778	9.23%
Mr. Rajesh Nambisan	3,06,181	4.92%	3,74,801	6.02%
Mr. Sandeep Parab	3,06,181	4.92%	3,74,801	6.02%
Mr. Madurakavi Kumaraguru	3,06,181	4.92%	3,74,801	6.02%
	46,84,425	75.22%	49,63,075	79.70%

* including joint holding (as first named shareholder)

(c) Shares held by promoters in the group

Name of the Promoter	March 31, 2024		March 31, 2023		% Change during the year
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	
Mr. Sandeep Asolkar*	21,05,698	33.81%	21,05,698	33.81%	0.00%
Mr. Saket Dhandoriya	5,62,275	9.03%	5,62,275	9.03%	0.00%
	26,67,973	42.84%	26,67,973	42.84%	0.00%

* It includes 12,05,698 Equity shares held by Mr. Sandeep Asolkar jointly with Mrs. Priya Sandeep Asolkar.

(d) 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 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, 2024. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(e) During the Financial Year 2023-2024 the Group has not issued any shares to any of its director or other person. The Group has not allotted any equity shares as bonus shares during the period of five years immediately preceding March 31, 2023. Further the Group has not bought back any equity shares during the aforesaid period.

(f) The Company does not have any securities outstanding as at March 31, 2024 and March 31, 2023 which are convertible into equity/preference shares.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

25 Other Equity

25A Movement in reserves and surplus

	March 31, 2024	March 31, 2023
Securities Premium	3.97	3.97
Retained earnings	5,110.13	3,787.64
General Reserves	70.18	70.30
Capital Reserves	21.40	21.37
Standard Reserve u/s 45IC of the RBI Act	0.03	0.03
Gain on Bargain Purchase	58.41	-
Exchange differences on translation of foreign operations	24.98	15.07
Other comprehensive income (Actuarial Gain/ Loss)	(8.42)	(6.50)
Total Reserve and Surplus	5,280.68	3,891.89

(A) Securities premium (SP)

	March 31, 2024	March 31, 2023
Opening balance	3.97	3.97
Add/(Less): Changes during the year	-	-
Closing balance	3.97	3.97

* 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, 2024	March 31, 2023
Opening balance	70.30	70.54
Add/(Less) : Transfer to Retained Earnings	(0.12)	(0.24)
Closing balance	70.18	70.30

* Nature and purpose of reserves

The Group 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 Group.

(C) Capital Reserve

	March 31, 2024	March 31, 2023
Opening balance	21.37	21.37
Add: Addition during the year	0.03	-
Closing balance	21.40	21.37

* 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, 2024	March 31, 2023
Opening balance	3,787.64	3,117.90
Add: Acquisition of subsidiary	171.70	-
Add: Profit for the year	1,416.07	938.81
Add: Transfer from General reserves	0.12	0.24
Less: Ind AS impact w.r.t cumulative profits of associate (on acquisition as subsidiary)	(172.16)	-
Less: Transfer to Standard Reserve u/s 45IC of RBI Act	-	(0.03)
Less: Dividend Paid	(93.41)	(269.46)
Add: Other Changes	0.17	0.18
Closing balance	5,110.13	3,787.64

* Nature and purpose of reserves

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

(E) Gain on Bargain Purchase

	March 31, 2024	March 31, 2023
Opening balance	-	-
Add: Utilisation during the year	58.41	-
Closing balance	58.41	-

* Nature and purpose of reserves

Gain on Bargain purchase on acquisition of subsidiary (earlier associate)

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

	March 31, 2024	March 31, 2023
(F) Standard Reserve u/s 45IC of the RBI Act		
Opening balance	0.03	-
Add: Transfer from Retained Earnings	-	0.03
Closing Balance	0.03	0.03
* 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.		
25B Exchange differences on translation of foreign operations		
Opening Balance	15.07	13.23
Add: Current year	9.96	2.11
Less: Share of Non- Controlling Interest	(0.05)	(0.27)
Closing Balance	24.98	15.07
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.		
25C Movement in Other Comprehensive Income (Actuarial Gain/ Loss)		
Opening balance	(6.50)	(1.05)
Add: On acquisition of subsidiary	0.57	-
Add: Re-measurement loss on defined benefit liabilities (net of tax)	(3.78)	(5.43)
Less: Share of Non- Controlling Interest	1.29	(0.03)
Closing balance	(8.42)	(6.50)
Total other equity	5,222.27	3,891.89
26 Non - Current Liabilities - Financial Liabilities - Borrowings		
Secured Borrowings*	457.15	-
Loan for purchase of property, plant and equipments	-	-
Loan from Directors #	3.90	3.90
	461.05	3.90
* Refer note 57		
# Loan by subsidiaries from its directors at the interest rate of 10% p.a.		
27 Non - Current Liabilities - Financial Liabilities - Leases		
Long term maturities of lease obligations (refer note 58)	104.82	13.71
	104.82	13.71
28 Non - Current Liabilities - Provisions		
Provision for employee benefits :		
Net defined benefit liability- Gratuity (refer note 51)	4.02	14.07
Provision for severance payments	12.24	10.29
Other provision	46.21	46.50
	62.46	70.86
29 Current Liabilities - Financial Liabilities - Borrowings		
Bank Overdraft*	750.07	460.18
Current maturities of long-term borrowings (Refer Note 26)	79.44	-
Loan from related parties #	16.12	-
	845.62	460.18
*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.		
# Loan by subsidiaries from its directors and relative of directors		
30 Current Liabilities - Financial Liabilities - Leases		
Lease obligations (refer note 58)	28.02	11.68
	28.02	11.68

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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31 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, 2024	March 31, 2023
Total outstanding dues of micro and small enterprises	217.40	164.02
Total outstanding dues of creditors other than micro and small enterprises	889.74	913.70
	1,107.14	1,077.71

Refer note 52 for information about payables from related party.

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, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	217.29	164.02
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.04	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.88	-
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	0.04	-
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	0.00	-

Ageing schedule for trade payables outstanding as at March 31, 2024:

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	-	0.11	217.29	-	-	-	217.40
(ii) Others	-	3.06	866.64	3.53	0.37	16.14	889.74
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	3.17	1,083.93	3.53	0.37	16.14	1,107.14

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	-	-	162.00	-	-	2.02	164.02
(ii) Others	-	-	912.35	1.27	-	0.07	913.70
Disputed:							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	-	-	1,074.35	1.27	-	2.09	1,077.71

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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32 Current Liabilities - Financial Liabilities - Others	March 31, 2024	March 31, 2023
Interest payable on loan from unsecured loan	0.03	0.03
Interest payable on bank overdraft	0.16	0.11
Creditors for capital goods	62.21	0.20
Creditors for expenses	106.72	54.63
Security Deposit	3.28	-
Remuneration payable to directors	3.43	2.96
Employee benefits payable	51.82	25.04
Payable to others	0.52	1.33
	228.16	84.31
33 Current liabilities - Others	March 31, 2024	March 31, 2023
Statutory dues Payable		
GST	142.65	392.34
TDS	25.85	20.06
TCS	0.03	0.00
ESIC	0.89	0.19
GLWF	0.01	0.00
Provident fund payable	2.18	1.02
Professional tax payable	0.04	0.05
Social Security	1.84	1.91
Contract Liabilities	103.62	98.50
Other Payable	113.51	1.30
Accrued Expenses & provisions	33.61	18.17
	424.22	533.55
34 Current Liabilities - Provisions	March 31, 2024	March 31, 2023
Provision for employee benefits :		
Provision for Gratuity (refer note 51)	1.00	0.81
	1.00	0.81
35 Current tax liabilities	March 31, 2024	March 31, 2023
Provision for tax*	101.00	2.24
	101.00	2.24

* Net of taxes paid as on March 31, 2024 - 11.86 Million (March 31, 2023 - 9.73 Million)

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

	Year Ended March 31, 2024	Year Ended March 31, 2023
36 Revenue from operations		
Revenue from contracts with customer		
- Sale of Goods	5,644.10	3,374.67
- Sale of Services	807.69	1,802.02
Total(A)	6,451.79	5,176.69
Other operating revenues		
- Export Benefits Earned	-	3.77
- Interest on Annuity	87.18	-
- Scrap Sales recyclables, compost	24.39	1.86
- Corporate Guarantee Consideration	-	1.60
- Income from Testing Services	0.11	-
- Supply of Electricity	12.97	-
- Other Operating Income	7.49	12.95
Total (B)	132.13	20.18
Total revenue from operations (A+B)	6,583.92	5,196.86
37 Other income		
Interest income under the effective interest method on		
-Term deposits	109.65	60.73
-Loans given	3.19	4.80
-Security deposits	0.51	0.22
-Financial Assets measured at amortised cost	8.98	-
-Others	6.52	-
Interest income on LC Issuance	0.65	-
Interest income from Customers	5.07	-
Interest on Income Tax Refund	0.66	0.87
Net gain on fair valuation of Investment in Mutual Funds	11.72	4.22
Net gain on foreign currency transactions	7.27	9.23
Net gain on sale of Property, Plant & Equipment	16.42	1.11
Net Gain on Sale of Investment Property	16.63	19.91
Insurance claim	1.38	0.88
Rent income	8.97	0.59
Miscellaneous income	1.93	11.21
Total other income	199.55	113.78
38 Impairment gain on financial assets		
Impairment gain on trade receivables arising from contracts with customer	1.79	-
Total Impairment Gain	1.79	-
39 Purchases of Stock-in-trade		
Purchase of Goods and Services - Domestic	459.81	2,380.25
Purchase of Goods and Services - Imports	1,603.02	136.90
Total Purchases	2,062.82	2,517.15
40 Cost of Material Consumed		
Cost of material consumed:		
- Opening stock of Raw materials	133.39	55.63
- Add: Purchases	1,381.25	760.61
- Less: Closing stock of Raw materials	(292.73)	(133.39)
Total Cost of Material Consumed	1,221.90	682.85

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

41 Project Cost

Contract Cost
Total Project Cost

Year Ended March 31, 2024	Year Ended March 31, 2023
261.66	15.45
261.66	15.45

42 Changes in inventories

Inventories at the beginning of the year

- Finished Goods
- Work in Progress

Less: Inventories at the end of the year

- Finished Goods
- Work in Progress

Exchange Difference on Translation of foreign operations

Net decrease/ (increase)

Year Ended March 31, 2024	Year Ended March 31, 2023
406.67	247.70
198.03	154.66
604.70	402.37
515.79	406.67
273.40	198.03
789.19	604.70
21.80	3.63
(162.69)	(198.70)

43 Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity (refer note 51)
Director's remuneration
Leave Encashment Expenditure
Staff welfare expenses
Total employee benefits expense

Year Ended March 31, 2024	Year Ended March 31, 2023
474.75	369.10
27.78	38.37
4.92	2.91
66.68	70.11
0.16	0.20
25.71	14.04
600.00	494.73

44 Finance costs

Interest expense on Financial liabilities measured at amortized cost

- on loan from bank
- on Bank overdraft
- on loan from others
- on car loan
- on Borrowings

Interest expense on advance received from customer

Performance Guarantee

Interest expense on lease liabilities

Total finance costs

Year Ended March 31, 2024	Year Ended March 31, 2023
18.01	-
46.34	19.34
0.40	0.45
-	0.02
14.21	14.23
-	-
0.34	-
21.17	2.00
100.48	36.04

45 Depreciation and amortization expense

Depreciation on property, plant and equipment
Depreciation on right-of-use asset
Depreciation on Investment property
Amortisation on intangible asset
Total depreciation and amortization expense

Year Ended March 31, 2024	Year Ended March 31, 2023
64.63	39.40
23.17	8.05
8.74	11.10
28.03	0.52
124.58	59.08

46 Impairment Losses on financial assets and contract assets

Impairment loss on trade receivables arising from contracts with customer

Total Impairment Losses

Year Ended March 31, 2024	Year Ended March 31, 2023
2.78	4.24
2.78	4.24

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

47 Other expenses

	Year Ended March 31, 2024	Year Ended March 31, 2023
Advertisement and marketing expenses	30.90	9.50
Bank Charges	3.73	6.31
Business Promotion Expenses	28.07	5.29
Bad Debts written off	10.09	4.00
Brokerage and Commission	4.27	1.88
Clearing and Forwarding	-	1.05
Corporate Social Responsibility Expenses (Refer note 59)	18.05	12.95
Donation	12.51	1.16
Electricity	3.26	2.86
Foreign exchange Loss	0.48	-
GST Expenses	16.31	1.20
Hire Charges	0.98	0.45
Insurance	20.08	6.96
Interest on delayed payment of statutory dues	0.30	0.40
Labour Charges	1.71	-
Lab Material	0.03	-
Legal and Professional Fees	137.85	113.14
Lisence Fees	0.22	-
Merger Related Expenses	0.02	0.02
Miscellaneous Expenses	37.39	14.96
O & M Expenses	21.97	11.12
Office Expense	0.51	-
Other Assets written off ^	0.00	-
Other Manufacturing Expense	44.90	26.82
Other operating expenses	1.96	26.61
Packing & Forwarding Expenses	0.78	0.31
Payment to auditors (refer note 47.a)	8.32	1.87
Pest Control Charges	0.82	-
Postage & Courier	3.27	4.09
Power and fuel	8.66	8.30
Printing & Stationery Expenses	2.22	1.98
Profession Tax- Company	0.09	-
Profession Tax- Directors	0.01	-
Property Tax	0.01	-
Rates & taxes	7.25	11.58
Rent	18.16	2.98
Repair and maintenance- Factory	1.53	0.13
Repair and maintenance- Building	1.48	0.07
Repair and maintenance- Other	13.99	14.99
Security Charges	4.66	2.72
Stores and spares	0.12	0.25
Telephone & Internet charges	1.30	2.00
Transportation Charges	87.28	58.56
Travelling and Lodging Expenses	95.20	83.93
Waste Disposal Charges	12.61	-
Total other expenses	663.31	440.43

^ represents amount less than 0.01 Million

47.a) Payment to auditors

As auditor:

Statutory audit	8.32	1.77
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In other capacity:

Tax audit	-	0.10
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Total	8.32	1.87
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SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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(Currency: Indian Rupees in Millions)

48 Income Tax

(A) Current tax expense

- Current tax charge
- Deferred tax charge / (income)
- MAT Credit

Income tax expense reported in the statement of profit or loss

	Year Ended March 31, 2024	Year Ended March 31, 2023
	505.46	332.24
	(11.01)	(7.82)
	(1.72)	-
	492.74	324.42

(B) Deferred tax relates to the following:

Deferred tax assets

- On lease arrangements as per Ind AS 116
- On Preliminary Expenses
- On Investment property
- On Fair valuation of investment
- On Expected Credit loss for Trade Receivables
- On Gratuity Provision
- On Unabsorbed losses
- On Unrealised Profits on Inventory & Capital Jobs
- On Acquisition of Financial Assets
- On share of profit/(loss) from associate/Joint Venture

Deferred tax liabilities

- On property, plant and equipment
- On Gratuity Provision
- On unbilled trade receivables as per Ind AS 115
- On Financial Instruments
- On share of profit/(loss) from associate/Joint Venture

Deferred Tax Asset/(Liabilities) (Net)

	March 31, 2024	March 31, 2023
	6.35	5.07
	0.05	-
	7.46	7.03
	-	0.07
	23.46	23.20
	1.21	0.62
	32.86	30.60
	4.83	2.89
	6.44	-
	4.80	0.85
	87.46	70.33
	6.28	5.32
	0.10	-
	49.43	44.91
	0.54	-
	26.79	26.79
	83.15	77.02
	4.31	(6.69)

(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, 2024	March 31, 2023
	1.33	1.87
	1.33	1.87

(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
 - Deferred Tax Impact
- Short/(Excess) provision of income tax of earlier years
- Others

Income tax expense

	March 31, 2024	March 31, 2023
	1,934.47	1,271.84
	486.87	314.61
	4.64	3.16
	0.41	(1.30)
	15.60	4.86
	1.66	-
	1.16	7.01
	(17.61)	(3.93)
	492.74	324.42

SFC Environmental Technologies Private Limited

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Movement in deferred tax balances

For the year ended March 31, 2024:

Particulars	Opening Balance	Recognized in Profit or Loss	Closing Balance
Tax effect of items constituting deferred tax asset			
On lease arrangements as per Ind AS 116	5.07	1.28	6.35
On Preliminary Expenses	-	0.05	0.05
On Investment property	7.03	0.44	7.46
On Fair valuation of investment	0.07	(0.07)	-
On Expected Credit loss for Trade Receivables	23.20	0.26	23.46
On Gratuity Provision	0.62	0.59	1.21
On Unabsorbed losses	30.60	2.26	32.86
On Unrealised Profits on Inventory & Capital Jobs	2.89	1.94	4.83
On Acquisition of Financial Assets	-	6.44	6.44
On share of profit/(loss) from associate/Joint Venture	0.85	3.95	4.80
	70.33	17.13	87.46
Tax effect of items constituting deferred tax liabilities			
On property, plant and equipment	5.32	0.96	6.28
On Gratuity Provision	-	0.10	0.10
On unbilled trade receivables as per Ind AS 115	44.91	4.52	49.43
On Financial Instruments	-	0.54	0.54
On share of profit/(loss) from associate/Joint Venture	26.79	-	26.79
	77.02	6.12	83.15
Net Deferred Tax Asset / (Liabilities)	(6.69)	11.01	4.31

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	6.29	0.74	7.03
On lease arrangements as per Ind AS 116	0.82	4.25	5.07
On Fair valuation of investment	1.13	(1.06)	0.07
On Expected Credit loss for Trade Receivables	22.14	1.07	23.20
On Gratuity Provision	0.71	(0.08)	0.62
On Inventory	9.59	(6.70)	2.89
On Unabsorbed losses	-	30.60	30.60
On share of profit/(loss) from associate/Joint Venture	-	0.85	0.85
	40.67	29.66	70.33
Tax effect of items constituting deferred tax liabilities			
On property, plant and equipment	5.73	(0.41)	5.32
On unbilled trade receivables as per Ind AS 115	26.82	18.09	44.91
On share of profit/(loss) from associate/Joint Venture	22.64	4.15	26.79
	55.19	21.84	77.02
Net Deferred Tax Asset / (Liabilities)	(14.51)	7.82	(6.69)

The offsets group tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant group Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

SFC Environmental Technologies Private Limited

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49 Earnings per share ("EPS")

Basic EPS is calculated by dividing the Profit / (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS are calculated by dividing the Profit / (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Year ended</u> <u>March 31, 2023</u>
Profit for the year for basic and diluted EPS (A)	1,416.07	938.81
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)	227.39	150.75
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share) (A/B)	227.39	150.75

50 Contingent liabilities and commitments

I. Claims against the Group not acknowledged as debts

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
GST Appeal *	-	4.50

* GST Appeal for outstanding liabilities has been filed for FY 2017-18

Customs Notice #	0.21	-
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Customs Notice has been received for period FY 2008-09 to FY 2012-13

II. Capital commitments

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
	Nil	Nil

There are no capital commitments for the Group as on March 31, 2024 and also as on March 31, 2023.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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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, 2024	March 31, 2023
- Employer's contribution to Provident Fund and other Fund	27.78	38.37

(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)		Gratuity (Unfunded)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
I) Reconciliation in present value of obligation (PVO)				
Defined benefit obligation:				
Liability at the beginning of the year	44.33	34.50	0.14	-
Liability on acquisition of Subsidiary	2.20	-	-	-
Interest Cost	3.31	2.25	0.01	-
Current service cost	3.71	2.71	0.26	0.14
Benefits paid	(1.59)	(2.23)	-	-
Actuarial (Gain)/ Loss - Financial Assumptions	4.89	(0.59)	0.01	-
Actuarial (Gain)/ Loss - Experience	0.42	7.70	0.02	-
Liability at the end of the year	57.26	44.33	0.44	0.14
II) Change in fair value of plan assets:				
Fair value of plan assets at the beginning of the year	29.65	29.52	-	-
Fair value of plan assets on acquisition of Subsidiary	1.74	-	-	-
Expected return on plan assets	2.22	1.95	-	-
Employer Contributions	20.42	0.60	-	-
Benefits paid	(1.59)	(2.23)	-	-
Actuarial gain on plan assets	0.23	(0.19)	-	-
Funded status	52.68	29.65	-	-

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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III) Expenses recognized in the Statement of Profit & Loss:

Current service cost	3.71	2.71	0.26	-
Net Interest costs	1.08	0.30	0.01	0.14
Other expenses/adjustments	-	-	-	-
Components of Defined Benefit Cost recognized in Statement of Profit and loss	4.79	3.00	0.27	0.14

IV) Expenses recognized in the Other Comprehensive Income:

Actuarial (gain) / loss	5.34	7.30	0.03	-
	5.34	7.30	0.03	-

IV) Included in Other Comprehensive Income

Amount recognized in OCI, Beginning of the period	-	-	-	-
Remeasurements due to:				
Effect of Change In financial assumptions	0.95	(0.94)	0.01	-
Effect of Change In Demographic assumptions	0.63	7.70	-	-
Effect of experience adjustments	3.73	0.35	0.02	-
Return on plan Assets(excluding interest)	(0.23)	0.19	-	-
Total Remeasurements recognized in OCI	5.07	7.30	0.03	-
Amount recognized in OCI, End of the period	5.07	7.30	0.03	-

V) Net Liability recognized in the balance sheet

Fair value of plan assets at the end of the year	52.68	29.65	-	-
Liability at the year end	57.26	(44.33)	0.44	(0.14)
Amount recognized in the balance sheet	109.93	(14.68)	0.44	(0.14)

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

Insurer Managed Fund	100%	100%		
	Gratuity (Funded)		Gratuity (Unfunded)	

VII) Actuarial Assumptions

	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	7.10% - 7.22%	7.25% - 7.5%	7.22% - 7.23%	7.50%
Expected rate of return on plan assets	7.10% - 7.22%	7.25%	-	-
Expected salary increase rate	5% - 8%	5.00%	5.00%	5.00%
Attrition rate	2% - 5%	2% - 40%	2% - 5%	5.00%
Mortality rate	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
	Ultimate	Ultimate	Ultimate	Ultimate
Retirement Age	58 to 60 years	58 to 60 years	58 to 60 years	58 to 60 years

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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VIII) Experience adjustments	Gratuity (Funded)		Gratuity (Unfunded)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present value of defined benefit obligation	57.26	44.33	0.44	0.14
Fair value of the plan assets	52.68	29.65	-	-
(Deficit) in the plan	(4.58)	(14.68)	(0.44)	(0.14)
Experience adjustments on:				
On plan liability	-	-	-	-
On plan asset	-	-	-	-

Five year disclosure of liability as per actuarial report:

Gratuity (Funded):

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit obligation	57.26	44.33	34.50	-	-
Fair value of Plan Assets	52.68	29.65	29.52	-	-
(Surplus)/ Deficit	(4.58)	(14.68)	(4.98)	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-
(Gains)/Losses due to change in Assumptions	4.89	(0.59)	0.56	-	-
Experience (Gains)/ Losses on DBO	-	-	-	-	-
Total Actuarial (Gain)/Loss on DBO	4.89	(0.59)	0.56	-	-

Gratuity (Unfunded):

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit obligation	0.44	0.14	-	-	-
Fair value of Plan Assets	-	-	-	-	-
(Surplus)/ Deficit	(0.44)	(0.14)	-	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-
(Gains)/Losses due to change in Assumptions	0.01	-	-	-	-
Experience (Gains)/ Losses on DBO	-	-	-	-	-
Total Actuarial (Gain)/Loss on DBO	0.01	-	-	-	-

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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IX) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below:

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase in				
Discount rate (1% movement)	38.32	2.87	0.39	0.12
Future salary growth (1% movement)	45.23	(1.66)	0.49	0.15
Attrition rate (0.25% movement)	-	0.01	-	-
Decrease in				
Discount rate (1% movement)	47.20	(3.37)	0.49	0.15
Future salary growth (1% movement)	39.80	1.86	0.39	0.12

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	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Year 1 ^	7.78	5.34	0.00	0.00
Year 2 ^	8.87	3.42	0.00	0.00
Year 3 ^	3.75	5.52	0.00	0.00
Year 4 ^	4.23	2.87	0.03	0.00
Year 5	8.94	3.60	0.04	0.02
Year 6-10	16.41	18.76	0.26	0.07
Above 10 years	66.71	58.22	0.92	0.32
Average Expected Future Working life (in years)	18.37	18.42	11.96	12.08

^ represents amount less than 0.01 Million

The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The insurance Group 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 risk actively in a conventional fund.

XI) Leave encashment expenses

Expense recognized in the statement of profit and loss

Year ended	Year ended
March 31, 2024	March 31, 2023
0.16	0.20

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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52 Related Party Disclosures

1 Related parties where control exists

Associate/ Joint Venture Company

Hindustan Waste Treatment Private Limited	Associate Company (Till October 05, 2023)
Turbomax India Private Limited	Associate Company
Endress + Hauser & Chavare Engineering (JV) Private Limited	Joint Venture of our Subsidiary Company

2 Key Managerial Personal

Sandeep Asolkar	Chairman & Managing Director (Managing Director till October 27, 2023)
Sarvesh Garg	Director
Sandeep Parab	Director till November 06, 2023
Veera Venkata Satyanarayana Yannamani	Director till November 06, 2023
Aparna Kapoor	Director upto November 10, 2021
Shweta Deshpande	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, 2024	March 31, 2023
Transactions with related parties:		
Directors Remuneration and Incentives		
Sandeep Asolkar	33.00	32.99
Sarvesh Garg	11.83	11.83
Sandeep Parab	7.11	11.83
Y V V Satyanarayana	7.11	11.83
Aparna Kapoor	-	-
Salary		
Shweta Deshpande	0.83	0.05
Dividend		
Sandeep Asolkar	31.59	40.50
Sarvesh Garg	5.53	-
Rent Received		
Turbomax India Private Limited	0.18	0.09
Sales		
Hindustan Waste Treatment Pvt. Ltd.	-	-
Supply of Services		
Hindustan Waste Treatment Pvt. Ltd.	3.90	66.80

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Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Interest on Loan		
Hindustan Waste Treatment Pvt. Ltd.	-	0.14
Sale of Fixed Asset		
Turbomax India Private Limited	5.05	-
Hindustan Waste Treatment Pvt. Ltd.	-	-
Reimbursement of Fees towards Business Support Services		
Turbomax India Private Limited	-	6.09
Balances outstanding as at the year end are as follows:		
Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Hindustan Waste Treatment Pvt. Ltd.	-	1.51
Turbomax India Private Limited	0.21	6.19

- The information given above, has been reckoned on The basis of information available with The Company and relied upon by The auditors.

- The transactions from related parties are made at terms equivalent to those that prevail in arm's length transactions.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

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53 Investments in Associate and Joint Ventures

Investments in Associates

As at March 31, 2024

Particulars	No. of equity shares held	% of holding	Original cost of investment	Carrying amount of investment
Hindustan Waste Treatment Private Limited #	-	-	-	-
Turbomax India Private Limited	37,24,000	49%	37.24	22.66

Classified as subsidiary during the year

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	49%	191.30	297.75
Turbomax India Private Limited*	37,24,000	49%	37.24	33.80

*During the year, the Group has incorporated and subscribed additional 37,24,000 equity shares of Turbomax India Private Limited.

Particulars - Hindustan Waste Treatment Private Limited	March 31, 2024 *	March 31, 2023
Current assets		363.25
Non-current assets		441.73
Current liabilities		196.88
Non-current liabilities		0.45
Revenue	282.96	482.10
Profit / (loss) for the year	70.96	33.63
Other comprehensive income for the year	-	0.19
Total comprehensive income for the year	70.96	33.82

* Financials till the time it was classified as associate

Particulars - Turbomax India Private Limited	March 31, 2024	March 31, 2023
Current assets	41.68	72.66
Non-current assets	37.16	8.19
Current liabilities	25.86	8.39
Non-current liabilities	5.91	3.49
Revenue	3.41	0.02
Profit / (loss) for the year	(21.91)	(7.02)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(21.91)	(7.02)

Investments in Joint Ventures

As at March 31, 2024

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%	0.32	0.30

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%	0.32	0.39

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, 2024	March 31, 2023
Current assets	11.85	14.90
Non-current assets	-	-
Current liabilities	10.72	13.72
Non-current liabilities	-	-
Revenue	0.02	0.06
Profit / (loss) for the year	(0.04)	(0.01)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(0.04)	(0.01)

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54 Segment reporting

The Group has three principal operating and reporting segments; viz. Waste Water Treatment, Solid Waste Treatment, Automation - Chavare Engineering.

Waste Water Treatment Segment ("WWT") - Core operations of this segment includes providing design and engineering, technologies, and manufacturing and supply of equipment for the treatment of wastewater. Revenue of WWT segment is primarily from C-Tech technology package which includes design and engineering solutions, advanced technology, and supply of key equipment such as decanters (including its core parts), diffusers, air blowers, fibre disc filters, sludge drying system, and PLC / SCADA-based automation solutions, O&M services and supply of spares for WWT.

Solid Waste Treatment Segment ("SWT") - Core operations of this segment includes providing technology solutions for solid waste treatment comprising design, engineering, turnkey solutions and operations and maintenance. It also includes providing technology solutions comprising design, engineering, turnkey solutions and O&M for processing multiple agricultural biomass to produce biogas, which can be further converted into bio-CNG or electricity.

Automation - Chavare Engineering - Cores Operations of this segment includes manufacturing of LV control panels, implementation of PLC & SCADA based automation systems, electrical & automation turnkey projects carried out by Chavare Engineering Pvt. Ltd

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting:

- a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments to the extent those are regularly reviewed or provided to chief operating decision maker. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis and those which are not regularly reviewed nor provided to chief operating decision maker have been disclosed as "Unallocable".

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A) Primary Segment information

Particulars	For year ended March 31, 2024					For year ended March 31, 2023				
	Waste Water Treatment	Solid Waste Treatment	Automation Chavare Engineering	Unallocable	Total	Waste Water Treatment	Solid Waste Treatment	Automation Chavare Engineering	Unallocable	Total
1. Segment Revenue:	5,253.32	501.88	932.93	-	6,688.13	3,773.76	733.42	737.61	-	5,244.79
Less : Inter-segment revenue	-	-	-104.21	-	-104.21	-	-	-47.92	-	-47.92
Revenue from Operations	5,253.32	501.88	828.72	-	6,583.92	3,773.76	733.42	689.69	-	5,196.86
2. Segment Result before interest, tax & depreciation:	1,716.30	173.46	49.44	-0.33	1,938.87	906.30	276.63	31.27	-0.29	1,213.91
Inter-segment margins & adjustment for unrealised gains					-4.74					26.81
Depreciation and amortisation					124.58					59.08
Finance costs					100.48					36.04
Other income					199.55					113.78
Impairment gain					1.79					-
Profit Before Tax and Exceptional Items					1,910.41					1,259.38
Exceptional Item (Net of Tax)										-
Profit Before Tax					1,910.41					1,259.38
Tax Expense					492.74					324.42
Share in profit/(loss) after tax of joint ventures/associates (net)					24.06					13.13
Profit for the year					1,441.73					948.09
Less : Non-controlling interest					25.66					9.28
<i>Profit for the year attributable to Owners of the Company</i>					<i>1,416.07</i>					<i>938.81</i>
3. Other information										
(i) Segment assets	3,536.16	2,220.50	500.33	4,038.77	10,295.75	2,035.75	1,083.10	451.01	3,822.94	7,392.79
Less : Inter-segment assets & adjustment for unrealised gains					-1,237.64					-992.68
Consolidated total assets					9,058.11					6,400.11
(i) Segment liabilities	305.69	1,210.06	291.34	7,901.95	9,709.04	108.74	703.25	269.06	6,172.96	7,254.02
Less : Inter-segment liabilities & adjustment for unrealised gains					-650.93					-853.91
Consolidated Total equity and liabilities					9,058.11					6,400.11

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B) Secondary Segment Information

Particulars	For year ended March 31, 2024			For year ended March 31, 2023		
	India	Other Foreign Countries	Total	India	Other Foreign Countries	Total
External Revenue	6,376.15	207.77	6,583.92	4,925.69	271.17	5,196.86
Non Current Assets*	1,196.04	3.80	1,199.84	640.13	4.00	644.13

*Non-Current assets exclude financial instruments and deferred tax assets.

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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, 2024

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	-	-	199.20	199.20	-	-	199.20	199.20
Investments - Non-current	-	-	48.69	48.69	-	-	48.69	48.69
Loans - Non-current	-	-	80.00	80.00	-	-	80.00	80.00
Other financial assets - Non-current	-	-	159.60	159.60	-	-	159.60	159.60
Trade receivables - Current	-	-	3,745.93	3,745.93	-	-	3,745.93	3,745.93
Cash and cash equivalents - Current	-	-	77.32	77.32	-	-	77.32	77.32
Other bank balance - Current	-	-	1,808.74	1,808.74	-	-	1,808.74	1,808.74
Loans - Current	-	-	201.98	201.98	-	-	201.98	201.98
Other Financial Asset - Current	-	-	141.46	141.46	-	-	141.46	141.46
Financial Liabilities								
Borrowings - Non Current	-	-	461.05	461.05	-	104.82	356.23	461.05
Lease Liability - Non Current	-	-	104.82	104.82	-	-	104.82	104.82
Borrowings - Current	-	-	845.62	845.62	-	79.44	766.19	845.62
Lease Liability - Current	-	-	28.02	28.02	-	-	28.02	28.02
Trade payables	-	-	1,107.14	1,107.14	-	-	1,107.14	1,107.14
Other Financial Liabilities - Current	-	-	228.16	228.16	-	-	228.16	228.16

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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	-	-	184.13	184.13	-	-	184.13	184.13
Investments - Non-current	190.23	-	357.67	547.90	-	190.23	357.67	547.90
Loans - Non-current	-	-	61.61	61.61	-	-	61.61	61.61
Other financial assets - Non-current	-	-	263.99	263.99	-	-	263.99	263.99
Trade receivables - Current	-	-	2,198.25	2,198.25	-	-	2,198.25	2,198.25
Cash and cash equivalents - Current	-	-	226.48	226.48	-	-	226.48	226.48
Other bank balance - Current	-	-	1,020.75	1,020.75	-	-	1,020.75	1,020.75
Loans - Current	-	-	20.14	20.14	-	-	20.14	20.14
Other Financial Asset - Current	-	-	8.61	8.61	-	-	8.61	8.61
Financial Liabilities								
Borrowings - Non Current	-	-	3.90	3.90	-	-	3.90	3.90
Lease Liability - Non Current	-	-	13.71	13.71	-	-	13.71	13.71
Borrowings - Current	-	-	460.18	460.18	-	-	460.18	460.18
Lease Liability - Current	-	-	11.68	11.68	-	-	11.68	11.68
Trade payables	-	-	1,077.71	1,077.71	-	-	1,077.71	1,077.71
Other Financial Liabilities - Current	-	-	84.31	84.31	-	-	84.31	84.31

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56 Risk management Framework

The Group's principal financial liabilities comprises 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, 2024	March 31, 2023
Variable rate borrowings	1,302.78	460.18
Fixed rate borrowings	3.90	3.90
Total	1,306.68	464.08

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 after tax	Effect on Equity
For Year ended March 31, 2024			
INR	+100	0.48	0.48
INR	-100	(0.48)	(0.48)
For Year ended March 31, 2023			
INR	+100	0.14	0.14
INR	-100	(0.14)	(0.14)

(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, 2024	March 31, 2023
Financial Assets			
Receivables	USD	41.69	41.11
Receivables	EURO	-	-
		41.69	41.11
Financial liabilities			
Payables	USD	766.50	596.35
Payables	EURO	-13.21	(12.82)
		753.29	583.53
Net exposure		711.60	542.42

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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 after tax	
	Strengthening	Weakening
As at March 31, 2024		
USD (10% Movement)	(54.24)	54.24
EURO (10% Movement)	0.99	(0.99)
As at March 31, 2023		
USD (10% Movement)	(41.55)	41.55
EURO (10% Movement)	0.96	(0.96)
	Effect on equity	
	Strengthening	Weakening
As at March 31, 2024		
USD (10% Movement)	(54.24)	54.24
EURO (10% Movement)	0.99	(0.99)
As at March 31, 2023		
USD (10% Movement)	(41.55)	41.55
EURO (10% Movement)	0.96	(0.96)

(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 Group 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 Group 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:

Impairment loss/(gain) on trade receivables arising from contracts with customer

	Year ended March 31, 2024	Year ended March 31, 2023
	1.00	4.24

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

Trade Receivable for March 31, 2024

Ageing	Average loss rate	Gross Carrying Amount	Allowance for expected credit loss	Net Carrying Amount
Unbilled	-	-	-	-
Not due	-	-	-	-
Less than 6 months	-0.13%	1,427.83	1.79	1,429.62
6 months-1 Year	0.21%	53.95	(0.11)	53.84
1-2 years	0.74%	430.72	(3.18)	427.54
2-3 years	0.74%	287.23	(2.12)	285.11
More than 3 years	75.48%	119.95	(90.54)	29.41
Total		2,319.69	(94.17)	2,225.52

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%	1,642.72	(1.86)	1,640.87
6 months-1 Year	0.04%	164.80	(0.07)	164.73
1-2 years	0.13%	341.97	(0.45)	341.51
2-3 years	1.69%	21.14	(0.36)	20.79
More than 3 years	74.66%	119.79	(89.44)	30.35
Total		2,290.43	(92.19)	2,198.25

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, 2024	March 31, 2023
Opening Balance	92.19	87.95
Opening Balance of Acquired Subsidiary	0.98	-
Amounts written off	-	-
Provision for the year	1.00	4.24
Net measurement of loss allowance	1.00	4.24
Closing Balance	94.17	92.19

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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.

As at March 31, 2024

	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Short term borrowings	845.62	-	-	-	845.62
Long Term borrowings	-	166.18	162.44	132.43	461.05
Trade payables	1,083.93	3.90	16.14	-	1,103.97
Lease liabilities	28.02	54.54	48.82	1.46	132.85
Other financial liabilities	228.16	-	-	-	228.16
	2,185.73	224.62	227.40	133.90	2,771.65

As at March 31, 2023

	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Short term borrowings	460.18	-	-	-	460.18
Long Term borrowings	-	3.90	-	-	3.90
Trade payables	1,074.35	1.27	2.09	-	1,077.71
Lease liabilities	9.17	12.89	2.59	0.73	25.38
Other financial liabilities	84.31	-	-	-	84.31
	1,628.01	18.07	4.68	0.73	1,651.49

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57 Secured Borrowing

The Group has entered into Term Loan facility from various Bank, for various purpose. Disclosure in respect of term loan pursuant to Indian Accounting Standards 109 on 'Financial Instruments' pertaining current and non current are as follows :

- Loan taken from Axis Bank for purpose of purchase of commercial property at floating rate of Repo Rate + 2.25% for a period of 84 months.
- Loan taken from Axis Bank for purpose of repayment of unsecured loan at floating rate of Repo Rate + 2.25% for a period of 84 months.
- Loan taken from ICICI Bank for the purpose of working capital at floating rate of Repo Rate + 2.50% for a period of 60 months.
- 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.

	March 31, 2024	March 31, 2023
Non Current	457.15	-
Current	829.50	460.18
TOTAL	1,286.66	460.18

58 Leases

As a Lessee

- The Group has entered into Finance Lease agreements as a lessee. Disclosure in respect of leases pursuant to Indian Accounting Standards 116 on 'Leases' pertaining to minimum lease rentals and the future minimum lease payments are as follows :

Right of Use Asset

Balance as at the beginning of the period

Additions during the current year

Deletions during the current year

Amortisation of ROU

Balance as at the end of the period

	March 31, 2024	March 31, 2023
Balance as at the beginning of the period	24.13	11.25
Additions during the current year	128.13	20.94
Deletions during the current year	-	-
Amortisation of ROU	(23.80)	(8.05)
Balance as at the end of the period	128.46	24.13

Lease Liabilities

Current

Non - Current

Total Lease Liability

	March 31, 2024	March 31, 2023
Current	28.02	11.68
Non - Current	104.82	13.71
Total Lease Liability	132.85	25.38

- Following are the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023.

Please refer note no. 6 for detailed presentation of fair value of right of use assets

- Impact of adoption of Ind AS 116 is as follows:

Particulars

Decrease in lease rentals by

Increase in finance cost by

Increase in depreciation by

Net impact on profit/loss

	Year ended March 31, 2024	Year ended March 31, 2023
Decrease in lease rentals by	(23.57)	(9.40)
Increase in finance cost by	8.53	2.00
Increase in depreciation by	23.49	8.05
Net impact on profit/loss	8.45	0.65

Maturity analysis of lease liabilities– contractual undiscounted cash flows:

- Particulars

Less than one year

One to three year

Three to five year

More than five year

Total undiscounted lease liabilities as at

Discounted lease liability included in the statement of financial position

	Year ended March 31, 2024	Year ended March 31, 2023
Less than one year	40.23	7.90
One to three year	70.74	20.21
Three to five year	37.13	5.74
More than five year	1.50	0.73
Total undiscounted lease liabilities as at	149.60	34.58

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e	The total cash outflow for leases for year ended March 31	23.57	9.40
	General Description of leasing agreements:		
	Leased Assets: Buildings		
	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.		

59 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 promoting education & health care, woman empowerment and contribution to Prime Minister's 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.17.94 (in Millions)

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	18.05	-	18.05

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Amount required to be spent by the Group during the year	17.94	12.94
Amount of expenditure incurred	18.05	12.95
Shortfall/(Excess) at the end of the year	(0.10)	(0.01)
Total of previous years Excess/(shortfall)	(0.02)	(0.01)
Reason for shortfall	NA	NA
Nature of CSR activities	Contribution to promoting education & health care, woman empowerment and contribution to 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	(0.12)	(0.02)

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60 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, 2024 and March 31, 2023.

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, 2024	March 31, 2023
Borrowings	1,306.68	464.08
Lease Liability	132.85	25.38
Less: cash and cash equivalent	(77.32)	(226.48)
Net Debt	1,362.20	262.99
Total Equity	5,342.96	3,954.16
Gear Ratio	0.25	0.07

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.

61 Events Occurring After The Reporting Period

i) Dividends in respect of year ended 31 March 2023 paid aggregating to Rs. 93.41 million (Rs. 15 per equity share outstanding as on 31 March 2023) is out of Retained Earnings for the year ended 31 March 2023.

ii) On 03 June 2024, in respect of the year ended 31 March 2024, the Board of Directors of the Company have approved an interim dividend of Rs. 20 per equity share which has been paid, resulting to cash outflow of Rs. 124.55 million.

SFC Environmental Technologies Private Limited

Notes to consolidated financial statement for the year ended March 31, 2024

CIN: U90000MH2005PTC152235

(Currency: Indian Rupees in Millions)

62 Investment in Subsidiary

Acquisition of Hindustan Waste Treatment Private Limited ("HWTPL")

On October 05, 2023, the Group acquired control over HWTPL, associate company (49% equity stake) through acquisition of balance 31% of the equity shares. HWTPL is an unlisted company specialising in the business of design, engineering, fabrication, procurement, equipment supply, erection & commissioning of Municipal Solid Waste (MSW) treatment plants based on different variants of PPP model such as Built Own Operate Transfer (BOOT), Design Built Finance Operate Transfer (DBFOT) or cash contracts such as EPC and Annuity projects and it render all type of services in relation to treatment of municipal solid waste. It also carries out operation and maintenance services of MSW plant, processing / treating waste to separate recyclables, convert waste into sustainable energy, generating compost, generating Refused Derived Fuel and remediation/ bio mining of legacy waste dumpsites. The acquisition has been accounted by applying the acquisition method and accordingly the underlying assets, liabilities, equity, income, expenses and cash flows of HWTPL have been combined after giving effect to necessary adjustments in the Consolidated Financial Statements.

Gain on Bargain Purchase disclosure as on date of acquisition

Particulars	Amount
Acquisition date fair value of Net Assets	678.61
Proportionate share (80%) in fair value of net assets of HWTPL on the date of acquisition (A)	542.89
Carrying value of Group's 49% stake in HWTPL as on the acquisition date (B)	332.52
Consideration paid in cash (C)	151.96
Fair value of consideration (D= B + C)	484.48
Gain on Bargain Purchase (C= A - D)	58.41

63 Revenue from contracts with customers in case of Service Concession agreement

The Company (Vasudha Waste Treatment Pvt. Ltd) , 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:

- to design, engineer, finance, construct, supply, install, commission, operate and maintain the plant;
- upon commissioning of the plant , to manage, operate and maintain the same;
- receive Municipal Solid Waste (MSW) from GWMC (or a person authorized by GWMC) at the site;
- 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;
- to process MSW at the Plant;
- to undertake repair and maintenance of the plant for MSW processing and disposal in accordance with the provisions of the agreement
- to transfer the plant to GWMC at the end of the term or on termination, in accordance with the provisions of the agreement; and
- 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

SFC Environmental Technologies Private Limited

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64 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
- 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 has not satisfied one charge which is yet to be registered with ROC beyond the statutory period. The charge is towards motor car loan with the Registrar of Companies, Mumbai (ROC) for a value of Rs. 21.91 Lacs. The Group is in the process of releasing the charge registered with the ROC and has received the NoC from bank dated August 20th, 2021. The Group had mailed the form to the Bank dated September 14, 2021. The reason for delay in satisfying the charge registered with ROC is due to pendency of digitally signed form to be received from bank.
- 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.
- xi) 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.
- xii) 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.

65 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

Yogesh R. Amal

Partner

Membership No. 111636

Place: Mumbai

Date: August 08, 2024

Sandeep Sudhakar Asolkar

Chairman & Managing Director

DIN: 00097828

Sarvesh Kumar Garg

Director

DIN: 06873116

Shweta Deshpande

Company Secretary

M. No.: A-67764