

# V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Maharashtra Enviro Power Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Maharashtra Enviro Power Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

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

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



## V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

---

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

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

### **Management's Responsibilities for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.



# V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



# V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.



**V. K. SURANA & CO.**

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements – Refer Note No. 34(A) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

**For V. K. Surana & Co.**

*Chartered Accountants*

Firm Reg No.110634W



**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, October 31, 2020

UDIN: 20063414AAAADR 9247

## V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

---

**Annexure A to the Independent auditor's report referred to in paragraph 1 of even date to the financial statements of MAHARASHTRA ENVIRO POWER LIMITED for the year ended March 31, 2020:**

- i)
- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
  - c) The title / lease deeds of immovable properties are held in the name of the company.
- ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us, the Company has granted unsecured loans to its two of its related party, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a) The terms and conditions of grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except that the loan is unsecured and interest free. Total loan amount granted during the year - Nil and balance outstanding as at balance sheet date Rs. 1948.00 Lacs.
  - b) These loans do not carry any specific repayment terms of principal and interest and hence clause 3(iii) (b) could not be commented upon.
  - c) In the absence of any specific repayment schedule, clause 3(iii)(c) could not be commented upon.e
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable in respect of grant of loans, making investments and providing guarantees and securities.
- v) The Company has not accepted deposits within the meaning of section 73 and 76 of the act and the companies (acceptance of deposits) rules, 2014 (as amended) during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.



## V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

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

vii)

a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods & Services Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanation given to us, no material undisputed arrears of above statutory dues were outstanding as on 31st March, 2020 for a period of more than six months from the date they become payable.

Further Sales-Tax, Service Tax, Duty of Excise and Value Added Tax are not applicable to the Company during the current financial year due to migration of the all indirect taxes to Goods & Service Tax.

b) According to the information and explanation given to us, there are no material dues of Goods and Services Tax, Duty of Excise, Sales Tax & Value Added Tax and the details of dues of Duty of Customs, Service Tax and Income Tax which have not been deposited on account of any dispute and the forum where the dispute is pending are given in Annexure 1 attached herewith along with the details of amount deposited under protest/adjusted by tax authorities.

viii) As per information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institution. The Company does not have any outstanding loans or borrowings to government or debenture holders during the year.

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

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

xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



**V. K. SURANA & CO.**

CHARTERED ACCOUNTANTS

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

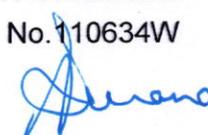
Ph. No.: (0712) 6641111, Fax: (0712) 6641122

e-mail:info@vksca.com

- xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us transactions with related parties are in compliance with the provisions of section 177 and 188 of companies act, 2013 wherever applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



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

  
**CA. Sudhir Surana**  
Partner

Membership No. 43414

Nagpur, October 31, 2020

UDIN: 20043414AAAADR9247

## Annexure – 1

Statement of Disputed Statutory Dues referred to in clause (vii)(b) Annexure 'A' of

Name of Statute	Nature of Dues	Forum
Finance Act	Service Tax	CESTAT, Mumbai
Finance Act	Service Tax - Interest and Penalty	CESTAT, Mumbai
Finance Act	Service Tax	Assitant Commissioner
Finance Act	Service Tax	Joint Commissioner
Finance Act	Service Tax	Joint Commissioner
Finance Act	Service Tax	Assitant Commissioner
Maharashtra Value Added Tax Act	Value Added Tax	The Deputy Commissioner
Maharashtra Value Added Tax Act	Value Added Tax	The Deputy Commissioner
Maharashtra Value Added Tax Act	Value Added Tax	Sales tax Officer
Maharashtra Value Added Tax Act	Value Added Tax	Sales tax Officer
Customs Act	Custom Duty	High Court of Mumbai
		<b>Total</b>



# V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

**“Annexure B” referred to in Paragraph (1) of our report of even date to the members of MAHARASHTRA ENVIRO POWER LIMITED on the Accounts for the year ended 31<sup>st</sup> March 2020.**

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

We have audited the internal financial controls over financial reporting of **MAHARASHTRA ENVIRO POWER LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



## V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

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

---

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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



**V. K. SURANA & CO.**

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

**Opinion**

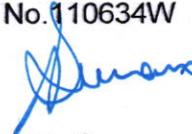
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



**For V. K. Surana & Co.**

*Chartered Accountants*

Firm Reg No. 110634W

  
**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, October 31, 2020

UDIN: 20043414 AAAADR9247

MAHARASHTRA ENVIRO POWER LIMITED  
Balance Sheet as at 31st March 2020



Particulars	Note No.	As at	As at
		31-Mar-20	31-Mar-19
		₹ in Lacs	₹ in Lacs
<b>I ASSETS :</b>			
<b>1 Non-current Assets :</b>			
(a) Property, Plant and Equipment	2	2,938.20	1,826.84
(b) Capital Work-in-Progress		895.93	2,790.26
(c) Intangible Assets	3	11.86	1.21
(d) <u>Financial Assets</u>			
(i) Investments	4	36,211.58	33,485.54
(ii) Other Financial Assets	5	101.32	115.27
(e) Deferred Tax Assets (Net)	6	2,982.70	2,862.31
(f) Other Non Current Assets	7	48.46	241.35
<b>Total Non-Current Assets</b>		<b>43,190.05</b>	<b>41,322.79</b>
<b>2. Current Assets :</b>			
(a) Inventories	8	243.27	247.16
(b) <u>Financial Assets</u>			
(i) Trade Receivables	9	2,747.55	2,883.39
(ii) Cash and Cash Equivalent	10	430.99	346.98
(iii) Bank balances other than (ii) above	11	308.39	111.41
(iv) Loans	12	2,308.62	3,472.70
(v) Other Financial Assets	13	51.14	39.05
(c) Current Tax Assets(Net)	14	564.16	418.31
(d) Other Current Assets	15	91.01	472.52
<b>Total Current Assets</b>		<b>6,745.13</b>	<b>7,991.52</b>
<b>TOTAL ASSETS</b>		<b>49,935.18</b>	<b>49,314.31</b>
<b>II EQUITY AND LIABILITIES :</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	16	4,519.85	4,519.85
(b) Other Equity	17	3,455.86	2,600.18
<b>Total Equity</b>		<b>7,975.72</b>	<b>7,120.03</b>
<b>2. Liabilities</b>			
<b>2.1 Non-current Liabilities :</b>			
(a) Financial Liabilities			
(i) Borrowings	18	29,186.86	29,490.21
(ii) Other Financial Liability	19	3,679.11	3,311.72
(b) Provisions	20	4,393.60	3,835.94
(c) Other Non-Current liabilities	21	93.36	304.15
<b>Total Non-Current Liabilities</b>		<b>37,352.93</b>	<b>36,942.03</b>
<b>2.2 Current Liabilities :</b>			
(a) Financial Liabilities			
(i) Borrowings	22	999.38	882.44
(ii) <u>Trade Payables</u>	23		
(a) Dues of micro and small enterprises		4.08	19.56
(b) Dues of creditors other than micro and small enterprises		834.83	494.44
(iii) Other Financial Liabilities	24	1,303.25	2,256.39
(b) Other Current Liabilities	25	332.84	384.11
(c) Provisions	26	1,132.16	1,215.31
<b>Total Current Liabilities</b>		<b>4,606.53</b>	<b>5,252.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,935.18</b>	<b>49,314.31</b>

Significant Accounting Policies

1

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

As per our report of even date.

FOR V. K. SURANA & CO

Chartered Accountants

Firm Registration No. 110634W

CA. SUDHIR SURANA

Partner

Membership No. 043414

Nagpur, dated the,

31 OCT 2020

UDIN : 20043414 AAAADR 9247



For and on behalf of the Board of Directors of  
MAHARASHTRA ENVIRO POWER LIMITED

HEMANT KUMAR LODHA

Managing Director

(DIN: 01654145)

ASIF HUSSAIN

Director

(DIN: 03533465)

MANISH RAI

Chief Financial Officer

**MAHARASHTRA ENVIRO POWER LIMITED**  
Statement of Profit and Loss for the year ended 31st March 2020



Particulars	Note No.	Year Ended	Year Ended
		31-Mar-20	31-Mar-19
		₹ in Lacs	₹ in Lacs
<b>INCOME :</b>			
I. Revenue from operations	27	11,681.74	12,725.04
II. Other Income	28	1,026.61	1,193.03
III. <b>Total Income (I+II)</b>		<b>12,708.35</b>	<b>13,918.07</b>
<b>EXPENSES :</b>			
Direct Expenses	29	3,119.80	3,740.75
Employee benefit expenses	30	1,067.95	1,063.15
Finance costs	31	4,434.15	4,769.26
Depreciation and Amortization expenses	32	1,646.49	2,262.34
Other expenses	33	1,467.51	714.42
IV. <b>Total Expenses :</b>		<b>11,735.89</b>	<b>12,549.92</b>
V. <b>Profit/(Loss) before tax (III-IV)</b>		972.45	1,368.15
VI. <b>Tax Expense:</b>			
Current Tax		34.95	28.607
Deferred Tax		80.43	(96.47)
VII. <b>Profit/(Loss) for the year (V-IV)</b>		<b>857.066</b>	<b>1,436.01</b>
<b>VIII. Other comprehensive income</b>			
i) <b>Items that will not be reclassified to</b>			
Net Gain/(loss) on Remeasurement defined Benefit Plan		(7.75)	(1.83)
Net Gain /(Loss) on Fair value changes of Investment in Equity Instruments		(19.50)	0.46
Income Tax relating to item that will not be reclassified to Profit or Loss		7.94	0.40
ii) <b>Items that will be reclassified to profit or loss</b>			
Net Gain /(Loss) on Fair value changes in Investment of Debt Instruments		25.30	31.52
Income Tax relating to item that will be reclassified to Profit or Loss		(7.37)	(9.00)
<b>Total other comprehensive</b>		<b>(1.380)</b>	<b>21.541</b>
IX. <b>Total comprehensive income for the year (VII+VIII)</b>		<b>855.69</b>	<b>1,457.55</b>
<b>X. Earnings per equity share face value of ₹10/- e</b>			
Basic	40	1.90	3.18
Diluted		1.90	3.18

Significant Accounting Policies 1

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

As per our report of even date.

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

CA. **SUDHIR SURANA**  
Partner  
Membership No. 043414  
Nagpur, dated the,

**31 OCT 2020**

UDIN : 20043414 AAAA DR 9247



For and on behalf of the Board of Directors of  
**MAHARASHTRA ENVIRO POWER LIMITED**

**HEMANT KUMAR LODHA**  
Managing Director  
(DIN: 01654145)

**ASIF HUSSAIN**  
Director  
(DIN: 03533465)

**MANISH RAI**  
Chief Financial Officer

**MAHARASHTRA ENVIRO POWER LIMITED**  
Cash flow statement for the year ended 31st March 2020

Particulars	Year Ended	Year Ended
	31-Mar-20	31-Mar-19
	₹ in Lacs	₹ in Lacs
<b>A) Cash Flow from Operating Activities :</b>		
Profit After tax for the year	857.07	1,436.01
<u>Adjustments to reconcile profit and loss to net Cash Provided by operating activities :</u>		
Interest Income	(148.59)	(137.62)
Interest Expenses	4,434.15	4,769.26
Subsidy Amortised during the year	(829.68)	(1,027.87)
Remeasurement of Defined Benefit Plan	(7.75)	(1.83)
(Profit)/loss on Sale/Disposal of Assets	14.59	(1.03)
Profit on Sale of Investment	(5.38)	(6.66)
Loss From Partnership Firm	506.13	-
Depreciation & Amortisation	1,646.49	2,262.34
<u>Operating Profit before Working Capital Changes</u>	<u>6,467.03</u>	<u>7,292.60</u>
<u>Adjustments For Working Capital Changes :</u>		
Increase/(Decrease) in Trade Payables	324.90	(554.90)
Increase/(Decrease) in other Non Current Financial Liabilities	367.39	390.28
Increase/(Decrease) in other Current Financial Liabilities	(258.37)	518.45
Increase/(Decrease) in Non Current Liabilities		
Increase/(Decrease) in other Current Liabilities	(126.59)	24.47
Increase/(Decrease) in Provisions	474.50	525.05
Decrease/(Increase) in Trade Receivables	135.84	571.72
Decrease/(Increase) in Non Current Assets	4.33	(115.74)
Decrease/(Increase) in Other Current Financial Assets	(12.08)	4.98
Decrease/(Increase) in Other Current assets	381.51	(227.78)
Decrease/(Increase) in Inventory	3.89	(36.87)
<u>Cash Generated/(used) from Operations :</u>	<u>7,762.34</u>	<u>8,392.25</u>
Direct Tax Paid/Adjusted	(265.67)	(349.64)
<u>Net Cash Flow from/(used in) Operating Activities</u>	<u>7,496.67</u>	<u>8,042.61</u>
<b>B) Cash Flow from Investing Activities :</b>		
Purchase of fixed assets, including Intangible Assets, CWIP and Capital Advances	(717.10)	(2,817.53)
Proceeds from Sale of Fixed Assets	16.91	4.48
Proceeds from Sale of Investments	5.38	552.16
Purchase of New Mutual Funds	(284.75)	(185.25)
Investment in Partnership Firm	(2,941.62)	(1,390.15)
Interest Received	148.59	137.62
Decrease/(Increase) in Bank Deposits	(183.03)	(122.87)
Repayment of Loan Received	1,164.08	957.40
<u>Net Cash flow from/(used in) Investment Activity</u>	<u>(2,791.54)</u>	<u>(2,864.13)</u>
<b>C) Cash Flow from Financing Activities :</b>		
Repayment of long-term borrowings	(881.18)	(1,180.14)
Capital Subsidy Received	694.50	773.50
Interest Expenses	(4,434.15)	(4,769.26)
<u>Net Cash from/(used in) Financing Activities</u>	<u>(4,620.83)</u>	<u>(5,175.90)</u>
<u>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</u>	<u>84.01</u>	<u>2.58</u>
<u>Cash &amp; Cash Equivalent at the beginning of period</u>	<u>346.98</u>	<u>344.41</u>
<u>Cash &amp; Cash Equivalent at the end of period</u>	<u>430.99</u>	<u>346.98</u>

As per our report of even date.  
FOR **V. K. SURANA & CO**  
Chartered Accountants  
Firm Registration No. 110634W

CA. **SUDHIR SURANA**  
Partner  
Membership No. 043414  
Nagpur, dated the,

**31 OCT 2020**

UDIN : 20043414 AAAA DR 9247



For and on behalf of the Board of Directors of  
**MAHARASHTRA ENVIRO POWER LIMITED**

**HEMANT KUMAR LODHA**  
Managing Director  
(DIN: 01654145)

**ASIF HUSSAIN**  
Director  
(DIN: 03533465)

**MANISH RAI**  
Chief Financial Officer

**MAHARASHTRA ENVIRO POWER LIMITED**

Notes to financial statements for the year ended 31st March 2020

**A. Equity Share Capital**
**As at 1st April, 2018**

Changes in Equity Share Capital

**As at 31st March, 2019**

Changes in Equity Share Capital

**As at 31st March, 2020**

₹ in Lacs Amount
4,519.85
-
4,519.85
-
4,519.85

**B. Other Equity**

₹ in Lacs

Particulars	Reserves and Surplus			Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Remeasurement defined Benefit Plan	
Balance as at 1st April, 2018	101.50	1,098.71	(41.79)	(8.05)	-	(9.48)	1,140.88
Prior Period Errors	-	-	1.75	-	-	-	1.75
Restated Balance as at 1st April, 2018	101.50	1,098.71	(40.04)	(8.05)	-	(9.48)	1,142.63
Profit/(Loss) for the year	-	-	1,436.01	-	-	-	1,436.01
Other Comprehensive Income For the year	-	-	-	22.52	0.32	(1.30)	21.54
<b>Total Comprehensive Income for the year</b>	-	-	<b>1,436.01</b>	<b>22.52</b>	<b>0.32</b>	<b>(1.30)</b>	<b>1,457.55</b>
Balance as at 31st March, 2019	101.50	1,098.71	1,395.97	14.46	0.32	(10.78)	2,600.18
Balance as at 1st April, 2019	101.50	1,098.71	1,395.97	14.46	0.32	(10.78)	2,600.18
Profit/(Loss) for the year	-	-	857.07	-	-	-	857.07
Other Comprehensive Income For the year	-	-	-	17.94	(13.82)	(5.49)	(1.38)
<b>Total Comprehensive Income for the year</b>	-	-	<b>857.07</b>	<b>17.94</b>	<b>(13.82)</b>	<b>(5.49)</b>	<b>855.69</b>
Balance as at 31st March, 2020	101.50	1,098.71	2,253.03	32.40	(13.50)	(16.28)	3,455.86

**Nature and Purpose of each reserves**
**a) Capital reserve**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

**b) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

Significant Accounting Policies

1

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

As per our report of even date

**FOR V. K. SURANA & CO**

Chartered Accountants

Firm Registration No. 110634W


**CA. SUDHIR SURANA**

Partner

Membership No. 043414

Nagpur, dated the,

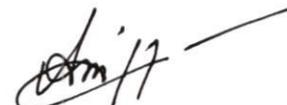
**31 OCT 2020**

 For and on behalf of the Board of Directors of  
**MAHARASHTRA ENVIRO POWER LIMITED**

**HEMANT KUMAR LODHA**

Director

(DIN : 01654145)


**ASIF HUSSAIN**

Director

(DIN : 03533465)


**MANISH RAI**

Chief Financial Officer

UDIN : 20043414AAAADR9247

**1) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31<sup>st</sup> MARCH 2020**

**I) Corporate information :**

Maharashtra Enviro Power Limited is a Public Limited Company domiciled in India & Incorporated on 20th January 2005 under the provision of the Companies Act, 1956. It is Subsidiary Company of SMS Limited. The Company is in the business of management of Hazardous Industrial solid waste. The Company provides solutions for scientific treatment & disposal of Hazardous Industrial solid waste by the latest eco-friendly technology.

**II) Basis of preparation :**

**(i) Compliance with IND AS**

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

The accounting policies are applied consistently to all periods presented in Financial Statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

**(ii) Historical Cost Conventions**

The financial statements have been prepared on a historical cost basis.

**(iii) Current Versus Non Current Classification**

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

**(iv) Rounding off of Amounts**

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

**III) Use of Estimates and Judgements :**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and judgements used in the preparation of financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

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

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

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

**IV) Significant Accounting Policies :**

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

**i) Recognition & Measurement**

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

Advances paid towards acquisition of property plant & equipment outstanding at each balance sheet date is classified as capital advances under other non current assets and the cost of asset not put to use before such date are disclosed under " Capital work in progress". Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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



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

Depreciation is calculated on a written down value basis over the estimated useful life of the assets as per provided in Part C of schedule II of the company act 2013 or remaining life of the project which ever For Depreciation of Landfill Asset, the Company evaluates the cost of construction of Landfill and also the capacity of landfill in Metric Ton (MT). Based on this the company evaluates Per MT Rate of depreciation to be charge on landfill. Every year the company evaluates the quantity of waste disposed off in landfill and charge depreciation on landfill by multiplying the Per MT depreciaton rate with the quantity of waste disposed during the year.

The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are same as the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Asset Class	Useful Life
Building	7-20 Years
Plant and Equipment	7-18 Years
Furniture and Fixtures	7-10 years
Office Equipments	5 years
Vehicles	8-10 Years
Computers	3 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition/ disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the As per condition for award of project the majority of assets are required to be handed over to over to concessionor in as it is condition Hence residual value of the asset is considered at 0.20% of Gross Block of Asset.

**b) Investment in Properties :-**

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

**c) Intangible Assets :-**

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

Asset Class	Useful Life
Softwares & Licenses	10-20 Years

**d) Inventories :-**

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

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

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

**g) Cash & Cash Equivalent**

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

**h) Leases :-**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

**As Lessee**

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



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

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

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

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

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

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

#### **Short-term leases and leases of low-value assets**

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

#### **Under Ind AS 17**

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

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

#### **As a lessor**

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



**Arrangements in the nature of lease**

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

**i) Borrowings :-**

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

**j) Financial Instruments:**

**(i) Financial Assets**

**1) Classification**

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

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

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

**2) Initial Recognition and measurement**

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

**3) Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in

**a) Financial assets at amortized cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

**b) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

**c) Financial assets at fair value through**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

**4) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).



**5) De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

**ii) Equity Instrument And Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**a) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

**b) Financial Liabilities****1) Initial recognition and Measurement**

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

**2) Subsequent measurement**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity

**3) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**4) Offsetting Financial Liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

**k) Impairment of Non-Financial Assets:**

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

**Recoverable amount is determined:**

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

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

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



1) **Provisions, Contingent Liabilities and Contingent Assets:-**

A provision is recognized when the company has the present obligation (legal and constructive) as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When a company expects provision to be reimbursed, the reimbursement is recognized as a separate asset only when reimbursement is virtually certain.

A disclosure of contingent liabilities is made where there is possible obligation or present obligation that may probably not require an outflow of resources. When there is possible or a present obligation where there is likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the financial statements.

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

**Provision for Landfill Cover Charges:-**

The technical team works out the likely total cost, that will be required to cap the landfill and the likely quantity of waste in Metric Ton (MT) to be disposed off in landfill and derives the Per MT cost of cover charges. Based on this the provision is being done every year for the quantity of waste disposed. The actual cost of capping incurred during the year is adjusted against this provision.

**Provision for Escrow Charges (Post Monitoring Charges):-**

Against the required post monitoring activity, the technical team evaluates the likely cost required for maintenance of each landfill. Based on this, Per Metric Ton Post monitoring cost is work out and provided for in the books against the actual quantity disposed during the year.

m) **Revenue Recognition:**

The Company earns revenue primarily from Hazardous Waste Disposal Services and allied activities including transportation and laboratory testing of Hazardous waste.

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

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

Revenue has been recognized on accrual basis at the time of receipt of "Hazardous waste".

Membership fees are recognized as income over the period of membership on pro rata basis.

Services charges are recognized as income after expiry of the contract term (generally one year) or at the time of waste disposable of the respective customer, whichever is earlier.

The Company disaggregates revenue from contracts with customers on the basis nature of waste deisposal services provided i.e Direct landfill, Landfill after treatment and Incineration.

n) **Government Grants :-**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in capital reserve as deferred income and are credited to Profit and Loss on a straight - line basis over the remaining period of the project and presented within other income.

o) **Foreign currency Translation :-**

i) **Functional and presentation currency :-**

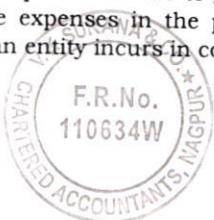
The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) **Transactions and balances :-**

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

p) **Borrowing Costs :-**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use as part of the cost of asset. All other borrowing costs are expenses in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



**q) Taxes on Income:**

**i) Current Tax:-**

The income tax expense or credit, if there is any for the period is the tax payable on the current period's taxable income based on the applicable income tax rate as per Income tax Act 1961. Current Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

**ii) Deferred Tax:-**

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

**r) Employee Benefits :-**

**i) Short-term obligations :-**

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

**Leave Encashment**

The cost of short term compensated absences is provided for based on estimates. The company presents the entire leave as a current liability in the balance sheet, since it does not have as unconditional right to defer its settlement for 12 months after the reporting date.

**ii) Post-employment obligations :-**

**The Company operates the following post employment schemes:**

- a) Defined benefit plan such as gratuity;
- b) Defined contribution plan such as

**Gratuity obligations**

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

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

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

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

**Provident Fund**

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

**s) Segment Reporting :-**

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the segments of the Company.

**f) Earnings Per Share:**

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

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



**MAHARASHTRA ENVIRO POWER LIMITED**
**Notes to financial statements for the year ended 31 March 2020**
**2) Property Plant and Equipment**

Particulars								₹ in Lacs
	Lease Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
<b>A. Gross Carrying Value</b>								
<b>As At 1st April 2018</b>	8.31	5,481.82	20,805.20	242.06	3,304.60	98.73	79.98	30,020.71
Additions	-	27.69	153.48	11.69	195.66	1.81	1.47	391.80
Disposals	8.31	-	1,135.53	0.26	58.91	-	1.04	1,204.05
<b>As at 31st March 2019</b>	-	5,509.50	19,823.15	253.49	3,441.35	100.55	80.42	29,208.46
Additions	-	74.08	2,641.89	0.21	58.27	2.08	1.76	2,778.28
Disposals	-	-	3,508.78	-	23.10	0.71	-	3,532.59
<b>As at 31st March 2020</b>	-	5,583.59	18,956.26	253.70	3,476.52	101.91	82.18	28,454.16
<b>B. Accumulated Depreciation</b>								
<b>As at 1st April 2018</b>	7.34	4,542.99	18,194.14	237.47	3,168.78	95.06	75.32	26,321.12
Charge for the year	0.37	380.26	1,716.52	2.29	153.26	3.41	4.99	2,261.10
Disposals	7.71	-	1,132.91	0.26	58.68	-	1.04	1,200.59
<b>As at 31st March 2019</b>	-	4,923.25	18,777.76	239.51	3,263.36	98.47	79.27	27,381.62
Charge for the year	-	252.59	1,271.79	6.54	100.58	2.45	1.46	1,635.42
Disposals	-	-	3,477.33	-	23.05	0.71	-	3,501.09
<b>As at 31st March 2020</b>	-	5,175.84	16,572.21	246.05	3,340.90	100.22	80.73	25,515.95
<b>C. Net Carrying value</b>								
<b>As at 31st March 2019</b>	-	586.25	1,045.39	13.98	177.99	2.07	1.15	1,826.84
<b>As at 31st March 2020</b>	-	407.74	2,384.05	7.64	135.62	1.70	1.45	2,938.20

Note :- The Company has received land in the form of Non-monetary grant and same had been recognised at a nominal amount in line with the accounting policy



3) **Other Intangible Assets**

**Computer Software**

**Gross carrying value**

**As at 1st April, 2018**

Additions

Disposals

**As at 31st March, 2019**

**Additions**

**Disposals**

**As at 31st March, 2020**

**Accumulated Amortisation**

**As at 1st April, 2018**

Addition

Disposals

**As at 31st March, 2019**

Addition

Disposals

**As at 31st March, 2020**

**Net carrying value**

**As at 31st March, 2019**

**As at 31st March, 2020**

₹ in Lacs

35.48

-

-

35.48

21.72

-

57.20

33.03

1.24

-

34.27

11.07

45.34

1.21

11.86

As at 31-Mar-20	As at 31-Mar-19
₹ in Lacs	₹ in Lacs

4) **Non-Current Investments**

a) **Investment in Mutual Funds : (At Fair Value through OCI)**

Quoted

1) Aditya Birla Sun Life Dynamic Bond Fund-Growth-Regular Plan	135.42	134.34
2) Aditya Birla Sun Life Credit Risk Fund - Gr. Regular	7.57	7.37
3) SBI Credit Risk Fund Regular Growth	13.63	12.84
4) SBI Dynamic Bond Fund - Regular Plan - Growth	134.45	118.07
5) Axis Banking & PSU Debt Fund - Growth (BDGPG)	3.37	3.08
6) IDFC Banking & PSU Debt Fund - Growth	44.55	6.11
7) IDFC Corporate Bond Fund	21.88	1.76
8) Nippon India Banking & PSU Debt Fund - Growth (Earlier Reliance)	23.97	1.76
9) Nippon India Floating Rate Fund - Growth Plan (Earlier Reliance)	23.80	1.76
10) UTI Equity Fund - Regular Growth Plan	12.42	3.19
11) ICICI Prudential Multicap Fund- Growth	10.29	2.11
12) Edelweiss Balanced Advantage Fund - Growth	24.13	4.10
13) HDFC Small Cap Fund-Regular	7.75	1.02
14) Mirae Asset India Equity Fund	8.99	1.01
15) Nippon India Large Cap Fund - Growth (Earlier Reliance)	8.37	1.02

Unquoted

1) ICICI Prudential Banking & PSU Debt Fund - Growth	23.75	1.76
--	-------	------

b) **Investment in Debentures (Quoted) : (At Fair Value through OCI)**

1) SREI Perpetual Debentures Instrument	500.00	500.00
---	--------	--------

c) **Investment in Partnership firm : (At amortised cost)**

SAN Finance Corporation (Related Party)	35,019.48	32,583.99
---	-----------	-----------

d) **Other Investments (Unquoted) : (At Fair Value through OCI)**

1) Edelweiss Infrastructure Yield Plus	187.75	100.25
--	--------	--------

**36,211.58**      **33,485.54**

**Additional Disclosure :**

Aggregate value of quoted Investment at Cost	955.00	778.75
Aggregate value of quoted Investment at Market Value	980.60	799.54
Aggregate value of Unquoted Investment	35,230.98	32,686.00
Aggregate value of Impairment in value of Investment	NIL	NIL



Name of Partnership Firm: SAN Finance Corporation  
Details of Partnership Firm as on 31st March 2020

Sr.no	Partners Name	Partners Capital (current) (Rs in Lacs)	Partners Capital (Fixed) (Rs in Lacs)	Share of each Partner
1)	Ajay Sancheti	(3,330.70)	0.125	27%
2)	Anand Sancheti	(18,164.18)	0.125	27%
3)	Paramveer Sancheti (Legal Heirs of Mr. Abhay Sancheti)	(4,874.06)	0.0625	18%
4)	Akshay Sancheti (Legal Heirs of Mr. Abhay Sancheti)	(2,650.22)	0.0625	18%
5)	Maharashtra Enviro Power Limited	35,019.36	0.125	10%
	Total	6,000.20	0.50	100%

Details of Partnership Firm as on 31st March 2019

Sr.no	Partners Name	Partners Capital (current) (Rs in Lacs)	Partners Capital (Fixed) (Rs in Lacs)	Share of each Partner
1)	Abhay Sancheti	(3,317.79)	0.125	36%
2)	Ajay Sancheti	(2,432.06)	0.125	27%
3)	Anand Sancheti	(11,234.25)	0.125	27%
4)	Maharashtra Enviro Power Limited	32,365.93	0.125	10%
	Total	15,381.84	0.50	100%

Note :-

- 1) Loss of Rs. 217.93 lacs towards our share of Total Loss of San Finance Corporation for the F.Y 18-19 is accounted for in F.Y 19-20 considering the fact that the audited financial statements of F.Y 18-9 is received in F.Y 19-20
- 2) During th the year there is change in constitution of the firm Due to demise of one of the partners Mr. Abhay Sancheti. the details of which are stated above
- 2) Following Mutual Funds & Debenture Instrument are Pledged as security against Axis Bank Cash Credit Limit.
  - 1) Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan having Folio No. 1037221761.
  - 2) Aditya Birla Sun Life Credit Risk Fund Gr. Regular having Folio No.1018373855
  - 3) SBI Dyanamic Bond Fund - Regular Plan - Growth Folio No. 20003588
  - 4) SBI Credit Risk Fund Regular Growth Folio No.16544310.
  - 5) SREI Perpetual Debenture Instrument.

5) **Other Non-Current Financial Assets :**

Fixed Deposit with Banks

(Original Maturity of more than 12 Months and kept as margin money or Security against bank gaurantee or other commitments)

Security Deposit to Vendor & Utilities

	As at 31-Mar-20 ₹ in Lacs	As at 31-Mar-19 ₹ in Lacs
	57.19	71.15
	44.12	44.12
Total :	101.32	115.27

6) **Deferred Taxes :**

Deferred Tax Assets/(Liabilities) :

Deferred Tax Assets :

Difference of WDV of Fixed Assets

Expenses allowed on payment basis:-

Provision for Gratuity

Leave Provision

Bonus

Others items of OCI

Net Deferred Tax Asset/(Liability)

MAT Credit

	As at 1st April, 2019	Recognised in Statement of Profit & Loss	Recognised in OCI	As at 31st March, 2020
	1,767.60	86.05	-	1,681.54
	33.08	(6.38)	(2.26)	41.71
	5.48	(0.68)	-	6.16
	7.06	1.44	-	5.62
	(6.06)	-	1.69	(7.75)
	1,807.15	80.43	(0.57)	1,727.29
	1,055.15	200.25	-	1,255.41
Total :	2,862.31	280.68	(0.57)	2982.70



	₹ in Lacs			
	As at 1st April, 2018	Recognised in Statement of Profit & Loss	Recognised in OCI	As at 31st March, 2019
<b>Deferred Tax Assets/(Liabilities) :</b>				
Deferred Tax Assets :				
WDV of Fixed Assets	1,670.35	(97.25)	-	1,767.60
<b>Expenses allowed on payment basis:-</b>				
Provision for Gratuity	26.95	(5.59)	(0.53)	33.08
Leave Provision	10.94	5.46	-	5.48
Bonus	7.97	0.91	-	7.06
Others	3.08	-	9.14	(6.06)
Net Deferred Tax Asset/(Liability)	1,719.29	(96.47)	8.60	1,807.15
MAT Credit	816.94	(238.21)	-	1,055.15
<b>Total :</b>	<b>2,536.23</b>	<b>(334.68)</b>	<b>8.60</b>	<b>2862.31</b>
			<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
			<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>7) Other Non-Current Assets :</b>				
(Unsecured considered good)				
<b>Capital Advances</b>				
Related Parties			-	202.34
Others			42.05	28.27
<b>Advances other than Capital Advance</b>				
Security Deposit to Creditors			4.47	5.42
Prepaid Expenses			1.94	5.32
<b>Total :</b>			<b>48.46</b>	<b>241.35</b>
<b>8) Inventories :</b>				
(As taken, valued & certified by the Management at lower of Cost (on Weighted Average Basis or Net Realisable Value)				
Chemicals			47.11	37.15
Stores and Spares			196.16	210.01
<b>Total :</b>			<b>243.27</b>	<b>247.16</b>
<b>9) Current Trade Receivables :-</b>				
Considered good - Unsecured,				
Related Party			196.40	16.58
Others			2,551.14	2,866.81
<b>Total :</b>			<b>2,747.55</b>	<b>2,883.39</b>
<b>10) Cash &amp; Cash Equivalents :</b>				
Cash on hand			0.91	0.59
<b>Balances with Banks :</b>				
In Current Account			430.08	346.39
<b>Total :</b>			<b>430.99</b>	<b>346.98</b>
<b>11) Other Bank Balances :</b>				
Fixed Deposit with Banks				
(Original Maturity of more than 3 Months but less than 12 months and kept as margin money or Security against bank guarantee or other commitments)			185.38	49.38
Recurring Deposits with Banks				
(Remaining Maturity of less than 12 Months and kept as lien against Cash Credit Limit with Axis Bank Ltd)			123.01	62.03
<b>Total :</b>			<b>308.39</b>	<b>111.41</b>
<b>12) Current Loans :</b>				
<b>Considered good - Unsecured,</b>				
<b>Related party :</b>				
GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.			1,148.00	2,030.10
Spark Mall and Parking Pvt. Ltd			800.00	1,000.00
<b>Others :</b>				
Spanv Medisearch Lifesciences Pvt Ltd			360.62	442.60
<b>Total :</b>			<b>2,308.62</b>	<b>3,472.70</b>



	As at 31-Mar-20 ₹ in Lacs	As at 31-Mar-19 ₹ in Lacs
<b>13) Other Current Financial Assets :</b>		
Accrued Interest on Debenture and Deposits	23.74	18.84
Earnest Money Deposits and Security Deposits	27.39	20.22
<b>Total :</b>	<b>51.14</b>	<b>39.05</b>
<b>14) Current Tax Assets :-</b>		
Income Tax Refund Receivable	468.25	363.10
Advance Tax & TDS	340.30	336.56
Less : Provision	(244.39)	(281.35)
<b>Total :</b>	<b>564.16</b>	<b>418.31</b>
<b>15) Other Current Assets:</b>		
(Unsecured, considered good)		
<u>Advances other than Capital Advance</u>		
Others	12.89	34.50
Advances to Staff	1.46	2.30
Deposits under protest for Statutory Dues	29.58	25.41
Goods and Services Tax (GST)	4.39	377.26
Prepaid expenses	42.69	33.06
<b>Total :</b>	<b>91.01</b>	<b>472.52</b>
<b>16) Equity Share Capital :</b>		
<u>Authorised :</u>		
4,60,00,000 (31st March 2019: 4,60,00,000) equity shares of par value of Rs. 10/- each	4,600.00	4,600.00
<u>Issued, Subscribed and Fully Paid Up :</u>		
4,51,98,527 (31st March 2019: 4,51,98,527) Equity Shares of par value of Rs. 10/- each	4,519.85	4,519.85
	4,519.85	4,519.85

**Notes :**

**a) Terms/rights attached to equity shares :**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, after distribution of preferential amount, the holders of equity shares will be entitled to receive remaining assets of the company in proportion to the no. of equity shares held by the shareholder.

**b) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the Financial year :**

	<u>As at 31-3-2020</u>		<u>As at 31-3-2019</u>	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	4,51,98,527	4,519.85	4,51,98,527	4,519.85
Add : Issued during the year	-	-	-	-
At the end of the year	4,51,98,527	4,519.85	4,51,98,527	4,519.85

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

	<u>As at 31-3-2020</u>		<u>As at 31-3-2019</u>	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
(i) SMS Limited	4,16,17,411	92.08%	4,16,17,411	92.08%

**d) Details of shares held by Holding Company :**

	<u>As at 31-3-2020</u>		<u>As at 31-3-2019</u>	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
(i) SMS Limited	4,16,17,411	92.08%	4,16,17,411	92.08%



e) Details Related to issue of Bonus Shares during the preceding Five years

Sr No.	Particulars	Details
1	Name of the company	Maharashtra Enviro Power Limited
2	Date of Allotment	20.02.2017
3	Type of Share Alloted	Equity Shares
4	Nominal Amount Per Share	Rs 10/- per Share
5	Premium Amount Per Share	Nil
6	Total Number of Allottees	9 (nine)
7	Brief Particulars in respect of terms and conditions, Voting Rights etc.	New Equity share rank pari passu with the existing equity shares
8	Total Number of fully paid Bonus Shares Issued	4,10,89,570
9	Total Value of fully paid Bonus Shares Issued (Amount in Rs.)	41,08,95,700
10	Total No of Shares as on 1.4.2016	41,08,957
11	Total No of Shares as on 31.03.2017 (Post Bonus Issue)	4,51,98,527
12	Total Value of Shares as on 31.03.2017 (Post Bonus Issue) (Amount in Rs.)	45,19,85,270

	As at 31-Mar-20 ₹ in Lacs	As at 31-Mar-19 ₹ in Lacs
<b>17) Other Equity</b>		
(i) <u>Securities Premium:</u>		
Balance as at Beginning of Reporting Period	1,098.71	1,098.71
Add : Additions during the year	-	-
Less Amounts utilized	-	-
<b>Total :</b>	<b>1,098.71</b>	<b>1,098.71</b>
ii) <u>Capital Reserve :</u>		
Balance as at Beginning of Reporting Period	101.50	101.50
Add : Additions during the year	-	-
Less Amounts utilized	-	-
<b>Total :</b>	<b>101.50</b>	<b>101.50</b>
iii) <u>Retained Earnings :</u>		
Balance as at Beginning of Reporting Period	1,395.97	(41.79)
<u>Prior Period Errors</u>		
Depreciation on vehicles	-	1.75
Restated Balance as at Beginning of Reporting Period	1,395.97	(40.04)
Add : Profit for the year	857.07	1,436.01
<b>Total :</b>	<b>2,253.03</b>	<b>1,395.97</b>
iv) <u>Other Comprehensive Income :</u>		
Balance as at Beginning of Reporting Period	4.00	(17.54)
Add : Items will not be reclassified to profit or loss in subsequent periods (Net of taxes)	(19.32)	(0.98)
Add : Items will be reclassified to profit or loss in subsequent periods (Net of Taxes)	17.94	22.52
<b>Total :</b>	<b>2.62</b>	<b>4.00</b>
<b>Total :</b>	<b>3,455.86</b>	<b>2,600.18</b>
<b>18) Non-current Borrowings :</b>		
(i) <u>Secured</u>		
(a) <u>Term Loans from Financial Institution :-</u>		
Indiabulls Housing Finance Limited	29,141.39	29,347.83
b) <u>Term Loan from Banks :-</u>		
Axis Bank Ltd	-	9.04
ICICI Bank Ltd	33.69	89.91
Kotak Mahindra Bank Ltd	11.79	41.38
HDFC Bank Ltd	-	2.05
<b>Total :</b>	<b>29,186.86</b>	<b>29,490.21</b>

**Additional Information to Secured Long Term Borrowings :**

The Long Term portion of Term loans are shown under Non Current borrowings and the current maturities of Non Current borrowings are shown under other current financial liabilities as per the disclosure requirement of Schedule III of Companies Act, 2013



**18.1 Details of Securities and Terms of Repayment**

**(a) Other Loans**

**1) India Bulls Housing Finance Limited**

The loan is secured against following property of the company viz. Plot No CHW-1 Butibori Industrial Area, Mandawa and Plot no. 56, Village Ranjagaon MIDC, Taluka Shirur MIDC, Maharashtra. Further, for this loan Co-applicant/guarantors are Bharti Sancheti, Abhay Sancheti (Through his legal Heirs), Anand Sancheti, Vijaya Sancheti, Shruti Sancheti, Ajay Sancheti, Savita Sancheti, & SMS Limited.

Sr No.	Date of Agreement/ Sanction	Maturity period w.r.t. Balance Sheet date	Effective Rate of interest upto 31st March, 2020	Total No. of instalments	Amount of instalment including Interest	Outstanding Balance as on 31.03.2020
					₹ in Lacs	₹ in Lacs
1	26-Mar-18	10 years 2 Months	13.90%	109	465.18	29,690.20

**(b) Vehicle Loans**

Secured by hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter on various dates. The details of individual loans are as under. All Loans are having fixed Interest Rate.

Sr No.	Date of Agreement/ Sanction	Maturity period w.r.t. Balance Sheet date	Effective Rate of interest %	No of instalments due	Amount of instalment including Interest	Outstanding Balance as on 31.03.2020
					₹ in Lacs	₹ in Lacs
<b>1) Axis bank Ltd</b>						
1	24-Jun-16	3 Months	9.86%	3	0.16	0.41
2	24-Jun-16	3 Months	9.86%	3	0.16	0.41
3	24-Jun-16	5 Months	9.86%	5	0.28	1.13
4	24-Jun-16	5 Months	9.86%	5	0.28	1.13
5	24-Jun-16	5 Months	9.86%	5	0.28	1.13
6	24-Jun-16	5 Months	9.86%	5	0.28	1.13
7	24-Jun-16	5 Months	9.86%	5	0.28	1.13
8	24-Dec-15	8 Months	9.61%	8	0.33	2.55
						<b>9.04</b>
<b>2) ICICI Bank Ltd</b>						
1	22-Jan-18	10 Months	8.04%	10	0.73	7.01
2	22-Jan-18	10 Months	8.04%	10	0.73	7.01
3	22-Jan-18	10 Months	8.04%	10	0.73	7.01
4	22-Jan-18	10 Months	8.04%	10	0.73	7.01
5	22-Jan-18	10 Months	8.32%	10	0.73	3.69
6	22-Jan-18	10 Months	8.04%	10	0.73	7.01
7	22-Jan-18	10 Months	8.09%	10	0.58	5.54
8	22-Jan-18	10 Months	8.09%	10	0.58	5.54
9	22-Jan-18	10 Months	8.04%	10	0.73	7.01
10	22-Jan-18	10 Months	8.04%	10	0.73	7.01
11	01-Jan-20	2 Years 8 Months	10.50%	32	0.56	15.71
14	10-Oct-18	3 Years 6 Months	9.25%	42	0.16	5.79
15	10-Oct-18	3 Years 6 Months	9.25%	42	0.16	5.79
16	07-Mar-20	2 Years 10 Months	10.87%	34	0.74	21.60
17	22-Jan-18	10 Months	8.04%	10	0.76	7.24
18	22-Jan-18	10 Months	8.04%	10	0.76	7.24
						<b>127.22</b>
<b>3) Kotak Mahindra Bank Ltd</b>						
1	02-Sep-17	1 Years 4 Months	7.98%	16	1.35	20.31
2	05-Jan-18	1 Years 8 Months	8.40%	20	0.17	3.18
3	05-Jan-18	1 Years 8 Months	8.40%	20	0.17	3.18
4	02-Sep-17	1 Years 4 Months	7.76%	16	0.98	14.72
						<b>41.38</b>
<b>4) HDFC Bank Ltd -</b>						
1	10-Nov-16	8 Months	10.02%	8	2.44	1.03
2	10-Nov-16	8 Months	10.02%	8	2.44	1.03
						<b>2.05</b>

	As at 31-Mar-20 ₹ in Lacs	As at 31-Mar-19 ₹ in Lacs
<b>19) Other Non Current Financial Liabilities :</b>		
Membership Deposit (At amortised cost)	3,679.11	3,311.72
Total :	<u>3,679.11</u>	<u>3,311.72</u>
<b>Note :-</b>		
Membership Deposit is measured at amortised on undiscounted basis considering the fact that the maturity period of liability is unascertained. Also Includes Rs. 1 Lacs from Butibori CETP Pvt Ltd. (Related Party)		
<b>20) Non Current Provisions :</b>		
Gratuity Payable	139.74	110.42
Provision for Post Landfill Capping Charges	1,478.94	1,149.23
Provision for Post Monitoring Charges	2,774.92	2,576.29
Total :	<u>4,393.60</u>	<u>3,835.94</u>
<b>21) Other Non Current Liabilities :</b>		
<u>Deposit</u>		
Security Deposits From Contractor	0.50	0.50
<u>Security Deposits From Related party</u>		
SMS Limited	2.45	2.74
Deferred Income - Government Grant	90.41	300.91
Total :	<u>93.36</u>	<u>304.15</u>
<b>22) Current Borrowings :</b>		
<b>i) Secured loan from Banks :</b>		
<u>Loans repayable on Demand :</u>		
Axis Bank Cash Credit Limit	999.38	882.44
Total :	<u>999.38</u>	<u>882.44</u>

**Note:-**

The Loan is secured by Hypothecated of entire current assets and movable fixed assets of the company both present and future. Further the loan is secured by Personal Guarantee of Mr. Paramveer Sancheti and Mr. Anand Sancheti and Recurring Deposit at Rs. 5 lacs per month is to be created over the two years period. Also having charge over following investments of the company.

- 1) Aditya Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan having Folio No. 1037221761.
- 2) Aditya Birla Sun Life Credit Risk Fund Gr. Regular having Folio No.1018373855
- 3) SBI Dyanamic Bond Fund - Regular Plan - Growth Folio No. 20003588
- 4) SBI Credit Risk Fund Regular Growth Folio No.16544310.
- 5) SREI Perpetual Debenture Instrument.

**23) Trade Payables :**

Dues to Micro & small Enterprises	4.08	19.56
<u>Dues to other than Micro And Small Enterprises</u>		
Related Parties	351.89	-
Others	482.94	494.44
Total :	<u>838.91</u>	<u>514.00</u>

**Note: -**

**DUES TO MICRO AND SMALL ENTERPRISES**

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

- |   |      |       |
|---|------|-------|
| 1) the principal amount remaining unpaid to any supplier at the end of each accounting year;  | 4.08 | 19.56 |
| 2) the interest due on the principal amount remaining unpaid to any supplier at the end of each accounting year   | 0.09 | 1.75  |
| 3) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year   | -    | -     |
| 4) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year                  | -    | -     |
| 5) Interest due and payable for the period delay in making payment beyond the appointed day during the year, other than those specified under MSMED Act | -    | -     |
| 6) the amount of interest accrued and remaining unpaid at the end of each accounting year;  | -    | -     |
| 7) the amount of further interest remaining due and payable even in the succeeding years,   | -    | -     |



	As at 31-Mar-20 ₹ in Lacs	As at 31-Mar-19 ₹ in Lacs
<b>24) Other Current Financial Liabilities :</b>		
<b>a) Current maturities of long-term borrowings</b>		
1) Indiabulls Housing Finance Limited	548.82	1,214.76
2) Axis Bank Ltd	9.04	35.64
3) ICICI Bank Ltd	93.53	97.42
4) Kotak Mahindra Bank Ltd	29.59	27.15
5) HDFC Bank Ltd	2.05	2.83
<b>Total :</b>	<b>683.03</b>	<b>1,377.81</b>
<b>b) Other Payables :</b>		
MIDC Charges Payable	137.67	212.30
Interest Accrued on Borrowings	264.57	399.68
Salary & allowances	66.92	66.67
Bonus Payable	19.31	24.25
Grampanchayat Tax Payable	54.29	77.43
Other Payables to Employees	2.78	1.73
Retention money from Sub Contractor	8.90	-
Expenses Payable	65.80	96.54
<b>Total (b):</b>	<b>620.22</b>	<b>878.59</b>
<b>Total (a+b):</b>	<b>1,303.25</b>	<b>2,256.39</b>
<b>25) Other Current Liabilities :</b>		
Deferred Income - Government Grant	168.12	92.79
<u>Revenue received in advance</u>		
From Related Parties	-	30.20
From Others	49.36	65.80
For Statutory Dues	103.03	195.31
Provision for disputed tax deposit	12.33	-
<b>Total :</b>	<b>332.84</b>	<b>384.11</b>
<b>26) Current Provisions :</b>		
Provision for Incineration charges	994.94	870.32
Provision for Post Landfill Capping Charges	112.55	323.01
Provision for Leave Encashment	21.15	18.82
Provision for Gratuity	3.51	3.17
<b>Total :</b>	<b>1,132.16</b>	<b>1,215.31</b>



**MAHARASHTRA ENVIRO POWER LIMITED**  
**Notes to financial statements for the year ended 31st March 2020**



	31-Mar-20	31-Mar-19
	₹ in Lacs	₹ in Lacs
<b>27) Revenue from Operations :</b>		
<u>Sale of Services</u>		
Waste Disposal Service	10,133.31	11,008.18
Logistic Revenue	1,469.03	1,612.11
Laboratory Income	79.40	104.75
<b>Total :</b>	<b>11,681.74</b>	<b>12,725.04</b>

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2020 by Nature. The Company believe that this disaggregation best depict the nature, amount, timing and uncertainty of revenues and cashflows which are affected by industry,market and other economic factors.

Revenue related to waste Disposal Services based on Nature of Services

Landfill after Treatment	2,757.59	2,537.94
Direct Landfill	987.35	1,140.89
Incineration	6,388.36	7,329.35
<b>Total Rs.</b>	<b>10,133.31</b>	<b>11,008.18</b>

**28) Other Income :**

Apportioned Income from Government Grant *	829.68	1,027.87
<u>Interest Income on :</u>		
Debentures	62.50	62.50
Unsecured Loans	52.91	47.33
Fixed Deposits	14.67	5.39
Recurring Deposit	6.64	2.26
Income Tax Refund	-	16.51
Other Interest Income	8.17	-
Water / MSEDCL deposits	3.69	3.63
Net Gain on Sale/disposal of property, plant and equipment	-	1.03
Net Gain on Sale of Investments	5.38	6.66
Accounts Written Back	36.22	-
Rent received	1.98	1.68
Other Income	4.76	17.69
Gain on Foreign exchange fluctuation	-	0.49
<b>Total :</b>	<b>1,026.61</b>	<b>1,193.03</b>

\* Note: During the current year the company has received subsidy/Grant from Government Amounting to Rs. 694.50 Lacs Towards Landfill which were already being depreciated in earlier year. Due to which same has been considered as current year income and shown under the head other Income.

**29) Direct Expenses**

**(A) Waste Disposal Expenses :**

Electricity Plant	417.95	442.16
Landfill Cover Charges	131.53	367.62
Post Monitoring Expenses	198.63	196.62
Special Treatment Expenses	98.10	130.67
Plant & Machinery Hire Charges	98.09	52.36
Incineration Expenses	91.94	75.56
Repairs & Maintenance - P & M	74.92	121.23
Black Cotton Charges	33.87	51.89
Repacking Expenses	32.95	28.11
Waste Disposal Charges	32.69	26.14
Murrum Charges	18.61	31.78
Other Waste Disposal Expenses	15.82	30.58
<b>Total :</b>	<b>1,245.09</b>	<b>1,554.72</b>

**(B) Logistic Expenses :**

Transportation Charges-Direct	548.16	574.78
R.T.O. Charges	13.52	4.69
Repairs & Maintenance - Vehicles	12.76	18.21
Labour Charges	240.86	284.58
Toll Tax	41.70	42.84
Other Logistic Expenses	16.28	22.60
<b>Total :</b>	<b>873.28</b>	<b>947.70</b>

**(C) Other Expenses :**

MIDC Charges	102.52	236.89
GST Expenses	37.78	-
Other Operating Expenses	24.60	16.47
<b>Total :</b>	<b>164.90</b>	<b>253.36</b>



**MAHARASHTRA ENVIRO POWER LIMITED**  
**Notes to financial statements for the year ended 31st March 2020**



	<u>31-Mar-20</u>	<u>31-Mar-19</u>
	₹ in Lacs	₹ in Lacs
(D) <u>Consumption:</u>		
Chemicals	260.33	301.64
Stores and Spares	576.21	683.34
Total :	<u>836.54</u>	<u>984.97</u>
Total(A+B+C+D) :	<u>3,119.80</u>	<u>3,740.75</u>
<b>30) <u>Employee benefit expenses :</u></b>		
<u>Salaries &amp; Wages</u>		
Salaries and Wages	906.36	879.85
Bonus	36.86	55.92
Gratuity expenses**	25.01	21.97
Leave Encashment	21.15	18.82
Contribution to provident and other funds	60.75	67.64
Workmen and Staff Welfare Expenses	17.81	18.95
Total :	<u>1,067.95</u>	<u>1,063.15</u>
** Note:- Since the Gratuity is unfunded the same is clubbed under head Salaries & Wages as per the guidance note on Division-II INDAS of Schedule III to the Companies Act, 2013.		
<b>31) <u>Finance Cost :</u></b>		
<u>Interest on Secured Term loan :-</u>		
To Financial Institutions	4,232.44	4,643.57
To Banks	131.01	103.55
Interest on Late Payment of other Statutory Dues	1.77	2.42
Interest on Late Payment of TDS	0.73	0.49
Other Borrowing Costs	68.19	19.22
Total :	<u>4,434.15</u>	<u>4,769.26</u>
<b>32) <u>Depreciation and Amortization Expenses</u></b>		
Depreciation on Tangible Assets	1,635.42	2,261.10
Amortization of Intangible Assets	11.07	1.24
Total :	<u>1,646.49</u>	<u>2,262.34</u>
<b>33) <u>Other Expenses :</u></b>		
Share in Loss of Partnership firm	506.13	-
Consultancy Expenses	231.08	131.10
<u>Rates and taxes</u>		
a) Service tax expenses	31.16	3.12
b) Grampanchayat Tax	54.29	78.76
c) Other Taxes	1.41	2.49
Security Expenses	50.70	49.48
Electricity Charges	49.85	46.85
Insurance expenses	41.71	27.90
Fooding Expenses	41.17	47.30
Fine and Penalty	37.31	-
Travelling Expenses	37.43	48.36
Vehicle Hire charges	34.82	46.70
Advertising and sales promotion	27.96	48.99
Corporate Social Responsibility	23.65	19.83
Repairs & Maintenance	223.58	47.18
Conveyance Expenses	18.13	19.90
Communication cost	15.60	13.83
Net Loss on Sale/disposal of property, plant and equipment	14.59	-
Office expenses	6.39	6.59
Bank Commission & Charges	5.28	3.44
Rent	4.82	8.43
Printing and stationery	3.44	5.21
<u>Payment to Auditors</u>		
a) As Statutory Auditor	2.20	2.20
b) For Reimbursement of expenses	0.13	0.05
Membership and subscription	1.68	1.61
Legal expenses	1.71	1.53
Donation	0.57	0.59
Books and Periodicals	0.39	0.03
ROC charges	0.32	4.00
Account Write Off	-	48.97
Total :	<u>1,467.51</u>	<u>714.42</u>



**MAHARASHTRA ENVIRO POWER LIMITED**
**Notes to financial statements for the year ended 31st March 2020**

	₹ in Lacs	
	31-Mar-20	31-Mar-19
<b>34) Contingent Liabilities, Contingent Assets and Commitments</b>		
<b>A) Contingent Liability</b>		
Claims against Company not acknowledge as Debt		
a. Service Tax	431.37	443.11
b. Custom	80.00	80.00
c. Sales Tax	8.18	8.18
e. Income Tax	-	896.94
<b>B) Guarantees</b>		
a. Bank Guarantees *	-	-
<b>C) Commitments</b>		
a. Capital Commitments	1,393.75	43.57
b. Revenue Commitments	228.96	6.54
<b>D) Contingent assets</b>		
	-	-
* The holding company "SMS Ltd" has issued bank guarantee for Performance security to the authorities on behalf of our company to the tune of Rs.754.22 Lacs		
<b>35) Payment to Auditors :-</b>		
a) Audit Fees (Excluding Taxes)	2.20	2.20
b) For reimbursement of expenses	0.13	(0.05)
<b>Total</b>	<b>2.20</b>	<b>2.20</b>

**36) Related Party Transactions**
**List of related parties where control exists and related parties with whom transactions have taken place and relationships:**
**(a) Holding Company**

SMS Limited

**(b) Key Management Personal**

 Hemant Kumar Lodha - Managing Director  
 Rakesh Mishra - Whole time Director  
 Prashant Maske - Whole time Director

 Asif Hussain - Whole time Director  
 Avinash Sankholkar - Independent Director  
 Dilip Ganguly - Independent Director

**(c) Others**
**Subsidiary of Holding Co.**

 SMS Envoclean Pvt. Ltd.  
 SMS Mine Developers Pvt. Ltd.  
 Spark Mall and Parking Pvt. Ltd.  
 SMS Taxi Cabs Pvt. Ltd.  
 SMS Infolink Pvt. Ltd.  
 SMS Water Grace BMW Pvt. Ltd  
 SMS Tolls And Developers Ltd.  
 SMS Vidyut Pvt Ltd.  
 SMS-AABS India Tollways Private Limited  
 PT. SMS Minerals International  
 Solar Bhatgaon Extension Mines Pvt. Ltd.  
 Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.  
 Patwardhan Infrastructure Pvt. Ltd.  
 SMS Waste Management Pvt. Ltd.  
 PT. SMS Mines Indonesia  
 SMS Bhatgaon Mines Extension Pvt Ltd

**Joint Ventures of Holding Co.**

 SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV  
 Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV  
 SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)  
 SMS Infrastructure Ltd. & B. P. Construction Co. Pvt Ltd (JV)  
 SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)  
 SMSIL KTCO (JV)  
 Bhartiya SMSIL (JV)  
 SMS Infrastructure Ltd. Shreenath Enterprises J.V.  
 SMSIL-Westcoast Engineering Corp. (JV)  
 GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.  
 SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.  
 SMSIL-MBPL-BRAPL (JV)  
 GDCL-SMSIL (JV)  
 SMSIL-SRRCIPL (JV)  
 SMSIL-MBPL (JV)  
 BSS Associates  
 Meghe SMS Health Sciences Consortium (Spv)

**Associates of Holding Co.**

 RCCL Infrastructure Ltd.  
 SMS AAMW Tollways Pvt. Ltd.

**Enterprises having Significant Influence of Key Management Personnel**

 SMS Envocare Limited  
 SMS Waluj CETP Private Limited  
 Butibori CETP Private Limited

**Individuals having Significant Influence & their Enterprises**

 Ajay Sancheti  
 Anand Sancheti  
 Paramveer Sancheti  
 Akshay Sancheti  
 San Finance Corporation ( Partnership Firm)


₹ in Lacs

(Figure in the Second row relates to Previous Year)

Nature of Transactions	Related Parties		
	Referred in (a)	Referred in (b)	Referred in (c)
Sales of Services	42.44		599.23
	112.96		362.26
Purchase of Material / Services *	440.28		140.59
	3,141.04		13.80
Loans / Advances / Deposits given	-	-	-
	-	-	1,000.00
Loans / Advances / Deposits repayment received	-	-	1,082.10
	-	-	2,400.00
Investment	-	-	2,723.69
	-	-	1,390.15
Remuneration paid during the year	-	151.50	
	-	128.45	
Director Sitting fees	-	0.80	-
	-	0.80	-
Tax paid /Other Transaction Recd	-	-	0.20
	-	-	2.35
Tax paid /Other Transaction ( Paid )	-	-	0.42
	-	-	2.35
Outstanding Balances included in assets	138.32	-	37,023.27
	217.56	-	35,615.45
Outstanding Balances included in liabilities	229.66	-	124.98
	2.74	-	31.20

\* Note :-

Purchase of Material/ Services for Financial Year 19-20 from SMS Limited Referred in (a) above Includes ₹ 264.85 Lacs on account of Capital Expenditure and 164.4 on account of Revenue Expenditure.

**37) Employee Benefit**
**Gratuity obligations**
**A. Amount recognised in the Balance Sheet**

₹ in Lacs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present Value of Benefit Obligation as at the end of the year	(143.25)	(113.58)
Fair value of plan assets	-	-
Net Obligation	(143.25)	(113.58)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(143.25)</b>	<b>(113.58)</b>

**B. Movements in Plan Assets and Plan Liabilities**

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

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

₹ in Lacs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Service Cost	16.18	14.29
Interest Cost on Defined Benefit Obligation	8.83	7.68
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Net impact on the Profit / (Loss) before tax</b>	<b>25.01</b>	<b>21.97</b>

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

₹ in Lacs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Actuarial (Gains)/Losses on Obligation For the Period	7.75	1.83
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>7.75</b>	<b>1.83</b>

**MAHARASHTRA ENVIRO POWER LIMITED**  
**Notes to financial statements for the year ended 31st March 2020**

**E. Change in Present Value of Obligations**

₹ in Lacs		
Change in Present Value of Obligations	As at 31st March, 2020	As at 31st March, 2019
Opening of defined benefit obligations	113.58	97.82
Service cost	16.18	14.29
Interest Cost	8.83	7.68
Benefit Paid	(3.09)	(8.04)
Actuarial (Gain)/Loss on total liabilities:	7.75	1.83
- due to change in financial assumptions	16.77	1.25
- due to change in demographic assumptions	-	-
- due to experience variance	(9.02)	0.58
<b>Closing of defined benefit obligation</b>	<b>143.25</b>	<b>113.58</b>

**F. Assumptions**

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

₹ in Lacs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Expected Return on Plan Assets	N.A	
Rate of Discounting	6.88%	7.77%
Rate of Salary Increase	6%	
Withdrawal rate	For Services 4 years & Below 10% P.A and for Services 5 years and above 2% P.A.	
Mortality Rate	100 % of IALM (2012-14)	100 % of IALM (2006-08)
Average future service (in Years)	23.53 Years	24.19 Years

**G. Sensitivity Analysis**

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

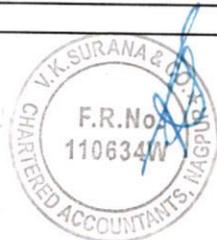
₹ in Lacs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Projected Benefit Obligation on Current Assumptions	143.25	113.58
Increase Discount Rate by 0.50%	(9.78)	(7.50)
Decrease Discount Rate by 0.50%	10.81	8.28
Increase Salary Inflation by 1.00%	22.74	17.59
Decrease Salary Inflation by 1.00%	(18.95)	(14.65)
Increase Withdrawal Rate by 1.00%	1.81	3.12
Decrease Withdrawal Rate by 1.00%	(2.12)	(3.64)

Note :-

- 1) The base liability is calculated at discount rate of 6.88 % per annum and salary inflation rate of 6.00 % per annum for all future years.
- 2) Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate
- 3) Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

**H. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:**

₹ in Lacs		
Projected Benefit Obligation Payable in future Years from the date of reporting	As at 31st March, 2020	As at 31st March, 2019
1st Following Year	3.51	3.17
2nd Following Year	3.82	3.46
3rd Following Year	4.12	3.81
4th Following Year	5.05	4.04
5th Following Year	7.05	4.94
After 5th Year	446.37	415.21



**38) Financial risk management objective and policies :-**

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

**i) Market risk :-**

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

**Interest Rate Risk:-**

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

**Foreign Currency Risk :-**

The company does not have any foreign currency risk exposure.

**Other Price Risk :-**

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

**ii) Credit Risk :**

Credit risk is the risk that the counter party will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The company measure the expected credit loss of trade receivable based on historical, trend, industrial practices and business environment in which the entity operates. Loss rates are based on actual credit loss experienced and past trends based on historical data, loss on collection of receivables is not material hence no provision considered.

**The Company's exposure to Credit Risk for Trade Receivables**

Particulars	Gross carrying amount	
	As at 31 March 2020	As at 31 March 2019
	1-90 days past due	2,045.29
91 to 180 days past due	281.63	220.16
More than 180 days past due	420.62	357.25
Total	<b>2,747.55</b>	<b>2,883.39</b>

₹ in Lacs

**iii) Liquidity Risk :**

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facility and bank loans. Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

**Maturity patterns of borrowings**

As at 31st March, 2020	0-1 Years	1-5 Years	Beyond 5 Years	Total
Long term borrowings (Including current maturity of long term debt)	683.03	10,044.96	19,141.91	<b>29,869.89</b>
Short term borrowings	999.38	-	-	<b>999.38</b>
<b>Total</b>	<b>1,682.41</b>	<b>10,044.96</b>	<b>19,141.91</b>	<b>30,869.27</b>

₹ in Lacs

**MAHARASHTRA ENVIRO POWER LIMITED**
**Notes to financial statements for the year ended 31st March 2020**

As at 31st March, 2019	0-1 Years	1-5 Years	Beyond 5 Years	Total
Long term borrowings (Including current maturity of long term debt)	1,377.81	9,526.26	19,963.96	30,868.02
Short term borrowings	882.44	-	-	882.44
<b>Total</b>	<b>2,260.25</b>	<b>9,526.26</b>	<b>19,963.96</b>	<b>31,750.46</b>

**Maturity patterns of other Financial Liabilities**

As at 31st March, 2020	6 months or less	6-12 months	Beyond 12 months	Total
Trade payable	838.91	-	-	838.91
Creditors for Capital goods	-	-	-	-
Other Financial Liability (Current Non Current)	620.22	-	3,679.11	4,299.33
<b>Total</b>	<b>1,459.12</b>	<b>-</b>	<b>3,679.11</b>	<b>5,138.23</b>

As at 31st March, 2019	6 months or less	6-12 months	Beyond 12 months	Total
Trade payable	433.20	-	-	433.20
Creditors for Capital goods	80.81	-	-	80.81
Other Financial Liability (Current Non Current)	877.84	-	3,311.72	4,189.56
<b>Total</b>	<b>1,391.84</b>	<b>-</b>	<b>3,311.72</b>	<b>4,703.56</b>

**39) Capital Management**

For the purpose of the company's capital management, capital includes issued equity capital, attributable to the equity holders of the holding company. The primary objective of the company capital management is to maximize the shareholder value.

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings	30,869.27	31,750.46
Trade payable	482.94	494.44
Other Financial Liability	4,299.33	4,190.31
<b>Total Debt</b>	<b>35,651.54</b>	<b>36,435.21</b>
Less : Cash & Cash Equivalent	430.99	346.39
<b>Net debt</b>	<b>35,220.55</b>	<b>36,088.82</b>
Equity	7,975.72	7,120.03
<b>Total capital</b>	<b>7,975.72</b>	<b>7,120.03</b>
<b>Capital and net debt</b>	<b>43,196.27</b>	<b>43,208.85</b>
Gearing Ratio	81.54%	83.52%

**40) Earnings Per Share:**

	₹ in Lacs	
	31-Mar-20	31-Mar-19
Net Profit available for Equity Shareholders as per statement of profit and loss before other comprehensive income	857.07	1,436.01
<b>Net profit/(loss) for calculation of Basic EPS &amp; Diluted EPS</b>	<b>857.07</b>	<b>1,436.01</b>
Weighted average number of Equity Shares in calculating Basic EPS & Diluted EPS	4,51,98,527	4,51,98,527
<b>Earnings per Equity Share: Face value of Rs. 10/- each</b>		
Basic & Diluted	1.90	3.18



**MAHARASHTRA ENVIRO POWER LIMITED**
**Notes to financial statements for the year ended 31st March 2020**
**42) Segment Reporting :-**

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

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

	₹ in Lacs	
	31-Mar-20	31-Mar-19
<b>Tax Expense:</b>		
<b>Profit Before Tax</b>	972.45	1368.15
Other comprehensive income before tax	(1.95)	30.14
<b>Total comprehensive income before tax</b>	970.50	1398.29
Indian Statutory Income Tax Rate	29.12%	29.12%
<b>Expected Income Tax Expenses</b>	<b>282.61</b>	<b>407.18</b>
<b>Tax Effect of adjustments to reconcile expected Income Tax Expenses</b>		
Tax Effect of Non Deductible expenses	1398.02	1358.81
Tax Effect of Tax Holidays *	(1,519.15)	(1,719.79)
Deferred tax assets on following -	-	-
Tax Effect of adjustment in current year	(46.66)	10.35
Re-statement of earlier year DTA due to change in tax rate	-	(99.83)
Other adjustments	-	(15.99)
<b>Total income tax expense recognised in Profit &amp; Loss</b>	<b>114.82</b>	<b>(59.27)</b>
a) Tax on normal income recognised in profit and loss	115.38	(67.86)
b) Tax on other comprehensive income recognised in profit and loss	(0.57)	8.60
<b>Total tax recognised in profit and loss</b>	<b>114.82</b>	<b>(59.26)</b>

**44) Reconciliation of Comprehensive Income**

	₹ in Lacs
	31-Mar-19
Total Comprehensive as per audited financial statements	1451.97
Adjustments Impact : Gain/(Loss)	
<u>Prior Period Expenses</u>	
Consultancy Charges	(0.75)
<u>Prior Period Income</u>	
Insurance Claim Received	6.33
<b>Total Comprehensive Income reflected in profit &amp; loss</b>	<b>1,457.55</b>

**45) Reconciliation of Other Equity**

	₹ in Lacs	
	31-Mar-19	31-Mar-18
Other equity as per audited financial statements	2592.85	(59.33)
<u>Prior Period Income (18-19)</u>		
Insurance Claim Received	6.33	-
<u>Prior Period Income Before 01.04.2018</u>		
Depreciation	1.75	1.75
<u>Prior Period Expenses (2018-19)</u>		
Other Misc Expenses	(0.75)	-
Capitalisation of Interest Cost	-	-
<b>Total Comprehensive Income reflected in Other Equity</b>	<b>2600.18</b>	<b>(57.58)</b>



**MAHARASHTRA ENVIRO POWER LIMITED**  
Notes to financial statements for the year ended 31st March 2020

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

- a) Gross amount required to be spend by the company during the year Rs 23.43 Lacs (Previous year March 31st 2019, Rs 25.08 Lacs)
- b) The company has spend Rs 23.64 Lacs during the current financial year (Previous year March 31st 2019: Rs 19.83 Lacs ) as per the provision of Section 135 of the companies Act 2013 towards Corporate Social Responsibility (CSR) activities grouped under "Other Expenses" as per the details below :

	Amount Spend	Amount yet to be Spend	Total Amount
<b>Year Ended March 31, 2020</b>			
i) Construction/ acquisition of any Asset	2.85	-	2.85
ii) On Purpose other than (i) above	20.79	-	20.79
<b>TOTAL</b>	<b>23.64</b>	-	<b>23.64</b>
<b>Year Ended March 31, 2019</b>			
i) Construction/ acquisition of any Asset	9.82	-	9.82
ii) On Purpose other than (i) above	10.01	5.25	15.26
<b>TOTAL</b>	<b>19.83</b>	<b>5.25</b>	<b>25.08</b>

**47) Change in Accounting Estimates:**

During the year company has changed the accounting estimates for Lanfill Capping charges and Post Monitoring Charges based on increased estimated capacity of Landfill according to the technical estimation due to this change the Expenditure has decreased by Rs. 88.85 lacs.

- 48) Party balances are subject to confirmation and the balances shown under trade receivable, trade payable, loans and advances, other current assets & liabilities have approximately the same realisable/ payable value as shown in the financials.
- 49) During the year the company has derecognised the Landfill -IV at Ranjangaon amounting to Net Block Rs. Nil (Gross Carrying Value Rs. 2788.61 Lacs & Accumulated depreciation Rs.2788.61 Lakhs.)

**50) Impact of Covid -19 :-**

The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted future outlook of the business operation of the Company.

Overall, with corresponding partial reduction in operational cost and other expenditure control measures initiated, the Company expects to sustain and overcome the impact and recover from the present slowdown shortly. In view of this, the standalone financial statement has been prepared on Going Concern Basis.

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

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

  
CA. **SUDHIR SURANA**  
Partner  
Membership No. 043414  
Nagpur, dated the,



For and on behalf of the Board of Directors of  
**MAHARASHTRA ENVIRO POWER LIMITED**

  
**HEMANT KUMAR LODHA**  
Managing Director  
DIN : 01654145

  
**ASIF HUSSAIN**  
Director  
DIN : 03533465

**31 OCT 2020**

UDIN : 20043414 AAAADR 9247

  
**MANISH RAI**  
Chief Financial Officer