

# Company Overview

A LEGACY OF EXCELLENCE

## SINCE 1963

Founded by Late Shri Shaktikumar M. Sancheti, SMS Group has the distinction of being one of the largest Infrastructure Companies of Central India with its presence across the country. The group is known not only in its work but also in its ethics, The magnitude of operations is no longer restricted to the country alone with a keen eye on the global infrastructure requirements, SMS boasts of large and experienced employee base with a very low attrition. SMS has a satisfied client of over 53 major

Government entities & PSUs. Making a humble beginning in 1963, SMS has gone on to diversify into all the major sectors of infrastructure that contributes in nation building. A 'no compromise' policy on quality and exemplary farsightedness has made SMS a force to reckon with in the field of Mining, Railways, Irrigation, Highway Construction, Power, Environment, Urban & Rural Development. SMS has been recognized as one of the most trusted and preferred partner of choice by all our valued customers.

# S M S

# Group Overview

**Business History:** Incorporated in 1963 and headquartered in Nagpur, SMS Limited is promoted by Sancheti family

**Sectors of Operations & Specialization:** Undertakes EPC contracts for various sectors such as highways, railways, electric, mining, irrigation and environment.

**Order Book:** Order book of INR 4044.82 crore as on 31<sup>st</sup> March, 2018 majority of which is Mining (56.15%), Road & Bridge, Airport and Railways (20.36%), Electrical (12.31%), Irrigation & Pipeline (0.67%), environment (2.45%) and Defence (3.33%).

**Investment Portfolio:** Hydro power plant, parking solutions and small investments in waste/water treatment plants. Also have investments in mining and taxicabs business.

**Resources:** Manpower of full time 3500 employees and 1049 Job work labour force and net asset block of ₹ 144.32 Crore on March 18.

**Awarded ISO 14001:2004 and ISO 9001:** 2008 for civil construction & maintenance, irrigation, tunnelling & waste management services.

## Key Clients:



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
National Highways Authority of India

National Highways Authority of India

IRCON International Limited



RITES Limited



Vidarbha Patbandhare Vikas Maha Mandal

Hindustan Copper Limited



Hindustan Zinc Limited

South Bihar Power Distribution Company Limited



Illuminating Lives

## Career highlights and top moments:

1997- Awarded first BOT Project of National Highways Authority of India.

2007- Awarded mining contract for Asia's largest Uranium Mine.

2008- Commissioned India's largest Plasma Gasification Plant converting waste to energy.

2009 – Started Asia's biggest Bio Medical waste facility in Mumbai.

2011- Launched Tab Cab, India's largest fleet of radio cabs.

2012 – First introduction to India of low cost continuous mining through blast free technology.

2013 - Commissioned India's first fully automated underground car parking system with 828 car park spaces in Kamla Nagar, Delhi.

2014- Became India's second largest waste processor in terms of volume.

2015- Featured in the Fortune India magazine July 2015 issue.

2016- ILC Power Brand Awards 2016.

Consistent Growth Strong Order Book.

Most Diversified portfolio Multisectoral Presence Only company to feature in Fortune India Magazine Presence in sunrise sectors like underground Mining, Sewage Treatment, Electrical and Waste Management.

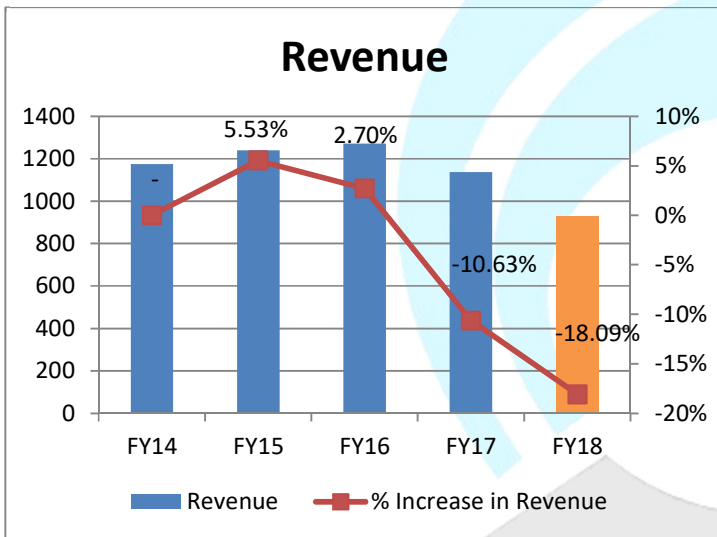
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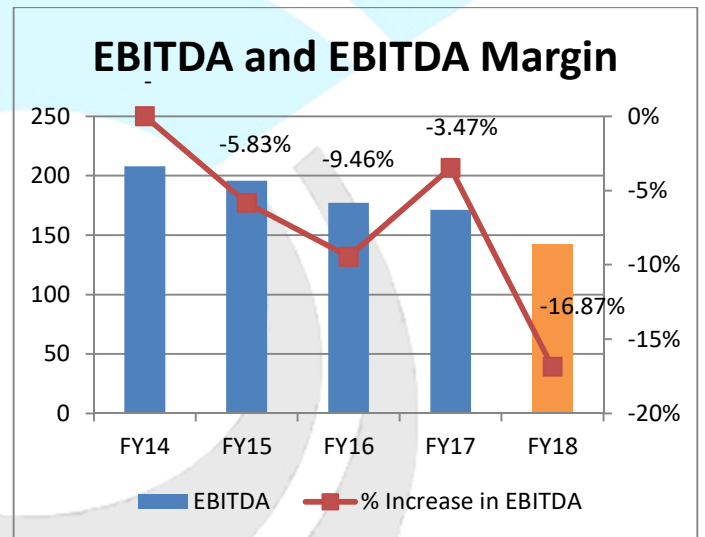
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# Key Performance Indicators (Standalone)

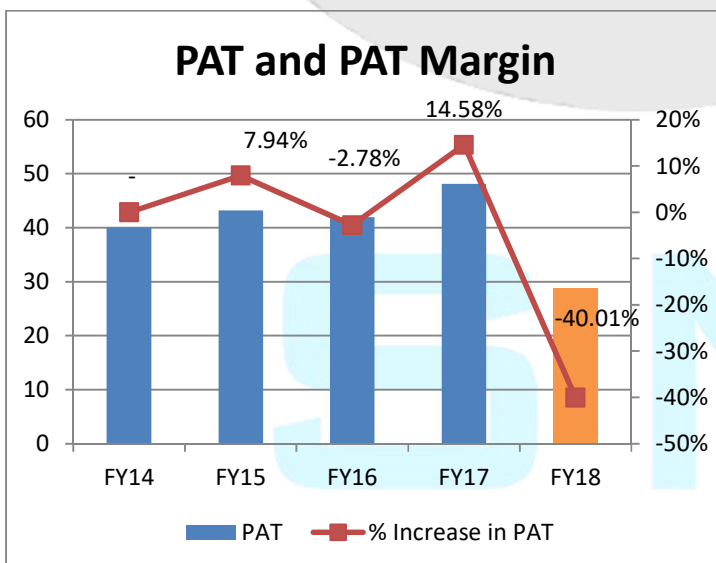
## Increase/ Decrease in Revenue YOY



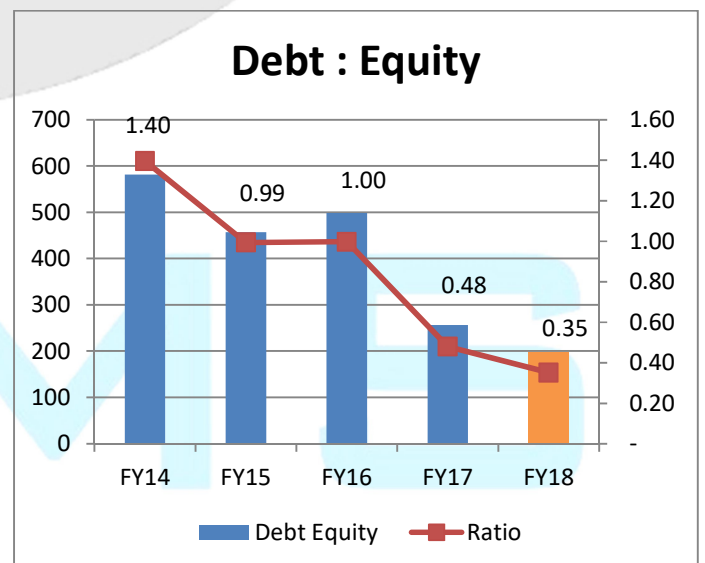
## Increase/ Decrease in EBITDA Margin



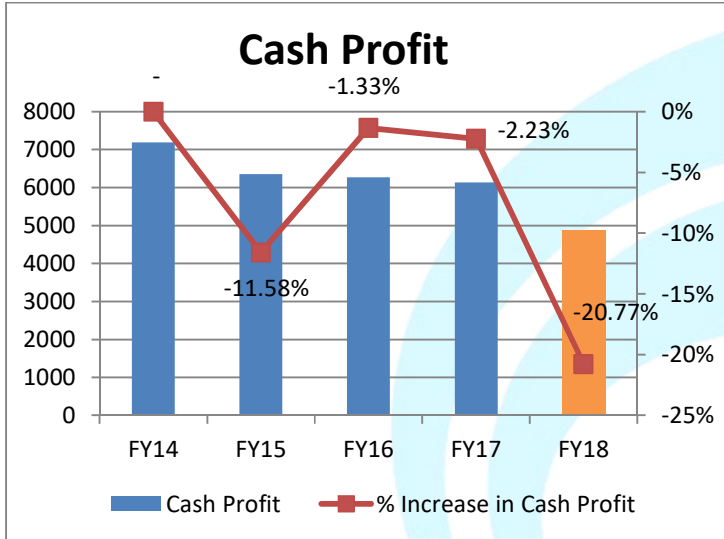
## Increase/ Decrease in PAT Margin



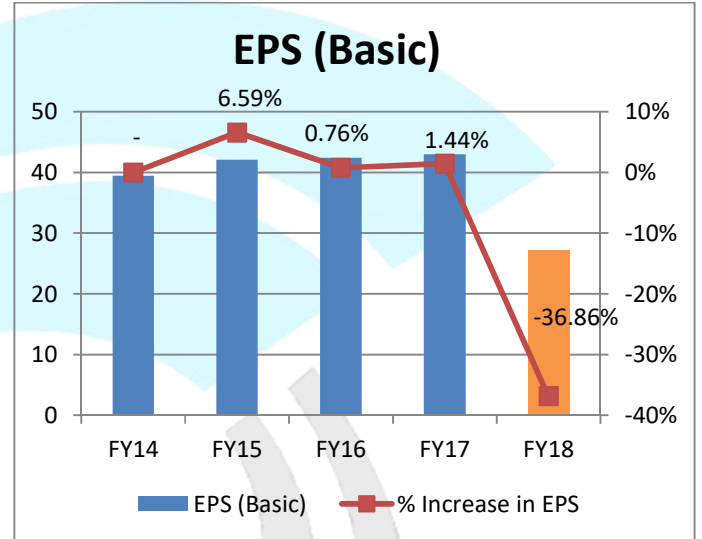
## Increase/ Decrease in Debt



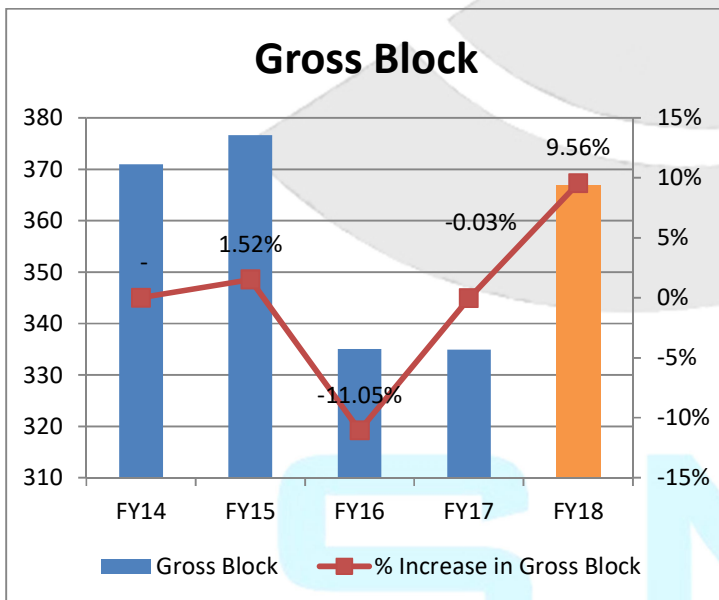
### Increase/ Decrease in Cash Profit



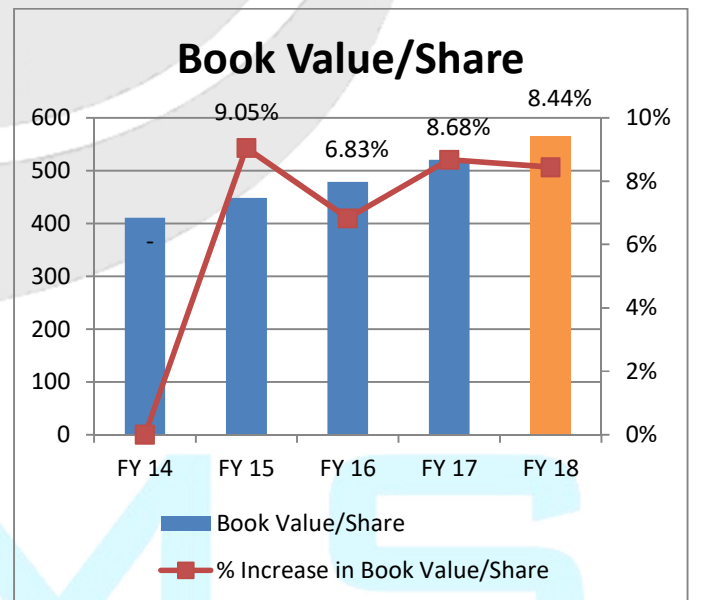
### Increase/ Decrease in EPS (Basic)



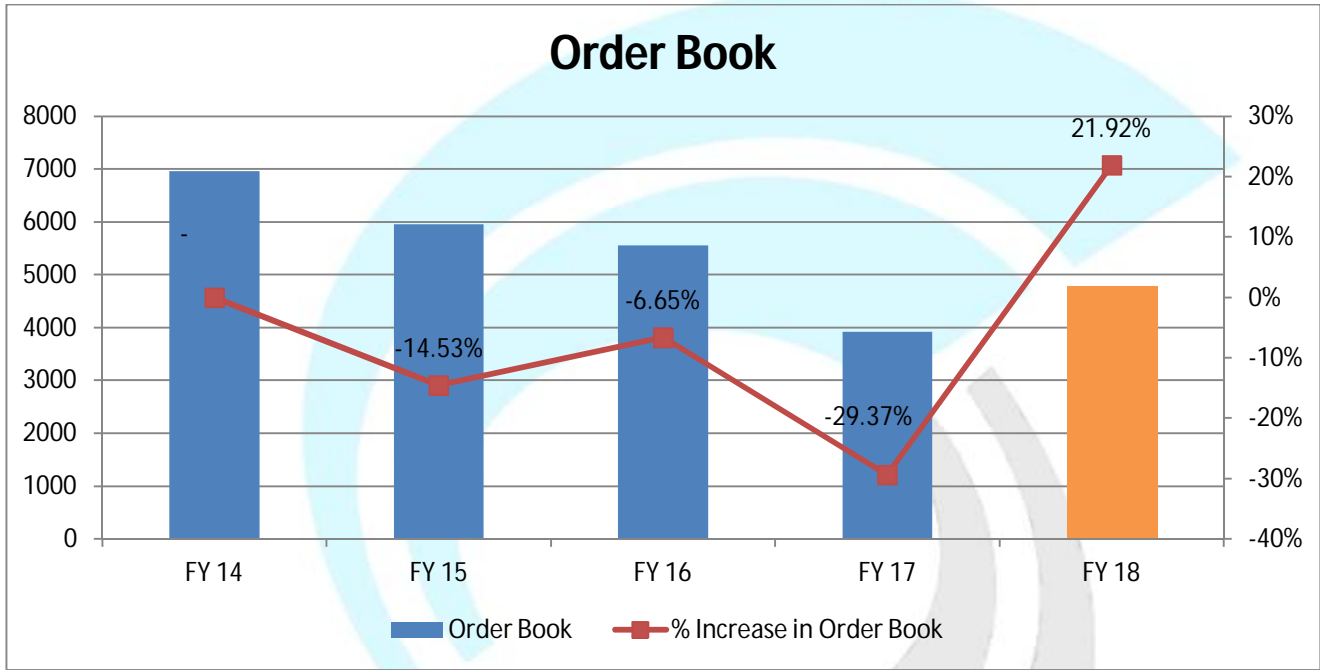
### Increase/ Decrease in Gross Block



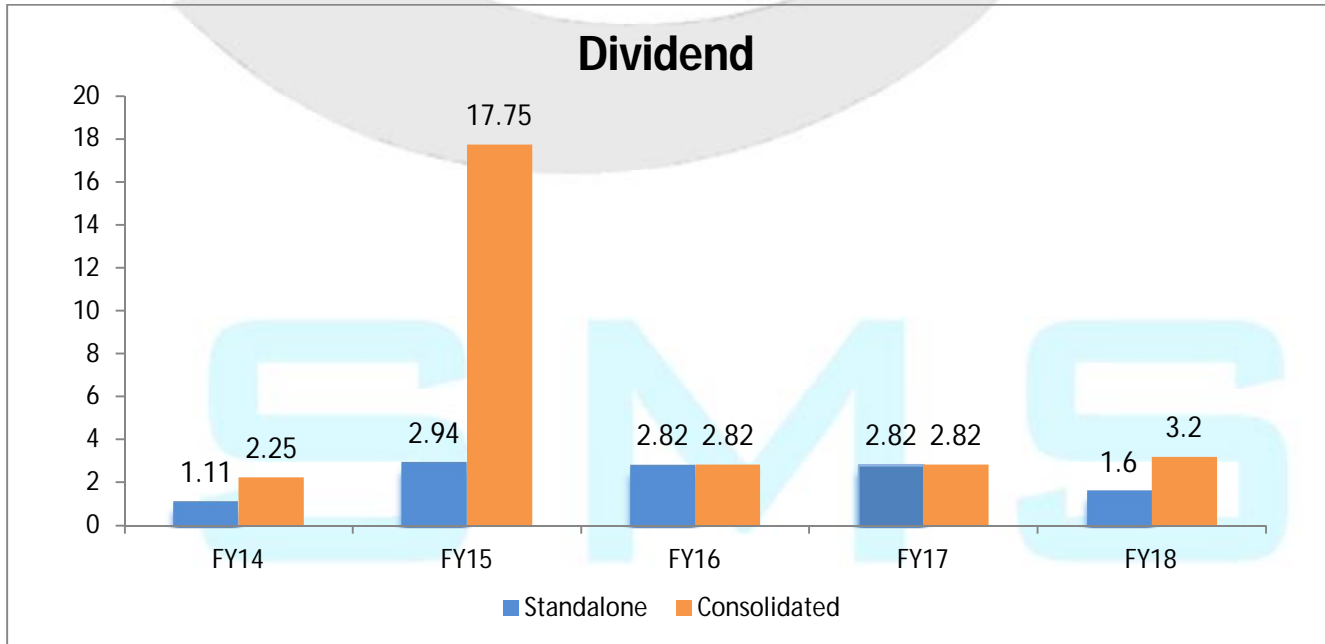
### Book Value/Share



## Order Book Position



## Dividend



# SMSL

## Board of Directors



*Abhay Sancheti*  
*Chairman*



*Ajay Sancheti*  
*Vice-Chairman*



*Anand Sancheti*  
*Managing Director*



*Dilip Surana*  
*Whole Time Director*





*Renu Challu*  
*Independent Director*



*Ramendra Gupta*  
*Independent Director*



*Ajay Lakhotia*  
*Independent Director*

## Company Information

Abhay Sancheti	<i>Chairman of the Board</i>
Ajay Sancheti	<i>Vice Chairman of the Board</i>
Anand Sancheti	<i>Managing Director</i>
Dilip Surana	<i>Whole Time Director</i>
Renu Challu	<i>Independent Director</i>
Ramendra Gupta	<i>Independent Director</i>
Ajaykumar Lakhotia	<i>Independent Director</i>
Sushant Mukherjee	<i>Chief Financial Officer</i>
Smita Agarkar	<i>Company Secretary</i>
C.R. Sagdeo & Co.	<i>Internal Auditors</i>
V.K. Surana & Co.	<i>Statutory Auditors</i>
Yugandhara Kothalkar	<i>Secretarial Auditor</i>
D. Rajarao & Co.	<i>Cost Auditor</i>
Registered Office	<i>I.T. Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur- 440022</i>

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## Board & Committees – The Board of Directors

Abhay Sancheti  
*Chairman of the Board*

Ajay Sancheti  
*Director*

Anand Sancheti  
*Managing Director*

Dilip Surana  
*Whole Time Director*

Renu Challu  
*Independent Director*

Ramendra Gupta  
*Independent Director*

Ajay Lakhota  
*Independent Director*

Akshay Sancheti  
*Alternate Director*

## Board Committees: Executive Committee

Abhay Sancheti  
*Chairman*

Anand Sancheti  
*Managing Director*

Dilip Surana  
*Whole Time Director*

## Audit Committee

Ajay Lakhota  
*Chairman Audit*

Ramendra Gupta  
*Member*

Anand Sancheti  
*Member*

## SMS Limited.

### Corporate Social Responsibility Committee

Abhay Sancheti  
*Chairman*

Ajay Lakhota  
*Member*

Ramendra Gupta  
*Member*

### Nomination & Remuneration Committee

Renu Challu  
*Member*

Ramendra Gupta  
*Member*

Ajay Lakhota  
*Member*

### Risk Management Committee

Abhay Sancheti  
*Chairman of Risk Management Committee*

Anand Sancheti  
*Member*

Dilip Surana  
*Member*

### Share Transfer Committee

Abhay Sancheti  
*Member*

Anand Sancheti  
*Member*

Ajay Lakhota  
*Member*

SMS Limited.

## Key Management Team

**Rajiv Charde**

*Vice President (Rail & Road)*

**Kasarneni Rao**

*Vice President (Mining)*

**Ashfaque Khan**

*General Manager (Irrigation)*

**Yadao Laxane**

*Head Electrical.*

**Sunil Moharil**

*Deputy General Manager( HR)*

**Sushant Mukherjee**

*Chief Financial Officer*

**Smita Agarkar**

*Company Secretary*

**Abhishek Mehta**

*DGM (Accounts & Material Management)*

A large, stylized logo for SMS Limited, consisting of the letters 'S', 'M', and 'S' in a light blue, bold, sans-serif font. The logo is positioned at the bottom of the page, below the list of key management team members. The background of the page features a large, faint, light blue graphic of the SMS logo, which is partially obscured by the text of the key management team members.

SMS

# BOARDS' REPORT

## To The Members of SMS Limited

The Board of Directors hereby submits their Twenty First Report on the business and operations of the Company ('the Company' or 'SMS LIMITED'), along with the audited financial statements, for the financial year ended March 31, 2018. The consolidated performance of the Company and its subsidiaries has been referred wherever required.

### 1. FINANCIAL HIGHLIGHTS: ( In Crore)

Particulars	Standalone		Consolidated	
	2017-18	2016-2017	2017-18	2017-2016
Gross Income	906.61	1111.01	1565.83	1769.01
Profit Before Interest and Depreciation	142.26	170.68	451.00	482.33
Finance Charges	79.15	89.88	158.14	176.51
Gross Profit	223.61	205.76	358.69	349.34
Provision for Depreciation	19.74	17.56	231.61	224.61
Profit Before Tax	43.38	63.24	60.15	62.17
Provision for Tax	14.53	15.15	27.84	(1.96)
Profit After Tax	28.85	48.09	32.31	64.13
Balance of Profit brought forward	410.18	363.69	342.55	356.86
Dividend on Equity Shares	1.60	2.82	3.20	2.82
Tax on Dividend	NIL	NIL	0.33	0.0
Reserves and Surplus	554.32	528.06	426.66	342.55

*Previous year's figures have been regrouped /recast wherever necessary as per IND AS*

**A. Standalone**

The Company posted a turnover of ` 906.61/- Crore revenue on a standalone basis for the year ended 31<sup>st</sup> March, 2018 as against ` 1111.01 Crore in 2016-17, Gross Profit for the financial year is 2017-18 ` 223.61/- Crore as compared to ` 205.76/- Crore for previous financial year 2016-17. After deducting financial charges of ` 79.15/- Crore, providing a sum of ` 19.74/- Crore towards depreciation and ` 14.53/- Crore for income tax, the operations resulted in a net profit of ` 27.86/- Crore in financial year is 2017-18 as against ` 48.33/- Crore in 2016 -17.

**B. Consolidated**

During the year under review, Company achieved a consolidated turnover of ` 1565.83 crore as against ` 1769.01 crore in the previous fiscal year. The Company has earned a consolidated gross profit of ` 358.69 crore before interest and depreciation as against ` 349.34 crore in the previous year. After deducting financial charges of ` 158.14 crore, providing for depreciation of ` 231.61 crore and provision for tax of ` 27.84 crore, the operations resulted in a net profit of ` 32.31 crore as against ` 64.13 crore in the previous year.

**2. THE STATE OF THE COMPANY'S AFFAIRS:**

The Company is engaged in providing infrastructural services with diversification into all the major sectors of infrastructure including Mining, Railways, Irrigation, Highways Construction, Power, Environment, Urban and Rural Development. The Order Book position as on March 31, 2018 stood at ` 4044.82/- Crore.

**3. WEB LINK OF ANNUAL RETURN:**

A copy of Annual Return referred to in sub-section (3) of section 92 has been placed on Company's website i.e. [www.smsl.co.in](http://www.smsl.co.in).

**4. SHARE CAPITAL:**

The paid up Equity Share Capital is ` 10.26 crore. During the year under review, the Company has not issued any securities.

Depository System:

The shares of the Company are in dematerialized form with National Securities Depository Limited and M/s. Link Intime India Pvt. Ltd., Mumbai is its Registrar & Transfer Agent.

As on March 31, 2018, 89.81% of the Company's paid up capital representing 92,15,251 shares are in dematerialized form and 10.19% of the Company's paid up capital representing 10,46,131 shares are in physical form.

The Status of shares held in demat and physical format is given below:

Particulars	Number of		% of total equity
	Shareholders	Shares	
Shares in Demat Form	8	92,15,251	89.81
Shares in Physical Form	1	10,46,131	10.19

**5. DIVIDEND:**

During the year under review, the Board of Directors declared an interim dividend of ` 1.56/- per equity share (15.60%) on the paid-up equity share capital of the Company amounting to ` 1,60,07,755.92/- (Rupees One Crore Sixty Lac Seven Thousand Seven Hundred Fifty Five and Ninety Two Paise only) and shall be the final dividend for the Financial year 2017-18 and that no further dividend is recommended.

**6. AMOUNT CARRIED TO RESERVE:**

No amount has been carried to any reserve. However, out of profit ` 160.08 lac paid as interim dividend.

**7. CHANGE IN NATURE OF BUSINESS:**

There is no change in the nature of business carried on by the Company during the year under review.

**8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All Related Party Transactions entered during the financial year were in compliance with the requirement of the Companies Act, 2013 and the Rules framed thereunder and were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially

significant related party transactions entered by the Company during the year with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

All Related Party Transactions attracting the compliance under section 177 of the Companies Act, 2013 were placed before the Audit Committee and also the Board, as the case may be, along with a statement giving details of all Related Party Transactions for their necessary approval/noting.

There are no material contracts or arrangements or transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014. Further the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards are given in note no. 42 to the Balance Sheet as on 31st March, 2018.

Basis of Materiality term for dealing with Related Party Transaction of the Company is as under:

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, or any other applicable law or regulation, including any amendment or modification thereof, as may be applicable.

**10. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS:**

Particulars of Loans, Guarantees or Investments, if any, are given in the Note 6 to the Audited Financial Statements.

Since the Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Act. Accordingly, disclosures under Section 186 of the Act in respect of loan made, guarantees given or security provided is not applicable to the Company.

**11. OVERVIEW OF SUBSIDIARIES, ASSOCIATES & JOINT VENTURE:**

The Company has 17 subsidiaries, 2 Associate and 14 Joint Ventures as of March 31, 2018. There was no material change in the nature of the business carried on by the subsidiaries.



During the year under review the **SMS Shivnath Infrastructure Private Limited (presently 'Durg Shivnath Expressways Private Limited.')** ceases to be the subsidiary of the Company w.e.f. 25<sup>th</sup> April, 2017. Entire shares holding in said subsidiary transferred to M/s TRPL Roadways Private Ltd who consequently changed **its name to 'Durg Shivnath Expressways Private Limited.'**

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures is prepared in Form AOC-1, and is attached to the Financial Statements of the Company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available on our website, [www.smsl.co.in](http://www.smsl.co.in). These documents and audited accounts of each of its subsidiaries will also be available for inspection during business hours at the Registered Office of the Company and make available to any member of the Company who may be interested in obtaining the same.

In compliance with Section 134 of the Companies Act, 2013 read with the rules framed there under and the Financial Statements for the F.Y 2017-18 have been prepared in compliance with the applicable Indian Accounting Standards. Consolidated financial statements in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards.

#### **SUBSIDIARIES:**

Highlights of Performance and financial positions of subsidiaries:

##### **i. SMS-AABS India Tollways Private Limited:**

The subsidiary is an SPV formed exclusively for execution of project of Operate, Maintain and transfer contract of Mazzaffarpur-Darbhanga-Purnea for a period of 9 years from COD.

Net Revenue from operations during the year stood at ` 18239.26/- lac and the Net Profit at ` 3732.96/- lac as against ` 2376.32 lac/- in the preceding year.

**ii SMS Water Grace BMW Private Limited:**

SMS Water Grace BMW Private Limited is a subsidiary, engaged in the business of providing biomedical waste management & disposal service and provide total solution for scientific treatment and disposal of various type of bio medical waste by the latest eco-friendly technologies. Its plant is located at Nilothi, Delhi.

The subsidiary is providing services to around 6,000 doctors/ pathlabs/ hospitals/ clinics etc. thereby having long term association with them.

The subsidiaries Net Revenue from operations during the year stood at ` 684.69/- lac and the Net Profit at ` 120.85/- lac as against ` 159.58/- lac in the preceding year.

During the current financial year, the subsidiary has diversified its activities by taking up the business of sale of disposable medical and hospital equipment's.

**iii SMS Vidhyut Private Limited:**

SMS Vidhyut Private Limited is wholly owned Subsidiary (WOS) Company, engaged in generation and transmission of power from hydro project.

The WOS has two operational hydro power plants situated at Rights bank canal (RBC) and Left Bank Canal (LBC) of the Wainganga river at Navegaon Bandh, having operational life of 30 years from the date of commercial operations.

However the both the plants are operating at lower capacity due to non-availability of water in dams area and allocation of water run through both the canals resulting an overall decrease in operation as well as revenue during the year with Net Revenue from operations of ` 88.05 lac/- and the Net Loss of ` 343.70 lac/- as against ` 1279.23 lac/- in the preceding financial year , Though Company is expected to have better growth in future.

**iv SMS Shivnath Infrastructure Private Limited:**

On 25<sup>th</sup> April, 2017 **SMS Shivnath Infrastructure Private Limited (presently 'Durg Shivnath Expressways Private Limited.'**) ceased to be the subsidiary of the Company. The Company transferred the entire shares holding in said subsidiary to M/s TRPL Roadways Private Ltd who consequently changed **its name to 'Durg Shivnath Expressways Private Limited.'**

**v SMS Tolls And Developers Limited:**

SMS Tolls And Developers Limited is wholly owned Subsidiary (WOS) and the subsidiary is yet to start its commercial operation. However revenue from other income ` 11.52/- lac and the net profit at ` (13.86)/- lac as against ` 0.14/- lac in the preceding year.

**vi Patwardhan Infrastructure Private Limited:**

Patwardhan Infrastructure Private Limited, is wholly owned Subsidiary (WOS) has completed BOT Agreement and transferred its right of collection of toll to Government of Maharashtra on 19.11.2014 as such that said subsidiary has no operation as on 31/03/2018 and during the F.Y. 2017-18 its business continues to be reported as discontinued operation and the process of amalgamating the subsidiary with the Company is under process.

During the year under review there was no activity. However revenue from other income ` 80.28/- lac and the net profit at ` 1.48/- lac as against ` 8.35/- lac in the preceding year.

**vii Ayodhya-Gorakhpur SMS Tolls Private Limited:**

The Subsidiary has been granted a contract to Operate, Maintain and Transfer ('OMT') of National Highway No. ('NH 28') in the state of Uttar Pradesh under the Concession Agreement dated 5<sup>th</sup> March, 2013 for a period of 9 years by NHAI.

Revenue from operations during the year stood at ` 17522.16/- Lac and the Net Profit at ` 2170.33/- Lac as against ` 541.45/- Lac in the preceding year.

**viii SMS Envoclean Private Limited:**

The subsidiary is engaged in providing Bio-Medical Waste Management and disposal services along with sale of disposable medical and hospital equipments and having an expertise solution on the subject with latest eco-friendly technologies. The subsidiary is having it's plant located at Mumbai.

The subsidiary is providing services to around 11,000 hospitals, clinics and doctors and thereby having long term association with them.

During the year the subsidiary has generated Net Revenue of ` 1629.33/- from operations and the Net Profit at ` 432.54/- lac as against ` 487.33/- lac in the preceding year, showing a decline over previous year due to increase in direct cost and employee benefit expenses.

**ix Solar Bhatgaon Extension Mines Private Limited:**

The subsidiary is an SPV, formed for the purpose of mining of Bhatgaon II Extension coal block and was incorporated with an object to carry the business of mining developer and operator for exploration and development of mine, mining and marketing of minerals, coal etc. from Shankarpur (Bhatgaon) coal block in sarguja district in joint venture with Chhattisgarh Mineral Development Corporation.

In year 2012-13 Bhatgaon (II) Extension coal block has been de-allocated by Government of India, Ministry of coal due to which, the subsidiaries function has been stopped

All expenditure incurred so far has been treated as pre-operative expenditure, to be amortized equally in the first ten year of commercial operation.

However the Net profit stood at ` (1.80)/- lac as against ` (1.62)/- lac in the preceding year.

**x SMS Bhatgaon Mines Extension Private Limited:**

The subsidiary is an SPV, formed for the purpose of mining of Bhatgaon II coal block is and was incorporated with an object to carry the business of Mining developer and operator for exploration and development of mine, mining marketing of minerals, coal, coal products etc. from Shankarpur (Bhatgaon) coal block in sarguja district in joint venture with Chhattisgarh Mineral Development Corporation.

In year 2012-13 Bhatgaon (II) coal block has been de-allocated by Government of India, Ministry of coal due to which, the subsidiaries function has been stopped

All expenditure incurred so far has been treated as pre-operative expenditure, to be amortized equally in the first ten year of commercial operation.

However the Net profit stood at ` (11.17)/- lac as against ` (9.91)/- lac in the preceding year.

**xi Maharashtra Enviro Power Limited (MEPL):**

The subsidiary is engaged in the business of providing services to Industries for effective management of Effluent and Hazardous waste having an expertise solution on the subject with latest eco-friendly technologies. Having its Plant situated at Ranjangaon, Pune and Butibori, Nagpur. Considering the expected quantum of waste plans the subsidiary is to set up an additional incineration plant at Ranjangaon Pune and Butibori.

During the year the subsidiary has generated Net Revenue from operations of ` 11192.46/- lac and the Net loss of ` 517.51/- lac as against net profit of ` 3119.11/- lac in the preceding year.

As compared to last year the company reported top line growth as a result of increasing quantum of waste and is expecting further increase in said due to industrialisation development.

**xii SMS Parking Solutions Power Limited:**

The Company is an SPV formed exclusively to Develop Multilevel car parking cum commercial complex at Delhi, and has been assigned the composite Public Private Partnership (PPP) project by Municipal Corporation of Delhi (MCD).

*(Previous year figures have been regrouped/recast as per IND AS).*

The Company began its commercial operations of multilevel car parking and leasing commercial Space from 09<sup>th</sup> May 2014. The subsidiary changed its name as "Spark Malls and Parking Private Limited" w.e.f 9<sup>th</sup> August, 2018.

Net Revenue of subsidiary from operations during the year stood at ` 797.42/- lac and the Net Loss at ` 1634.15/- lac as against ` 1356.57/- lac in the preceding year.

**xiii SMS Mines Developers Private Limited:**

The subsidiary was formed with an object to carry mining activity and yet to start its commercial activity.

However during the year there was Net Loss of ` 0.02/- lac as against ` 0.06/- lac in the preceding year.

**xiv SMS Taxicabs Private Limited:**

The Company is operating its phone Fleet Taxi Service in MMRDA area since February, 2012 under the brand name "TABcab". The Company is passing through the most challenging phase due to unhealthy competition from illegal service provider in Mumbai.

Inspite of tough financial condition and underutilization of its fleet, TABcab has been retaining its presence. During the year under review the company's total fleet strength remained to be 2800 cabs.

During the year the subsidiary has generated Net Revenue from operations during the year stood at ` 1545.81/- lac and the Net Loss at ` 3272.92/- lac as against ` 3063.40/- lac in the preceding year.

**xv Pt. SMS Minerals International:**

Pt. SMS Minerals International is a foreign subsidiary incorporated under the Laws and Regulations of the Republic of Indonesia, especially in the framework of Law to Foreign Investment (PMA) and is domiciled in Jakarta. The subsidiary deals in Coal export and import and trading including import of coal equipment processing having single project at D/A, Simpang Sitiung IV Batas, Kacamatan Sungai, Rumbai, Kabupaten, Dharmasraya, West Sumatera, Indonesia.

During the year the subsidiary has generated revenue from other income which stood at ` 0.37 /- lac and the Net Loss at ` 265.41/- lac as against ` 241.89/- lac in the preceding year.

**xvi Pt. SMS Mines Indonesia:**

Pt. SMS Mines Indonesia is a foreign subsidiary incorporated under the under the Laws and Regulations of the Republic of Indonesia, especially the Law of the Republic of Indonesia number 25 of 2007 on Capital Investment and is domiciled in Central Jakarta. The subsidiary deals in wholesales trading (export and import) and trade of solid fuels, among others, including the trade of coal, coal-intensive (bricket) and allied business activities.

During the year the subsidiary has generated Revenue from other income for the Financial Year stood at ` 0.04 /- lac and the Net Loss at ` 99.52/- lac as against Net Loss of ` 33.55/- lac in the preceding year.

**xvii SMS Infolink Private Limited**

SMS Infolink Private Limited is 100% subsidiary company and was incorporated with business object of Information Technology and is yet to start its commercial operation. However the Net Loss stood at ` 0.43/- lac as against Net Loss of ` 0.53/- lac in the preceding year.

**xviii SMS Waste Management Private Limited:**

The subsidiary is in the business of providing Common effluent treatment plant including operation & maintenance of common effluent treatment plant, to collect treatment process and dispose off any type of waste material. However the subsidiary is yet to commence its commercial activity. However the Net loss stood at ` 0.94/- lac as against ` 0.38/- lac in the preceding year.

The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any member at the Registered office of the Company.

*(Previous year figures have been regrouped/recast as per IND AS for all subsidiaries except foreign subsidiaries).*

**ASSOCIATES:**

**i RCCL Infrastructure Limited:**

Revenue from operations during the year stood at ` 0.00/- and the Net Loss at ` 56.63/- lac as against ` 1879.82/- lac in the preceding year

**ii SMS-AAMW Tollways Private Limited:**

SMS-AAMW Tollways Private Limited is an associated Company, incorporated as Special Purpose Company (SPC) with an object for collection of toll tax from all specified commercial vehicles entering the Municipal limits of Delhi at toll tax plaza/posts barriers and to operate and maintain all existing and new infrastructure, upgrade/modify/add etc.

During the year there is a Net Loss at ` 350.82/- lac as against Net Loss of ` 7.74/- lac in the preceding year.

*(Previous year figures have been regrouped/recast as per IND AS for all associates except RCCL Infrastructure Limited).*

## JOINT VENTURES:

### **i Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd (JV):**

Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd are Joint Venture partners entered into JV for the purpose of Construction of Earthen Dam of Lower pedhi project Tq. Bhatkuli, District Amravati.

The Value of work done by JV during the year stood at ` 240.01 /- lac and the Net Profit at ` 8.38 /- lac as against ` 1.41/- lac in the preceding year.

### **ii SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (JV):**

SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. are Joint Venture partners entered into JV for the work of Construction of Purna Barrage No. 2 (Ner-Dhamana).

The Value of work done by JV during the year stood at ` 3830.84/- lac and the Net Profit at ` 32.29/- lac as against ` 91.55/- lac in the preceding year.

### **iii SMS Infrastructure Ltd. & Shree Nath Enterprises (JV):**

SMS Infrastructure Ltd. & Shree Nath Enterprises are Joint Venture partners entered into JV for the work of Revocation of Asolamendha Existing Main Canal Km 1.00 to 41.37 including Earthwork Structures & Lining.

Gross Receipt (GRBC Div Bramhapuri) of JV during the year stood at ` 2806.02/- lac and the Net Profit at ` 63.84/- lac and transferred to partners' capital account at ` 40.50 /- lac.

### **iv SMS Infrastructure Ltd. & Brahmaputra Infrastructure Pvt. Ltd. (JV):**

SMS Infrastructure Ltd. & Brahmaputra Infrastructure Pvt. Ltd. are Joint Venture partners entered into JV for the sole purpose of participating in the submission of Expression of interest/pre-qualification for an application invited for Expression of Interest (EOI) for the project for the project under the title "Construction of staff Accommodation and Hard Ablutions units for UNMISS at various locations in the Republic of South Sudan and execution of the project.



During the year under review there was no activity in JV due to completion of project work.

**v SMS Infrastructure Ltd. & Brahmaputra Consortium Ltd. (JV):**

SMS Infrastructure Ltd. & Brahmaputra Consortium Ltd. are Joint Venture partners entered into JV for the work of Construction of Combined approach embankment with earthwork in filling form ch. 27.900 KM to ch. 29.00km to form embankment and formation of service road including river protection work etc. across river Brahmaputra near Dibrugarh.

During the year under review there was no activity in JV due to completion of project work.

**vi SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd. (JV):**

SMS Infrastructure Ltd. and Aarti Infra-Projects Pvt. Ltd. are Joint Venture partners namely SMSIPL-AIPPL (JV) entered into JV for the work of Construction, erection and commissioning of Infrastructure plan phase II A project work in Allapali and Gadchiroli invited by Maharashtra State Electricity Distribution Company Limited.

During the year under review there was no activity in JV. However receipt from other income i.e interest on VAT refund stood at ` 0.48/- lac and the Net Loss at ` 0.97/- lac.

**vii SMSIL-KTCO(JV):**

SMS Infrastructure Ltd. and Khare & Tarkunde Infrastructure Pvt. Ltd. are Joint Venture partners namely SMSL-KTCO (JV) entered into JV for the work of Purna Barrage No. 2 (Ner Dhamna) Construction of barrage on L/S and R/S chamber and allied earthwork and other work invited by Akola Irrigation Division and Wardha Barrage (Hadgaon) construction of Barrage, Jack well and pump house raising main invited by Ex-Engineer, Yavatmal.

During the year under review there were no activities in JV. And there is no receipt from other income and the Net profit stood at ` (0.52/-) lac as against ` (0.47)/- lac in the preceding year.

**viii GSJ ENVO Ltd. In Consortium with SMS Infrastructure Ltd.:**

SMS Infrastructure Ltd. and GSJ Envo Limited are Joint Venture consortium member namely GSJ ENVO Ltd. In Consortium with SMS Infrastructure Ltd. entered into JV for the work of 130MLD Sewage Water reuse project as EPC Contract including complete Design,

Engineer, procurement Supply, Installation, Construction, Testing and commissioning of all civil electrical, mechanical and instrumentation works consisting of intake works, sewage Treatment Plant, Pumping Station, Pipeline and Tertiary Treatment plant with Comprehensive operation and maintenance of entire plant for a period of Ten years for water supply to 3x660MW Koradi Expn. Project, dist. Nagpur (MS.).

The Value of work done during the year stood at ` 624.31/- lac and the Net Profit at ` 15.28/- lac as against ` (24.63)/- lac in the preceding year.

**ix BHARTIA SMSIL (JV):**

SMS Infrastructure Limited and Bhartia Infra Projects Limited are Joint Venture partners namely BHARTIA SMSIL (JV) entered into JV for the work of Construction of single line BG Tunnel No.7 (App. Total length 1780 RM) at KM. 36.640 to KM. 38.420 in between station Kambiron Road and Thingou in connection with construction of New Railway line project Jiriba-Tupul (Imphal) of N.F. Railway Construction.

During the year under the JV in receipt of bill value of ` 648.21/- lac and the Net Profit at nil.

**x Gannon Dunkerley & Co. Ltd. and SMS Infrastructure Ltd (JV):**

SMS Infrastructure Limited and Gannon Dunkerley & Co. Limited are Joint Venture partners namely GDCL-SMSIL (JV) entered into JV for the work of Construction of Flyover at )KM 544/650), including ROB in lieu of L.C. No. 72 including services Roads, Footpath for RCC drains on Urban link to Nagpur-Raipur road NH-6 (Pardi Octroi Naka to Sant Tukaram Square to APMC Market) through EPC contract.

Value of work done during the year stood at ` 4638.44 /- lac

**xi SMSIL-MBPL-BRAPL (JV):**

SMS Infrastructure Limited, Mehrotra Buildcon Pvt. Limited and Bharat Rail Automation Pvt. Ltd. are Joint Venture members namely SMSIL-MBPL-BRAPL (JV) entered into JV for Balance work for construction of roadbed, major and minor bridges, track linking (excluding supply of rails, ordinary track sleepers, and thick web switches), outdoor signalling and electrical (general) works in connection with doubling of Akalkot Road-Gulbarga section (78 Kms) of Hotgi-Gulbarga section in Sholapur Division of Central Railway in the State of Maharashtra & Karnataka, India awarded by Rail Vikas Nigam Limited.

Value of work done during the year stood at ` 6128.46/- lac and the Net Profit at NIL as against ` 7.60/- lac in the preceding year.

**xii SMSL-SRRCIPL(JV):**

SMS Infrastructure Limited and Sri Raja Rajeshwari Construction India Pvt. Ltd. are Joint Venture partners namely SMSIL-SRRCIPL (JV) entered into JV for the work of IFFC project- Construction of link canal from km. 0.00 (MMR R/s canal @ km 36.125, end of package-II) to km 6.900 (joining at km 0.650 of Approach channel of Thotapally Lift Scheme Package-5) and Branch canal to connect MMR R/s canal beyond Thotapally from km 1.250, including CM and CD works in Karimnagar District awarded by Irrigation & CAD department of Telengana.

During the year under the JV in receipt of gross bill value of ` 1729.56/- lac and the Net Loss at ` 0.98/- lac

**xiii SRRCIPL-SMSL-BEKEM:**

SMS Infrastructure Limited, Sri Raja Rajeshwari Construction India Pvt. Ltd. and Bekem Infra Projects Pvt. Ltd. are Joint Venture partners namely SMSIL+SRRCIPL (JV) entered into JV for the work of Balance Work for Earth work excavation and formation of Embankment from km 2.000 to L/s End Pier, Construction of Spillway from Spillway Blocks 1 to 15, L/s NOFs' 1 To 4 upto road bridge level & Spillway Blocks 16 to 26 from crest level to road bridge level including Supply, fabrication & erection of Gates, Infall regulator, R/s Off-Take Sluice, L/s Guide bank etc., of Mid Manair Reservoir near Manwada (V), Boinpally(M), Rajanna Sircilla Dist awarded by Government of Telengana ,Irrigation & CAD Department.

During the year under the JV in receipt of gross bill value of ` 20632.22/- lac and the Net Loss at ` 10.21/- lac.

**12. CONSOLIDATED FINANCIAL STATEMENTS:**

In compliance with in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 read with the Rules issued there under and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate companies and Joint Ventures.

Further a separate statement containing the salient features of the financial statements of the subsidiary Companies/Associate Companies/Joint Ventures in prescribed Form AOC-1 attached along with the consolidated Financial statements.

**13. DEPOSIT:**

The Company did not accepted or renewed any deposits from public during the year under review.

**14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(A) Conservation of Energy:**

**i. Steps taken / impact on conservation of energy:**

The operations of the Company, being Infrastructural Services related, there is less scope of conservation of energy. The Company is taking every necessary step to reduce the consumption.

**ii. Steps taken by the Company for utilising alternate sources of energy:**

Use of LED bulbs has been initiated that consume less electricity as compared to conventional incandescent or CFL bulbs.

**iii. Capital investment on energy conservation equipment's:**

In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipment's.

**(B) Technology Absorption:**

**i) Efforts made towards technology absorption and adaptations during the years are:**

a) During the year SMSL introduced a specially designed and developed face drill cum bolter in Banwas mine of the KCC group of mines with the support of GHH a German company.

Drill cum bolter is equipped with a regular feed beam capable of drilling 4.3 m blast holes at the face and a short feed beam 2.5 mtrs which is capable of drilling holes in the roof for installing rock bolts. Both operations can be accomplished by a single machine positioned at a single point. This enables quickly supporting the roof with rock bolts enhancing safety.

Earlier two separate machines namely Drill Jumbo and roof bolting machine were required to be used for same work, which causes a time lag of more than 6 hours before the roof is supported after advancing the face by blasting as there were no machine to perform both functions in low height workings.

**ii) Benefits derived as a result of the above efforts:**

- i. Faster progress implying earlier completion of projects
- ii. Efficiency improvements
- iii. Enhancement of quality

b) The Company operates on a SAP system, and has many of its accounting records stored in an electronic form and backed up periodically.

The SAP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account.

The Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

c) The Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, and accuracy of provisions and other estimates.

d) The Company operates a shared service centre which handles all payments made by the Company. This centre ensures adherence to all policies laid down by the management.

**(C) Foreign Exchange Earnings and Outgo:**

During the Financial Year 2017-2018 total Foreign Exchange earned and used:

Earnings in foreign : ` 1,55,03,286/- lac

Outflow of foreign currency: ` 23667826.16/-

**15. PERFORMANCE ANNUAL EVALUATION OF BOARD AND COMMITTEES THEREOF:**

During the Financial Year 2017-18 the Board was not required to evaluate its own performance and that of its Committees and individual directors, as prescribed under rule 8 of the Companies (Accounts) Rules, 2014 pursuant to the provision of section 134 subsection (3) clause (p) of the Companies Act, 2013.

**16. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO MEDIAN EMPLOYEE'S REMUNERATION:**

The Company being unlisted Public Company, provision pursuant to section 197(12) and Rule 5 of the Companies (Appointment And Remuneration) Rules, 2014 of the Companies Act, 2013 respect to disclosure in the Board's Report relating to the ration of the remuneration of each director to median employee's remuneration are not applicable.

**17. REMUNERATION OR COMMISSION FROM ITS SUBSIDIARY TO THE MANAGING DIRECTOR OR THE WHOLE-TIME DIRECTOR:**

During the financial year the disclosure pursuant to provision of section 197(14) are not required, as none of the Managing Director or Whole Time Director are in receipt of any Commission or any remuneration from any of its subsidiary Company.

**18. VOLUNTARY REVISION OF FINANCIAL STATEMENT OR BOARD'S REPORT:**

Disclosure for Voluntary Revision of Financial Statement pursuant to section 131(1) during the financial year is not required, as the Company has not revised its financial statement or Board's Report in the relevant financial year.

**19. RISK MANAGEMENT POLICY:**

The Company recognizes that risk is an integral part of business. The company has constituted a Risk Management Committee which has been entrusted with responsibility to assist the Board in the matter of Risk Management. The Company has already developed and implemented a 'Risk Management Policy' in accordance with the provisions of the Act as per which the Directors themselves periodically assess risks in the internal and external environment as also elements of risk, if any, which may threaten the existence of the company.

**20. DIRECTORS:**

At present, the Board comprises of Eight Directors viz. Shri Abhay Sancheti, Shri Ajay Sancheti, Shri Anand Sancheti, Shri Dilip Surana, Shri Ajay Kumar Lakhotia, Smt. Renu Challu, Shri Ramendra Gupta and Shri Akshay Sancheti.

Shri Ajay Kumar Lakhotia (DIN: 00634602), Smt. Renu Challu (DIN: 00157204) and Shri Ramendra Gupta (DIN: 00306663) are Independent Directors of the Company.

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149 of the Companies Act, 2013.

Shri Abhay Sancheti (DIN: 01654073) is the Chairman and Whole Time Director of the Company. Shri Ajay Sancheti (DIN: 00953304) is the Vice Chairman and Non-Executive Director on the Board. Shri Anand Sancheti (DIN: 00953362) is the Managing Director of the Company. Shri Dilip Surana is Whole Time Director (DIN: 00953495). Shri Akshay is an Alternate Director to Shri Abhay Sancheti.

In accordance with the provisions of section 152 of the Companies Act, 2013 and the rules framed thereunder and the Articles of Association of the Company, Shri Abhay Sancheti, (DIN: 01654073) Whole Time Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment.

**21. KEY MANAGERIAL PERSONNEL:**

Shri Anand Sancheti, Managing Director, Shri Sushant Mukherjee, Chief Financial Officer and Smt. Smita Agarkar, Company Secretary are the Key Managerial Personnel ("KMP") of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.









































There has been no change in the Key Managerial Personnel during the Financial Year under review.

**22. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors met Four times during the financial year 2017-18; on June 27, 2017, September 28, 2017, December 21, 2017 and March 21, 2018.

Annual General Meeting for FY 2016-17 was held on September 29, 2017. The details of the meetings of Board of Directors are given in Table 1 held during FY 2017-18.

Table 1: Details of the Meeting of Board of Directors:

Name of the Directors	*Attendance at last AGM held on September 29, 2017	No. of Board Meeting held and attended				% of attendance including video conferencing
		1	2	3	4	
Abhay Sancheti						25%
Ajay Sancheti						25%
Anand Sancheti						100%
Dilip Surana						75%
Renu Challu						100%
Ramendra Gupta						100%
Ajay Kumar Lakhota						100%
Akshay Sancheti						0%

 Attendance in person or Through Video Conferencing  Absent Nil)




























The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**23. BOARD COMMITTEE:**

Currently, the Board has six committee: the executive Committee, the audit committee, the corporate social responsibility committee, the nomination and remuneration committee, the share transfer committee, the risk management committee. The nomination and remunerations committee consist entirely of independent directors.

S M S



Board and Committee Composition as on March 31, 2018							
Name	Board	Executive Committee	Audit Committee	CSR Committee	Nomination & Remuneration Committee	Risk Management Committee	Share Transfer Committee
Abhay Sancheti							
Ajay Sancheti							
Anand Sancheti							
Dilip Surana							
Renu Challu							
Ramendra Gupta							
Ajay Kumar Lakhotia							
Akshay Sancheti							

 Chairman

 Member

#### A. Executive Committee:

The Committee comprises of Shri Abhay Sancheti, Shri Anand Sancheti and Shri Dilip Surana. Shri Abhay Sancheti is the Chairman of the Committee. During FY 2017–18, Twenty Seven Meetings of the Executive Committee were held. The composition of the Executive Committee and the attendance of its Members at its Meetings held during FY 2017-18 is, detailed in Table 2:

Table 2: Details of the Executive Committee

Name of the Member	Nature of Membership	Category	No. of Meeting held	No. of Meeting Attended	% of Attendance
Abhay Sancheti	Chairman	Whole Time Director	27	0	00.00
Anand Sancheti	Member	Managing Director	27	27	100.00%
Dilip Surana	Member	Whole Time Director	27	27	100.00%









## **B. CORPORATE SOCIAL RESPONSIBILITY:**

The Committee comprises of Shri Abhay Sancheti, Shri Anand Sancheti, Shri Ramendra Gupta and Shri Ajay Kumar Lakhotia. Shri Abhay Sancheti is the Chairman of the Committee.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year along with the disclosures required to be given pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out in Annexure 'III' of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company ([www.smsl.co.in](http://www.smsl.co.in)).

During FY 2017–18, two Meetings of the Corporate Social Responsibility Committee were held on June 27, 2016 and December 21, 2017. The composition of the Corporate Social Responsibility Committee and the attendance of its Members at its Meetings held during FY 2017-18 detailed in Table 3:

Table 3: Details of the CSR Committee:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended		% of Attendance
			1	2	
Abhay Sancheti	Chairman	Whole Time Director			50.00%
Ramendra Gupta	Member	Independent Director			100.00%
Ajay Kumar Lakhotia	Member	Independent Director			100.00%
Anand Sancheti	Member	Managing Director			100.00%

 Attendance in person or Through Video Conferencing  Absent (Nil)













## **C. AUDIT COMMITTEE:**

As per the provisions of Section 177 of the Act, the company has an Audit Committee comprising of Shri Anand Sancheti, Shri Ramendra Gupta and Shri Ajay Kumar Lakhotia. Shri Ajay Kumar Lakhotia is the Chairman of the Committee.

During FY 2017–18, four meetings of the Audit Committee were held i.e on June 27, 2017, September 28, 2017, December 21, 2017, and March 21, 2018. The details of the composition of the Audit Committee and its attendance at the Meetings are given in Table 4:

The Board has accepted all the recommendations made by the Audit Committee and the minutes of the meetings of the Committee were noted by it.

Table 4: Details of the Audit Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended				% of Attendance
			1	2	3	4	
Ajay Kumar Lakhotia	Chairman	Independent Director					100.00
Ramendra Gupta	Member	Independent Director					100.00
Anand Sancheti	Member	Managing Director					100.00



*Attendance in person or Through Video Conferencing*



*Absent (Nil)*










#### **D. NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of three Independent Directors viz. Shri Ajay Kumar Lakhotia, Shri Ramendra Gupta and Smt. Renu Challu.

Three Committee meetings were held during the financial year 2017-18 i.e. on 27<sup>th</sup> June, 2017, December 21, 2017 and March 21, 2018.

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 5:

Table 5: Details of the Nomination and Remuneration Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended			% of Attendance
			1	2	3	
Ajay Kumar Lakhotia	Member	Independent Director				100.00
Ramendra Gupta	Member	Independent Director				100.00
Renu Challu	Member	Independent Director				100.00



*Attendance in person or Through Video Conferencing*



*Absent (Nil)*

The terms of reference stipulated by the Board for the Nomination and Remuneration Committee are as contained in Section 178 of the Companies Act, 2013. The policy on appointment and remuneration is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and senior management is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

**E. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

During the Financial Year 2017-18 the Company was not required to constitute Stakeholders Relationship Committee, as prescribed under section 178(5) of the Companies Act, 2013.




**F. RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee has been constituted in conformity with the provisions of Companies Act, 2013 and The Committee comprises of three Members viz. Shri Abhay Sancheti, Chairman, Shri Anand Sancheti, Managing Director and Shri Dilip Surana, Whole Time Director as members of the Committee. This Committee has been delegated with the authority by the Board to review and monitor the implementation of the risk management policy of the Company and to assist the Board in the matter of Risk Management.

One Committee meetings was held during the financial year i.e. on March 21, 2018.

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 6 below;

Table 6: Details of the Risk Management Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended	% of Attendance
			1	
Abhay Sancheti	Chairman	Whole Time Director		000.00
Anand Sancheti	Member	Managing Director		100.00
Dilip Surana	Member	Whole Time Director		100.00

 Attendance in person or Through Video Conferencing       Absent (Nil)

## **G. SHARE TRANSFER COMMITTEE:**

The Share Transfer Committee comprised of three directors viz Shri Abhay Sancheti, Chairman, Shri Anand Sancheti, Managing Director and Shri Ajay Kumar Lakhotia, Independent Director.

There being no requirement, no meeting was held during the financial year 2017-18.

The details of the composition of the Committee, meetings held and its attendance at the meetings are given in Table 7 below.

Table 7: Details of The Share Transfer Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended	% of Attendance
Abhay Sancheti	Chairman	Whole Time Director	No Meeting held in 2017-18	NA
Anand Sancheti	Member	Managing Director	No Meeting held in 2017-18	NA
Ajay Kumar Lakhotia	Member	Independent Director	No Meeting held in 2017-18	NA



*Attendance in person or Through Video Conferencing*



*Absent (Nil)*

## **23. INDEPENDENT DIRECTORS MEETING:**

During The year under review, the Independent Directors of the Company met on March 21, 2018, without the presence of other Directors or Management representatives to:

- i. review the performance of Non Independent Directors and Board of Directors of the Company as whole:
- ii. review the performance of the Chairperson of the Company taking into account the view of the Executive and Non-Executive Directors
- iii. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **24. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts for the financial year 2017-18, the applicable accounting Standards have been followed along with proper explanation and there are no material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**25. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in the prescribed Form No. MGT 9 is attached as Annexure I.

**26. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:**

The Company has Internal Control Systems, Commensurate with the size, scale and complexity of its operation. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

During the financial year company implemented SAP system in the various functions of the organization. An initiative taken by the company for the improvement of reporting ability in the various aspects of the organization, After considering the dynamic environment where company is developing, the life of SAP system is considered as 5 years.

The Company operates on a SAP system, and has many of its accounting records stored in an electronic form and backed up periodically. The SAP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. The Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

The Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, and accuracy of provisions and other estimates.

The Company operates a shared service centre which handles all payments made by the Company. This centre ensures adherence to all policies laid down by the management.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate.

The basis of such judgments and estimates are also approved by the Statutory Auditors.

The Management periodically reviews the financial performance of the Company against the approved plans across various parameters and takes necessary action, wherever necessary.

**27. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:**

The Company has in all material respects, adequate internal financial control commensurate with the nature of its business, size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act, 2013.

**28. VIGIL MECHANISM:**

In compliance with the provisions of Section 177(10) of the Companies Act, 2013, the Board of Directors has established Vigil Mechanism for directors and employees to report their genuine concerns or grievances. The Company oversees the mechanism through the Audit Committee. The vigil mechanism is providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. In case of repeated frivolous complaints being filed by a director or an employee, the

audit committee may take suitable action against the concerned director or employee including reprimand.

The vigil mechanism policy is available on the website of the Company at [www.smsl.co.in](http://www.smsl.co.in).

## **29. HUMAN RESOURCE DEVELOPMENT:**

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. SMS's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

### **SMS GROUP GRATUITY SCHEME**

Company has established a Group Gratuity Scheme - "SMS Limited Employees Group Gratuity Scheme" in collaboration with the LIC of India for the benefit of the employees of SMS Limited, the Company shall pay gratuity to such staff as are covered under the said Act, on exit from their services and to cover the accidental cases and death cases.

## **30. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

SMS has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. SMSL has well formulated policy on prevention and redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. These policies have striven to prescribe a code of conduct for the employees and are required to strictly abide by it.

The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Internal Complaints Committee Consist of Following Members:

- |    |                    |   |                  |
|----|--------------------|---|------------------|
| 1. | Ms. Reena Banerjee | - | Presiding Member |
| 2. | Ms. Kiran Adatkar  | - | Member           |
| 3. | Ms. Tanuja Ganguly | - | Member           |
| 4. | Mr. Anupam Desai   | - | Member           |

During the year 2017-18, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.



**31. AUDITORS:**

The Members of the Company at the 20<sup>th</sup> Annual General Meeting (“AGM”) held on 29<sup>th</sup> September, 2017, approved the appointment of M/s. V. K. Surana & Co., Chartered Accountants, Nagpur, bearing ICAI Firms Registration No. 110634W, as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 25<sup>th</sup> AGM held thereafter.

As per the existing appointment of M/s. V. K. Surana & Co., Chartered Accountants, Nagpur, their remaining audit period covers the four year of their appointment up to the conclusion of the 25<sup>th</sup> Annual General Meeting to be held in the financial year 2021-22.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to their continued appointment and the have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**32. AUDITORS REPORT:**

There are no qualification(s), reservation or adverse remarks made by the statutory auditors in their report on the Standalone Financial Statements.

However The Auditors’ in their report on the Consolidated Financial Statement, have contains the Qualification(s) reproduced as under:

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and jointly controlled entities, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above in the Report on Other Legal and Regulatory Requirement, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the Consolidated State of the Affairs of the Group, its associates and jointly controlled entities as at March 31, 2018 and their Consolidated Profit including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

## **Basis of Qualified Opinion:**

### **A) RCCL Infrastructure Limited – Associate of the Company**

i) In Public Interest Litigation Petition (PIL No. 1250/2013), the Hon'ble Rajasthan High Court vide its order dated 09/09/2014 directed to company to deposit entire collection from toll with effect from 15/09/2014 in the Bank Account in the name of PWD. Further the Hon'ble Rajasthan High Court vide its order dated 28/7/2015 ordered that collection of toll on road shall be stopped. The Hon'ble Rajasthan High Court vide its order dated 14/07/2017 appointed retired justice as Sole Arbitrator to resolve the dispute between the parties who passed an award vide its order dated 18/03/2018, against which the State of Rajasthan through PWD has filed an appeal before Special Court (Commercial Court), which is pending for disposal.

The Company has collected to of ` 3794.19 Lac from 15.09.2014 to 19.09.2016. Out of it, ` 3738.81 Lac has been deposited in the PWD SBBJ Account and balance of ` 55.38 Lac was recognised as income in the respective years. During FY 2017-18, the company has received an amount of ` 792.77 Lac from PWD and not recognised as revenue pending outcome of the proceeding before the court, resulting into decrease in revenue of the Group including its associate companies to the extent of ` 269.54 Lac (Refer Note No. 54(a)).

ii) Liability in respect of Work contract tax, PF, ESI on contract awarded for renovation / repair & maintenance of Road has not been ascertained and provided for. (Refer Note No. 54(b)).

iii) Non provision of expenses/liability in respect of ESI, Bonus, Gratuity and Leave Encashment for its employees, amount not ascertained. (Refer Note No. 54(c))

iv) Non-accounting of Agricultural land registered in the name of Company at cost of ` 1.16 Lac and Non provision of corresponding liability against it. (Refer Note No. 54(d))

## **Boards Comment:**

The qualifications/observations made by auditors in their report read together with relevant notes to the financial statements are self-explanatory and hence do not call for any further comments under section 134 of the Companies Act, 2013.

### **B) SMS Taxicabs Private Limited – Subsidiary of the Company**

i) No reconciliation is available in respect of balance with State Bank of India, Malad Branch- Current Account. Also all the bank accounts, trade receivables and trade payables are subject to confirmation and reconciliations if any.

In absence of the reconciliations/confirmations, we are unable to determine the effect of these transactions on the financial statements of the company. (Refer Note No. 55(a))

ii) The company has not disclosed details of following pending litigation under the contingent liability in its financial statement:

a) Litigation of Corporation Bank in The Mumbai Debts & Recovery Tribunal for unpaid amount of secured term loan. – ₹ 854.40 Lac

b) Litigation of Creditor Eco Fuel System (I) Pvt Ltd in The National Company Law Tribunal for unpaid amount of outstanding against material supplied. – ₹ 362.38 Lac

c) Litigation of Employees Shri Surendra Pal and Shri Ajit Rajapure in The Labour Court, Mumbai for unpaid amount of salary, full & final settlement and other dues.

### **Boards Comment:**

Reconciliation was not done due to administrative and operational issues.

The amount is not contingent. The auditor has given disclosure regarding litigations. The amount of liability is already being shown as liability in the financials.

### **Emphasis of Matter:**

A) RCCL Infrastructure Limited – Associate of the Company:

a) Concession period of the Road under BOT project was upto 23/12/2017 but it was reduced to 19/09/2016 by PWD vide its letter dated 06/09/2016. The Hon'ble Rajasthan High Court vide its order dated 14/07/2017 appointed retired Justice as Sole Arbitrator to resolve the dispute between the parties who has passed an award vide its order dated 18/03/2018 against which State of Rajasthan through PWD held an appeal before Special Court( Commercial Court), which is pending for disposal. (Refer Note No. 54(a) and 54(e))

b) The Associate Company had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP) and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statements are consolidated based on conversion adjustments prepared by the management of the company. (Refer Note No. 47(v))

B) SMS Taxicabs Private Limited – Subsidiary of the Company

We draw attention to Note No. 55(b) to the financial statements, which is reproduced as under:

GOING CONCERN

The net-worth of the company has significantly eroded and turned negative as at the end of the year. The company has closed its phone a fleet taxi operation and the financial viability of the company greatly depends on its ability to pursue new business ventures and / or strategic business plans. The company has started a DBO subscription scheme in place of existing taxi operations. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

The Emphasis of Matter made by auditors in their report are self-explanatory and hence do not call for any further comments.

**33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future.

**34. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Yugandhara Kothalkar, Practising Company Secretary to conduct Secretarial Audit of the records and documents of the Company for financial year 2017-18.

The Secretarial Audit Report for financial year ended 31 March, 2018 in Form MR-3 is annexed to the Boards' Report as "Annexure II" and forms part of this Report.

The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2018 does not contains any qualification(s), reservation or adverse remarks or disclaimer.

**35. COST AUDIT:**

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on March 22, 2017 had appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur (Firms Registration No. 101112) as Cost Auditors of the Company for the financial year 2017-18. In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified subsequently by the Shareholders. Accordingly, necessary resolution was passed at the Extra Ordinary General Meeting held on 29<sup>th</sup> April, 2017 for ratification of the remuneration payable to the Cost Auditors for financial year 2017-18.

**36. PARTICULARS OF EMPLOYEES:**

Details in respect of remuneration paid to employees as pursuant to section 134 (3) (q) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in Annexure – IV and forms part of this Report

In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

**37. DETAILS OF FRAUD REPORT BY AUDITOR:**

There have been no instances of fraud reported by the Statutory Auditor, Secretarial Auditor or Cost Auditor of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Audit Committee, or to the Company or to the Central Government.

**38. DOCUMENTS PLACED ON THE WEBSITE ([www.smsl.co.in](http://www.smsl.co.in)):**

The following documents have been placed on the website in compliance with the Act:

- Corporate Social Responsibility Policy as per 135 (4) (a)
- Details of Vigil Mechanism for directors & employees to report genuine concerns as per proviso 177(10).
- Terms & Conditions of Appointment of independent directors as per Schedule IV to the act.

**39. ACKNOWLEDGEMENTS:**

The Directors would like to acknowledge and place on record their sincere appreciation to all stakeholder – clients, Financial Institutions, Banks, Central and State Governments, the company's valued investors and all other business partners for their continued co-operations and excellent support received during the year.

The Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation, dedication and their continued contribution to company's progress.

**FOR AND ON BEHALF OF THE BOARD**

Anand Sancheti

Dilip Surana

Dated: 27<sup>th</sup> September, 2018  
Place: Nagpur

Managing Director  
DIN: 00953362

Director  
DIN: 09534694

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## ANNEXURE INDEX

Annexure number	Details of annexure
I	<b>Annual Return Extracts in MGT 9</b>
II	<b>Secretarial Audit Report.</b>
III	<b>Annual Report on Corporate Social Responsibility</b>
IV	<b>Particulars of Employees Pursuant to Section 134 (3) (q) of The Companies Act, 2013 Read with Rule 5 (1) of The Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014</b>

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# Annexure-I to the Boards' Report

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION AND OTHER DETAILS:

<b>i.</b>	<b>CIN</b>	<b>U45201MH1997PLC107906</b>
<b>ii.</b>	<b>Registration Date</b>	8 <sup>th</sup> May, 1997
<b>iii.</b>	<b>Name of the Company</b>	SMS LIMITED
<b>iv.</b>	<b>Category of the Company</b>	Company Limited By Shares
	<b>Sub-Category of the Company</b>	Non-Govt Company
<b>v.</b>	<b>Address of the Registered office</b>	IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur- 440022
	<b>and</b>	
	<b>contact details</b>	0712-7125000
<b>vi.</b>	<b>Whether listed company</b>	No
<b>vii.</b>	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083 Phone: +91 022 49186000 Fax: +91 022-49186060 Email: accounts@linkintime.co.in

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## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Engineering Procurement Contract	410/421/422 & 429	74.31
2	Toll	63031	25.69

A large, light blue watermark logo is centered on the page. It features a stylized circular emblem composed of concentric, curved lines above the letters 'SMMS' in a bold, sans-serif font.

SMMS

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
1.	<b>* SMS Shivnath Infrastructure Pvt. Ltd.</b> Toll Plaza, Durg ByPass, NH - 6, Near Dhamdha Naka, Durg, Chhattisgarh-491001	U45203CT1997PTC012220	Subsidiary Company	51.59%	Sec 2(87)
2.	<b>Patwardhan Infrastructure Pvt. Ltd.</b> 267 Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U45203MH1999PTC181033	Subsidiary Company	100.00%	Sec 2(87)
3.	<b>Maharashtra Enviro Power Ltd.</b> 267 Ganesh Phadnavis Bhavan, Triangular Park, Dharampeth, Nagpur- 440010	U40105MH2005PLC150780	Subsidiary Company	92.07%	Sec 2(87)
4.	<b>SMS Envoclean Private Limited</b> 267 Ganesh Phadnavis Bhavan, Triangular Park, Dharampeth, Nagpur- 440010	U52100MH2005PTC156774	Subsidiary Company	56.02%	Sec 2(87)
5.	<b>SMS Vidhyut Pvt. Ltd.</b> 267 Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U40101MH2006PTC166038	Subsidiary Company	100%	Sec 2(87)

\* SMS Shivnath Infrastructure Pvt. Ltd. Subsidiary pursuant to section 2(87)(ii), ceases to be subsidiary by Transferring entire shares holding w.e.f. 25.04.2017 to M/s TRPL Roadways Private Ltd, who consequently changed its name to 'Durg Shivnath Expressways Private Limited.'

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
6.	<b>SMS Tolls and Developers Limited</b> 267 Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U45400MH2007PLC172869	Subsidiary Company	100.00%	Sec 2(87)
7.	<b>SMS Water Grace BMW Pvt. Ltd.</b> 267 Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U52100MH2007PTC167615	Subsidiary Company	56.03%	Sec 2(87)
8.	<b>SMS Mine Developers Pvt. Ltd.</b> 267 Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U14200MH2007PTC170870	Subsidiary Company	51.00%	Sec 2(87)
9.	<b>SMS Parking Solutions Pvt. Ltd.</b> 267 Ganesh Phadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U74999MH2008PTC178827	Subsidiary Company	100.00%	Sec 2(87)
10.	<b>SMS Bhatgaon Mines Extension Pvt. Ltd.</b> 267 Fadnavis Bhavan, Near Triangular Park, Dharampeth, Nagpur- 440010	U13209MH2008PTC186729	Subsidiary Company	51.00%	Sec 2(87)
11.	<b>Solar Bhatgaon Extension Mines Pvt. Ltd.</b> 11, Zade Layout, Bharat Nagar, Nagpur-440010	U13200MH2008PTC186685	Subsidiary Company	51.00%	Sec 2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
12.	<b>SMS Infolink Private Limited</b> 20, IT Park, Parsodi Nagpur- 440022	U72900MH2011PTC221718	Subsidiary Company	100.00%	Sec 2(87)
13.	<b>SMS Taxicabs Private Limited</b> 151, 15th floor, Mittal court B wing, Opp. Vidhan Bhavan, Nariman point Mumbai- 440021	U60230MH2011PTC220163	Subsidiary Company	60%	Sec 2(87)
14.	<b>Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.</b> 20, IT Park, Parsodi Nagpur- 440022	U63000MH2013PTC240214	Subsidiary Company	100.00%	Sec 2(87)
15.	<b>SMS Waste Management Private Limited</b> IT Park, 20 S.T.P.I. Gayatri Nagar, Parsodi, Nagpur- 440022	U90001MH2014PTC260149	Subsidiary Company	100.00%	Sec 2(87)
16.	<b>SMS-AABS India Tollways Pvt. Ltd.</b> 3/3, South Tukoganj, Near Gokuldas Hospital Indore – 452001	U45200MP2014PTC032929	Subsidiary Company	51.00%	Sec 2(87)
17.	<b>Pt. SMS Minerals International</b> Gedung Surya 6 <sup>th</sup> Floor/604, JL. M.H. Thamrin no. 9 Gondangdia, Menteng. Central Jakarta. Raya	Not Applicable	Subsidiary Company	80.00%	Sec 2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
18.	<b>Pt. SMS Mines Indonesia</b> Gedung CityLofts Sudirman Lt. 28 unit 9, J1. KH. Mas Mansyur No. 121, RT. 013/RW.011, Kel. Karet Tengsin, Kec. Tanah Abang Jakarta Pusat	Not Applicable	Subsidiary Company	100.00%	Sec 2(87)
19.	<b>RCCL Infrastructure Limited</b> C-74, Ambabari, Jaipur-302012	U45203RJ2002PLC018003	Associate Company	34.00%	Sec 2(6)
20	<b>SMS – AAMW India Tollways Private Limited</b> K-17AB, Ground Floor, Kalkaji, New Delhi- 110091	U45203DL2011PTC218839	Associate Company	26.00%	Sec 2(6)

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#### IV. IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) *Category-wise Share Holding*

Sl. No.	Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% of Change during the year
	Particulars		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>										
	<b>1</b>	<b>Indian</b>									
	a)	Individual/HUF	0	80,37,008	80,37,008	78.32%	80,37,008	0	80,37,008	78.32%	0
	b)	Central Govt	0	0	0	0	0	0	0	0	0
	c)	State Govt (s)	0	0	0	0	0	0	0	0	0
	d)	Bodies Corp.	0	22,24,374	22,24,374	21.68%	11,78,243	10,46,131	22,24,374	21.68%	0
	e)	Banks / FI	0	0	0	0	0	0	0	0	0
	f)	Any Other	0	0	0	0	0	0	0	0%	0
		<b>Sub-total(A)(1):-</b>	<b>0</b>	<b>1,02,61,382</b>	<b>1,02,61,382</b>	<b>100%</b>	<b>92,15,251</b>	<b>10,46,131</b>	<b>1,02,61,382</b>	<b>100%</b>	<b>0</b>

	<b>2</b>	<b>Foreign</b>										
	a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0	0
	b)	Other – Individuals	0	0	0	0	0	0	0	0	0	0
	c)	Bodies Corp.	0	0	0	0	0	0	0	0	0	0
	d)	Banks / FI	0	0	0	0	0	0	0	0	0	0
	e)	Any Other	0	0	0	0	0	0	0	0	0	0
		<b>Sub-total(A)(2):-</b>	0	0	0	0	0	0	0	0	0	0
		<b>Total Shareholding of Promoter [(A)= (A)(1) +(A)(2)]</b>	<b>0</b>	<b>1,02,61,382</b>	<b>1,02,61,382</b>	<b>100%</b>	<b>92,15,251</b>	<b>10,46,131</b>	<b>1,02,61,382</b>	<b>100%</b>	<b>0</b>	<b>0</b>
<b>B.</b>		<b>Public Shareholding</b>										
	<b>1</b>	<b>Institutions</b>	0	0	0	0	0	0	0	0	0	0
	a)	Mutual Funds	0	0	0	0	0	0	0	0	0	0
	b)	Banks / FI	0	0	0	0	0	0	0	0	0	0
	c)	Central Govt	0	0	0	0	0	0	0	0	0	0
	d)	State Govt(s)	0	0	0	0	0	0	0	0	0	0
	e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
	f)	Insurance Companies	0	0	0	0	0	0	0	0	0	0
	g)	FII's	0	0	0	0	0	0	0	0	0	0
	h)	Foreign Venture Capital	0	0	0	0	0	0	0	0	0	0

		Funds									
		i) Others	0	0	0	0	0	0	0	0	0
		<b>Sub-total(B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2</b>		<b>Non-Institutions</b>									
		<b>a) Bodies Corp.</b>									
		i) Indian	0	0	0	0	0	0	0	0	0
		ii) Overseas	0	0	0	0	0	0	0	0	0
		<b>b) Individual Shareholders</b>									
		i) holding nominal shares capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
		ii) holding nominal shares capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
		<b>c) Others</b>	0	0	0	0	0	0	0	0	0
		<b>Sub-total(B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C.</b>		<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>1,02,61,382</b>	<b>1,02,61,382</b>	<b>100%</b>	<b>92,15,251</b>	<b>10,46,131</b>	<b>1,02,61,382</b>	<b>100%</b>	<b>0</b>



**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Abhay Sancheti	32,14,696	31.33%	N.A.	32,14,696	31.33%	N.A.	NIL
2.	Ajay Sancheti	24,10,997	23.50%	36.86%	24,10,997	23.50%	33.18	NIL
3.	Anand Sancheti	24,10,997	23.50%	N.A.	24,10,997	23.50%	N.A.	NIL
4.	Bharti Sancheti	106	00.00%	N.A.	106	00.00%	N.A.	NIL
5.	Savita Sancheti	106	00.00%	N.A.	106	00.00%	N.A.	NIL
6.	Shruti Sancheti	106	00.00%	N.A.	106	00.00%	N.A.	NIL
8.	Femina Share Management Services Private Limited	8,34,184	8.12%	N.A.	8,34,184	8.12%	N.A.	NIL
9.	Femina Industrial Finance Private Limited	10,46,131	10.19%	N.A.	10,46,131	10.19%	N.A.	NIL
10.	Best Power Plus Private Limited	3,44,059	3.35%	N.A.	3,44,059	3.35%	N.A.	NIL

iii) Change in Promoters' Shareholding:

*There is no change in share holding of promoters during the F.Y. 2017-18.:*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>102,61,382</b>	100%	<b>102,61,382</b>	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	--	--	--	--
	<b>At the end of the year</b>	<b>102,61,382</b>	100%	<b>102,61,382</b>	100%

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year ( or on the date of separation, if separated during the year)	--	--	--	--

v) **Shareholding of Directors and Key Managerial Personnel:**

S. No.	For each of the Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Directors &amp; Key Managerial Personnel</b>					
<b>At the beginning of the year</b>					
1.	Abhay Sancheti	32,14,696	31.33%	80,36,690	78.33%
2.	Ajay Sancheti	24,10,997	23.50%		
3.	Anand Sancheti	24,10,997	23.50%		
<b>Key Managerial Personnel</b>					
1.	Sushant Mukherjee	-	-	-	-
2.	Smita Agarkar	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease:		--	--	--	--
<b>Directors &amp; Key Managerial Personnel</b>					
<b>At the end of the year</b>					
1.	Abhay Sancheti	32,14,696	31.33%	80,36,690	78.33%
2.	Ajay Sancheti	24,10,997	23.50%		
3.	Anand Sancheti	24,10,997	23.50%		
<b>Key Managerial Personnel</b>					
1.	Sushant Mukherjee	-	-	-	-
2.	Smita Agarkar	-	-	-	-

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
	in Lac			
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14,928.06	Nil	Nil	14,928.06
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>14,928.06</b>	<b>Nil</b>	<b>Nil</b>	<b>14,928.06</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	322.79	Nil	322.79
• Reduction	1,119.94	-	Nil	1119.94
<b>Net Change</b>	<b>1,119.94</b>	<b>322.79</b>	<b>Nil</b>	<b>-797.15</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13,808.12	322.79	Nil	14,130.91
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>13,808.12</b>	<b>322.79</b>	<b>Nil</b>	<b>14,130.91</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹)
		Abhay Sancheti (WTD)	Anand Sancheti (MD & KMP)	Dilip Surana (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 1,15,20,000	₹ 1,25,93,568	₹ 1,03,38,600	₹ 3,44,52,168
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----	----
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	----	----	----	----
2	Stock Option	----	----	----	----
3	Sweat Equity	----	----	----	----
4	Commission	----	----	----	----
	- as % of profit	----	----	----	----
	- others, specify...	---	----	----	----
5	Others, please specify	----	----	----	----
	<b>Total (A)</b>	₹ 1,15,20,000	₹ 1,25,93,568	₹ 1,03,38,600	₹ 3,44,52,168
	Ceiling as per the Act @ 10% of profits calculated u/s 198 of the Companies Act, 2013				₹ 4,60,83,520

**B. Remuneration to other directors:**

SI No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1	<b>Independent Directors</b>	Ajay Kumar Lakhotia	Renu Challu	Ramendra Gupta	
	Fee for attending Board/ Committee Meetings	₹ 4,00,000	₹ 4,00,000	₹ 4,00,000	₹ 12,00,000
	Commission	----	----	----	----
	Others, please specify	----	----	----	----
	<b>Total (1)</b>	<b>₹ 4,00,000</b>	<b>₹ 4,00,000</b>	<b>₹ 4,00,000</b>	<b>₹ 12,00,000</b>
2	<b>Other Non-Executive Directors</b>	Ajay Sancheti	----	----	----
	Fee for attending board committee meetings	----	----	----	----
	Commission	----	----	----	----
	Others, please specify	----	----	----	----
	<b>Total (2)</b>	----	----	----	----
	<b>Total (B) = (1+2)</b>	<b>₹ 4,00,000</b>	<b>₹ 4,00,000</b>	<b>₹ 4,00,000</b>	<b>₹ 12,00,000</b>
	<b>Total Managerial Remuneration</b>	----	----	----	<b>₹ 3,56,52,168</b>
	<b>Overall Ceiling as per the Act</b>				<b>₹ 5,06,91,872</b>

**A. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (CFO)	Company Secretary (CS)	Total Amount (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 30,53,785	₹ 8,28,130	₹ 38,81,915
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----	----
2	Stock Option	----	----	----
3	Sweat Equity	----	----	----
4	Commission			
	- as % of profit	----	----	----
	others, specify...	----	----	----
5	Others, please specify	----	----	----
	<b>Total</b>	₹ 30,53,785	₹ 8,28,130	₹ 38,81,915

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**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT CLB]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

**FOR AND ON BEHALF OF THE BOARD**

Anand Sancheti

Dilip Surana

Dated: 27<sup>th</sup> September, 2018  
Place: Nagpur

Managing Director  
DIN: 00953362

Director  
DIN: 00953495

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**'Annexure II'**  
**'ANNEXURE - A'**

To,

**THE MEMBERS,  
SMS LIMITED  
(FORMERLY KNOWN AS SMS INFRASTRUCTURE LIMITED)  
CIN – U45201MH1997PLC107906  
IT PARK, 20 S.T.P.I., GAYATRI NAGAR,  
PARSODI, NAGPUR, MH – 440022, INDIA.**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 07th September, 2018  
Place : Nagpur

**CS. Yugandhara Kothalkar**  
Practicing Company Secretary  
ACS No.:28673,  
CP No.:10337

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

(Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

**THE MEMBERS,  
SMS LIMITED**

**(FORMERLY KNOWN AS SMS INFRASTRUCTURE LIMITED)**

**CIN – U45201MH1997PLC107906**

**IT PARK, 20 S.T.P.I., GAYATRI NAGAR,**

**PARSODI, NAGPUR, MH – 440022, INDIA.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMS LIMITED**. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the **SMS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SMS LIMITED**. ("the Company") for the financial year ended on 31st March, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) Other laws applicable to the Company as given below, I have relied on

the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under the applicable Acts, Laws and Regulations to the Company.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:-

- 1) The Workmen Compensation Act, 1923
- 2) The Trade Unions Act, 1926
- 3) The Industrial Employment (Standing Orders) Act, 1946
- 4) The Industrial Disputes Act, 1947
- 5) The EPF & MP Act, 1952
- 6) The Payment of Wages Act, 1936
- 7) The Minimum Wages Act, 1948
- 8) The Employee's Provident Fund & Miscellaneous Provisions Act, 1952
- 9) The Employee's State Insurance Act, 1948
- 10) The Payment of Bonus Act, 1965
- 11) The Payment of Gratuity Act, 1972
- 12) The Contract Labour (Regulation & Abolition) Act, 1970
- 13) The Maternity Benefit Act, 1961
- 14) The Child Labour (Prohibition & Regulation) Act, 1986
- 15) The Bombay Shop & Establishment Act, 1948
- 16) The Maharashtra Labour Welfare Fund
- 17) The Equal Remuneration Act, 1976
- 18) The Factories Act, 1948
- 19) The Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948
- 20) The Mines Act, 1952
- 21) The Coal Mines Regulation, 1957
- 22) The Metalliferous Mines Regulation Act, 1961
- 23) The Coal Mines Pension Scheme, 1998
- 24) The Apprentices Act, 1961
- 25) The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1956

I have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provision of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there were following events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- (i) The Company is defending in Labour Court against the cases filed by Five ex-employees for re-instatement of their services under Industrial Dispute Act, 1947. (Three cases have been continuing since previous years and two new cases have been added during the year under review.)
- (ii) The Company is defending one case under 7Q & 14B before CGIT, Nagpur (erstwhile Appellate Tribunal, Delhi) under Employee's Provident Fund & Miscellaneous Provisions Act, 1952.

- (iii) Company is contesting Two cases before the Hon'ble High Court; challenging notices u/s 148 of Income Tax Act issued by CIT, Nagpur for reassessment of income.
- (iv) Company has challenged the award passed by the Arbitral Tribunal partly in favour of SMS Limited (after foreclosure of Contract) before the Hon'ble Delhi High Court seeking enhancement of claim.

Date : 07th September, 2018  
Place : Nagpur

**CS. Yugandhara Kothalkar**  
Practicing Company Secretary  
ACS No.:28673,  
CP No.:10337

This report is to be read with my letter of even date which is annexed as 'ANNEXURE - A' and forms an integral part of this report.

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**'ANNEXURE - A'**

To,

**THE MEMBERS,  
SMS LIMITED  
(FORMERLY KNOWN AS SMS INFRASTRUCTURE LIMITED)  
CIN – U45201MH1997PLC107906  
IT PARK, 20 S.T.P.I., GAYATRI NAGAR,  
PARSODI, NAGPUR, MH – 440022, INDIA.**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 07th September, 2018  
Place : Nagpur

**CS. Yugandhara Kothalkar**  
Practicing Company Secretary  
ACS No.:28673,  
CP No.:10337

## ANNEXURE III

### ANNUAL REPORT ON CSR ACTIVITIES

#### Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES UNDERTAKEN / PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES.**

(Web link [http://www.smsl.co.in/SMS\\_Group\\_CSR\\_Policy.pdf](http://www.smsl.co.in/SMS_Group_CSR_Policy.pdf)).

- In Education, our endeavour is to spark the desire for learning and knowledge at every stage through.
- In Health care our goal is to render quality health care facilities to people living in the villages and elsewhere through our Hospitals.
- In Sustainable Livelihood our programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through.
- In Infrastructure Development we endeavour to set up essential services that form the foundation of sustainable development through.
- To bring about Social Change we advocate and support.
- Environmental Sustainability

2. **COMPOSITION OF CSR COMMITTEE**

Sr. No.	Name of the Member	Category	Position
1.	Abhay Sancheti	Whole Time Director	Chairman
2.	Anand Sancheti	Managing Director	Member
3.	Ajay Lakhotia	Independent Director	Member
4.	Ramendra Gupta	Independent Director	Member

### 3. FINANCIAL DETAILS:

Particulars	Amount (In Lac)
Average Net Profit of the Company for last three Financial years	₹ 5,902.47
Prescribed CSR Expenditure (2% of average net profit as computed above)	₹ 118.05
<b>Details of CSR Expenditure during the financial year</b>	
Total amount to be spent for the financial year	₹ 118.05
*Amount Unspent if any	₹ 118.05

### 4. THE MANNER OF THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS DETAILED BELOW:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.	CSR project or activity identified.	Sector in which the Project is covered	Projects or Programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Rotary Foundation (India)	Health Care	Nagpur Maharashtra	₹ 1,18,05,000/-	NIL	NIL	NIL



The Committee vide its meeting dated 29.09.2016 and 21.12.2017 approved to contribute ` 1,50,00,000 (Rupees One Crore Fifty Lac) toward CSR expenditure for F.Y. 2016-17, in addition to ` 21,00,000/- (Rupees Twenty One Lac only) towards "C M Relief fund Government of Maharashtra" aggregating to ` 1,71,00,000/- for F.Y. 2016-17 and ` 1,18,05,000 (Rupees One Crore Eighteen Lac Five Thousand only) for financial year 2017-18 in health Care activity respectively.

However due to delay in the hospital project the Company was not able to donate medical equipments "Rotary Foundation (India) as approved vide CSR Committee meeting 21.12.2017 and was not able to spend the said expenditure in respective financial years. The Company had therefore proposed to spend the entire CSR expenditure for both the financial 2016-17 and 2017-18, thereby donating entire amount of ` 2,89,05,000 (Rupees Two Crore Eighty Nine Lac Five Thousand Only) to the "Shri Laxmidevi Mithmal Poddar Bhawan Trust, Nagpur towards Promotion of Education.

## **REASON FOR NOT SPENDING THE AMOUNT PRESCRIBED IN CSR ACTIVITIES**

Since the hospital was under construction the amount was unspent in FY 17-18.. The amount of ` 1,75,00,000/- was paid to "Shri Laxmidevi Mithmal Poddar Bhawan Trust", Nagpur on 23<sup>RD</sup> October, 2018 and ` 85,00,000/- to JITO Administrative Training Foundation on 27<sup>th</sup> September, 2018 towards promotion of Education. The balance amount of on ` 29,05,000/- will be spent in FY 18-19.

## **CSR RESPONSIBILITIES**

We hereby affirm that the CSR policy, as approved by the board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

**For SMS Limited**  
Anand Sancheti

Managing Director  
& Member CSR Committee

**For SMS Limited**  
Dilip Surana

Director  
& Member CSR Committee

## ANNEXURE – IV

Annexure IV

**DISCLOSURE AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AS AMENDED BY THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 (As on 31.03.2017)**

**INFORMATION OF THE TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN:-**

S.N	Name of the employee	Designation	Remuneration received gross (₹)	Nature Of Employment (whether contractual or otherwise)	Qualifications	Experience (in years)	Date of commencement of employment	Age	Last employment	Percentage equity (if any)	Employee is relative of any director or manager (name of director or manager)
1	*Anand Sancheti	MD	1,25,93,568/-	Business	B Com & Diploma in Finance	28	8-May-1997	47	Since incorporation	23.50%	NO
2	Nirbhay Sancheti	Project Coordinator	1,23,57,852/-	Business	BBA/Msc. (University by the Senate)	24	31-Mar-2015	27	Self employed	0	Ajay Sancheti
3	*Abhay Harakchand Sancheti	Chairman & WTD	1,15,20,000/-	Business	B.E & DBM	36	8-May-1997	59	Since incorporation	31.33%	NO
4	*Dilip Surana	WTD	1,03,38,600/-	Service	Diploma in Civil	32	24-May-2007	53	Self employed	0	NO
5	Kasaraneni R Rao	VP & Head - Mining	1,15,50,180/-	Service	BE Mining /M Tech –	35	1-Apr-2007	60	VNIT – Nagpur	0	NO

6	G. Srinivasarao	AGM Mining	41,11,740/-	Service	BE Mining /M Tech –	18	17-Jan-2011	42	The Singareni Collieries Company Limited	0	NO
7	Sunil Daithankar	GM – Mining	40,38,108/-	Service	BE Mining	27.5	1-Jan-2016	50	Monnet Ispat & Energy Ltd	0	NO
8	Ram Madan Yadav	Sr. General Manager-Mining	40,06,224/-	Service	BE Mining	33	23-May-2012	57	HZL	0	NO
9	Rajeev Charde	Vice President	31,06,152/-	Service	BE Civil	40	01-Apr-2016	62	B.G.Shirke Construction Pvt.Ltd	0	NO
10	Ashfaque Khan	GM	29,85,672/-	Service	Diploma in Civil	29	28-Mar-1989	49	Al-Baha Municipality Saudi Arabia	0	NO
10	Rahul Manohar Thite	GM	29,85,672/-	Service	BE (CIVIL)	23	18-Jan-2006	46	Ashoka Buildcon Ltd	0	NO

WTD-Whole Time Director, MD Managing Director, VP -Vice President \* Excluding Employer contribution to PF

**FOR AND ON BEHALF OF THE BOARD**

**Anand Sancheti**

**Dilip Surana**

**Dated: 27<sup>th</sup> September, 2018**  
**Place: Nagpur**

**Managing Director**  
**DIN: 00953362**

**Director**  
**DIN: 00953495**

**S M S**

# **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

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## **INDEPENDENT AUDITOR'S REPORT**

**To,  
The members of SMS LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SMS LIMITED** ('the Company') which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit & Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) 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

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We conducted our audit of standalone financial statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at March 31, 2018 and its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## V.K.SURANA & CO.

CHARTERED ACCOUNTANTS

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

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### 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 the paragraph 3 and 4 of the Order.
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 purpose 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

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- 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 on its financial position in its standalone financial statements – Refer Note 36(A) to the standalone financial statements;
  - (ii) The company did not have any long term contracts including derivatives contracts, which require provision for material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

*Chartered Accountants*

Firm Reg No.110634W

**CA. Sudhir Surana**

*Partner*

Membership No.043414

Nagpur, September 27, 2018

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### **Annexure A to the Independent auditor's report referred to in paragraph 1 of even date to the standalone financial statements of SMS LIMITED for the year ended March 31, 2018:**

- 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 Subsidiary Companies, Associate Companies, Joint Ventures and other related parties, 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 Rs 12819.10 Lacs during the year and balance outstanding as at balance sheet date Rs. 22720.21 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.
- 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, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.



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- vi) As per the information and explanation provided to us, the maintenance of cost records has been made specified by the Central Government under section 148(1) of the Act and the same are being made and maintained at respective sites. However we have not made detailed examination of such record.
- 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, Sales Tax, Service Tax, Goods & Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, 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, 2018 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, there are no material dues of Duty of Customs and the details of dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Excise, Value Added 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 raise any money by way of initial public offer or further public offer (including debt instruments), so the question of application of funds does not arise. During the year the company has raised money by way of Term loans and the amount was applied for the purposes for which 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 of the Act, read with Schedule V to the Act.

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- 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 standalone 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, September 27, 2018

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

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### **“Annexure B” referred to in Paragraph 1 of our report of even date to the members of SMS LIMITED on the Accounts for the year ended 31<sup>st</sup> March 2018.**

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

We have audited the internal financial controls over financial reporting of **SMS LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s Board of Director’s is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

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

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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.

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### **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.

### **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, 2018, 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, September 27, 2018

## V.K.SURANA & CO..

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### Annexure – 1

Statement of Disputed Statutory Dues referred to in clause (vii)(b) Annexure 'B' of our report in respect of SMS Limited. Details of Disputed Liabilities are given below:-

Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed amount Rs. In Lacs	Amount deposited under protest/ adjusted by tax authorities Rs. In Lacs	Amount not deposited Rs. In Lacs	Remarks
Finance Act,1994	Service Tax	CESTAT Mumbai	FY 2009-10 to FY 2014-15	3,892.91	291.97	3600.94	
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2013-14 to FY 2014-15	28.39	30.52	0	Additional Deposit for filling appeal
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2011-12 to FY 2014-15	15.17	15.66	0	Additional Deposit for filling appeal
Finance Act,1994	Service Tax	CESTAT Mumbai	FY 2011-12 to FY 2014-15	14,185.44	1104.52	13080.92	
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2011-12 to FY 2014-15	31.06	2.33	28.73	
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2009-10	27.11	27.11	0	
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2010-11	77.96	83.81	0	Additional Deposit for filling appeal

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Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed amount Rs. In Lacs	Amount deposited under protest/ adjusted by tax authorities Rs. In Lacs	Amount not deposited Rs. In Lacs	Remarks
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2011-12 to FY 2015-16	125.6	9.42	116.18	
Finance Act,1994	Service Tax	CESTAT Mumbai	FY 2014-15 to FY 2015-16	1,875.00	140.62	1734.38	
Finance Act,1994	Service Tax	CESTAT Mumbai	FY 2015-16	3,311.43	248.36	3063.07	
Finance Act,1994	Service Tax	The Commissioner Appeal Nagpur-II	FY 2015-16	12.33	0.92	11.41	
Regional Transport Act	Life Time road transport tax	Regional Transport Officer-[High Court of Judicature at Hyderabad]	F.Y 2012-13	721.79	721.79	0	
Andhra Pradesh Value Added Tax Act	Value Added Tax	[High Court of Judicature at Hyderabad]	2010-11	325.8	0	325.8	
Andhra Pradesh Value Added Tax Act	Value Added Tax -Penalty	[High Court of Judicature at Hyderabad]	2010-11	81.45	0	81.45	
Andhra Pradesh Value Added Tax Act	Value Added Tax	[High Court of Judicature at Hyderabad](Stay granted)	2011-12	30.87	7.72	23.15	
Andhra Pradesh Value Added Tax Act	Value Added Tax -Penalty	[High Court of Judicature at Hyderabad](Stay granted)	2011-12	7.72	0.96	6.76	

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Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed amount Rs. In Lacs	Amount deposited under protest/ adjusted by tax authorities Rs. In Lacs	Amount not deposited Rs. In Lacs	Remarks
Act							
Andhra Pradesh Value Added Tax Act	Value Added Tax	[High Court of Judicature at Hyderabad](Stay granted)	FY 2012 to FY 2014	1,079.09	267.4	811.69	
Andhra Pradesh Value Added Tax Act	Value Added Tax -Penalty	[High Court of Judicature at Hyderabad](Stay granted)	FY 2012 to 2015	269.77	0	269.77	
Andhra Pradesh Entry Tax Act	Entry Tax	High Court of Judicature at Hyderabad	FY 2008-09 To 2012-13	978.69	493.64	485.05	
Bihar Value Added Tax Act	Value Added Tax	Appellate Authority,Patliputra Circle	2014-15	2,144.05	519.39	1624.66	
Bihar Value Added Tax Act	Value Added Tax	Appellate Authority,Patliputra Circle	2015-16	1,317.88	299	1018.88	
Bihar Value Added Tax Act	Value Added Tax	Appellate Authority,Patliputra Circle	2016-17	915.5	182.3	733.2	
Madhya Pradesh Value Added Tax Act	Value Added Tax	Bhopal Tribunalate Court	2012-13	71.93	20.14	51.79	
Madhya Pradesh Value Added Tax Act	Value Added Tax	The Appellate authority ,Jabalpur	2013-14.	78.43	20.24	58.19	



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Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed amount Rs. In Lacs	Amount deposited under protest/ adjusted by tax authorities Rs. In Lacs	Amount not deposited Rs. In Lacs	Remarks
Madhya Pradesh Value Added Tax Act	Value Added Tax	The Appellate authority ,Jabalpur	2014-15	38.61	9.65	28.96	
Madhya Pradesh Entry Tax Act	ENTRY TAX	Bhopal Tribunalate Court	2012-13	342.94	319.45	23.49	
Madhya Pradesh Entry Tax Act	ENTRY TAX	The Appellate authority ,Jabalpur	2014-15	3.11	0.78	2.33	
Central sales tax 1956	Central Sales Tax	The Appellate authority ,Jabalpur	2013-14.	2.86	0.29	2.57	
<b>Total</b>				<b>31,992.89</b>	<b>4,817.99</b>	<b>27,183.37</b>	

**SMS Limited (Formerly SMS Infrastructure Limited)**

**Balance Sheet as at 31 March 2018**

Particulars	Note No.	(` in lacs)	
		As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	13,981.57	12,422.95
(b) Capital work in progress	3	110.17	434.99
(c) Investment property	4	1,567.98	1,574.46
(d) Other Intangible assets	5	434.35	181.09
<b>(e) Financial assets</b>			
(i) Investments	6	15,678.10	27,181.56
(ii) Loans	7	11,134.54	9,502.95
(iii) Other financial assets	8	19,099.74	15,035.37
(f) Other non-current assets	9	4,128.12	3,101.36
<b>Total non-current assets</b>		<b>66,134.56</b>	<b>69,434.73</b>
<b>(2) Current assets</b>			
(a) Inventories	10	25,635.25	18,382.19
<b>(b) Financial assets</b>			
(i) Trade receivables	11	28,732.79	28,699.95
(ii) Cash and cash equivalent	12	774.16	327.40
(iii) Bank balance other than (ii) above	12	1,575.20	1,076.58
(iv) Loans	7A	14,096.82	15,399.64
(c) Current Tax Assets (Net)	13	356.69	105.61
(d) Other current assets	14	14,436.86	13,115.13
(e) Assets held for Sale	15	-	7.89
<b>Total current assets</b>		<b>85,607.77</b>	<b>77,114.40</b>
<b>Total assets</b>		<b>1,51,742.33</b>	<b>1,46,549.13</b>
<b>Equity and liabilities</b>			
<b>(3) Equity</b>			
(a) Equity Share Capital	16	1,026.14	1,026.14
(b) Other Equity	17	55,432.00	52,805.63
<b>Total equity</b>			
<b>(4) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	18	6,217.57	12,834.82
(ii) Other financial liabilities	19	4,009.87	3,951.63
(b) Provisions	20	153.05	377.86
(c) Deferred tax liabilities (net)	21	288.35	421.80
(d) Other non-current Liabilities	22	9,178.07	7,770.64
		<b>19,846.91</b>	<b>25,356.76</b>
<b>(5) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	23	33,766.62	34,648.76
(ii) Trade payables	24	23,293.41	22,398.30
(iii) Other financial liabilities	25	11,513.52	4,183.72
(b) Other current liabilities	26	6,054.78	5,963.97
(c) Provisions	20	808.96	165.86
		<b>75,437.29</b>	<b>67,360.61</b>
<b>Total liabilities</b>		<b>95,284.20</b>	<b>92,717.37</b>
<b>Total equity and liabilities</b>		<b>1,51,742.33</b>	<b>1,46,549.13</b>

See accompanying notes to the financial statements.

As per our audit report of even date.

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

Chartered Accountants

Firm Registration No. :110634W

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B. SURANA

Director

DIN: 00953495

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 27/09/2018

SMITA P. AGARKAR

Company Secretary

SUSHANT S. MUKHERJEE

Chief Financial Officer

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Statement of Profit and Loss for the year ended 31 March 2018**

(₹ in lacs)

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	27	90,660.85	1,11,101.06
Other income	28	2,482.36	2,622.65
<b>Total income</b>		<b>93,143.21</b>	<b>1,13,723.72</b>
Cost of Construction Material Consumed	29	24,530.19	19,057.21
Change in Inventory of Work in Progress	30	(4,095.54)	14,371.23
Direct Expenses	31	45,890.49	55,340.75
Employee benefits expense	32	9,001.63	5,574.52
Finance costs	33	7,914.85	8,987.66
Depreciation and amortization expense	34	1,974.06	1,756.23
Other expenses	35	3,589.97	2,311.71
<b>Total expenses</b>		<b>88,805.65</b>	<b>1,07,399.32</b>
<b>Profit before tax</b>		<b>4,337.56</b>	<b>6,324.40</b>
Exceptional items			
<b>Profit before tax</b>		<b>4,337.56</b>	<b>6,324.40</b>
<b>Tax Expense</b>			
(1) Current tax	13	1,586.12	1,982.81
(2) Adjustment of tax relating to earlier periods		-	(225.11)
(3) Deferred tax	21	(133.45)	(242.70)
		<b>1,452.67</b>	<b>1,515.00</b>
<b>Profit for the year</b>		<b>2,884.89</b>	<b>4,809.40</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/ (losses) on defined benefit plans		(150.54)	35.50
Income tax effect		(52.09)	12.28
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(98.44)</b>	<b>23.21</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(98.44)</b>	<b>23.21</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>2,786.45</b>	<b>4,832.62</b>
<b>Earning per equity share (Face value of Rs. 10 each)</b>	43		
Basic		<b>27.15</b>	<b>47.10</b>
Diluted		<b>27.15</b>	<b>47.10</b>

See accompanying notes to the financial statements.

As per our audit report of even date.

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

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 27/09/2018

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B. SURANA

Director

DIN: 00953495

SMITA P. AGARKAR

Company Secretary

SUSHANT S. MUKHERJEE

Chief Financial Officer

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Cash flow statement for the year ended 31 March 2018**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flow from operating activities</b>		
Profit before tax	4,337.56	6,324.40
<b>Adjustment for :</b>		
Depreciation/amortization of Property, Plant and Equipment and Intangible assets	1,974.06	1,756.23
Prior Period errors	-	121.80
Re-measurement gains/ (losses) on defined benefit plans before tax	(150.54)	35.50
Finance Cost	7,914.85	8,987.66
Interest income	(916.83)	(1,503.22)
Dividend income	(160.00)	(283.75)
Share of profit in Joint Ventures	(60.00)	(51.22)
Share in loss in Partnership Firm	0.07	42.88
Profit on sale of Investment	(880.13)	-
Profit on sale of fixed assets	(22.22)	(71.85)
Profit on sale of Assets held for sale	(92.11)	(71.49)
Rental income on Investment Property	(21.40)	(11.32)
<b>Operating profit before working capital changes</b>	<b>11,923.32</b>	<b>15,275.63</b>
Increase/(decrease) in trade payables	895.11	15,827.14
Increase / (decrease) in non current provisions	(224.80)	(34.36)
Increase / (decrease) in current provisions	643.10	30.48
Increase/(decrease) in other current liabilities	90.81	4,500.26
Increase/ (decrease) in other non current liabilities	1,407.43	(3,747.42)
Increase/ (decrease) in other current financial liabilities	7,329.80	(10,161.44)
Increase/ (decrease) in other non current financial liabilities	58.24	882.59
Increase/ (decrease) in Deferred tax	(384.53)	(348.31)
Decrease/(increase) in current trade receivables	(32.85)	(7,112.48)
Decrease/(increase) in other non current assets	(1,026.76)	(6,940.25)
Decrease/(increase) in other non current financial assets	(4,064.37)	(5,375.78)
Decrease/(increase) in other current assets	(1,321.74)	(6,222.54)
Decrease/(increase) in inventories	(7,253.06)	11,532.91
	<b>8,039.71</b>	<b>8,106.43</b>
Direct taxes paid (net of refunds)	(1,400.58)	(1,527.28)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>6,639.13</b>	<b>6,579.15</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(3,465.10)	(1,380.53)
Proceeds from sale of fixed assets	132.67	321.33
Purchase of non-current investments	11,503.47	(11,908.12)
Purchase of current investments	(498.62)	611.63
Proceeds from non current loans and advances	(1,631.58)	(2,354.44)
Proceeds from current loans and advances	1,302.82	2,487.44
Interest received	916.83	1,503.22
Dividends received	160.00	283.75
Share of profit in Joint Ventures	60.00	51.22
Share in loss in Partnership Firm	(0.07)	(42.88)
Profit on sale of Investment	880.13	-
Rental income on Investment Property	21.40	11.32
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>9,381.95</b>	<b>(10,416.07)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	(6,617.26)	6,108.73
Proceeds from short-term borrowings	(882.15)	6,602.89
Dividend paid on equity shares	(160.08)	(282.19)
Finance Cost	(7,914.85)	(8,987.66)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(15,574.33)</b>	<b>3,441.76</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	446.76	(395.15)
Cash and cash equivalents at the beginning of the year	327.40	722.55
<b>Cash and cash equivalents at the end of the year</b>	<b>774.16</b>	<b>327.40</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	222.81	151.17
With banks- on current account	551.35	176.23
<b>Total cash and cash equivalents</b>	<b>774.16</b>	<b>327.40</b>

Note:-The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

See accompanying notes to the financial statements.

As per our audit report of even date.

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

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI    DILIP B. SURANA  
Managing Director    Director  
DIN: 00953362        DIN: 00953495

CA Sudhir Surana  
Partner  
Membership No. 043414  
Place : Nagpur  
Date : 27/09/2018

SMITA P. AGARKAR    SUSHANT S. MUKHERJEE  
Company Secretary    Chief Financial Officer

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Statement of changes in Equity for the year ended 31 March 2018**

**A. EQUITY SHARE CAPITAL**

(` in lacs)

Particulars	Note No.	Number of Shares	Amount
Balance as at 1 April 2016		1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31 March 2017	16	1,02,61,382	1,026.14
Changes in equity share capital during the year		-	-
Balance as at 31 March 2018		1,02,61,382	1,026.14

**B. OTHER EQUITY**

Refer Note No. 17

Particulars	Reserves and Surplus			Items of OCI	Total equity attributable to equity holders
	Securities premium reserve	General reserve	Retained earnings	Net gain on fair value of defined benefit	
<b>As at 1 April 2016</b>	10,647.69	1,116.85	36,368.86	-	48,133.39
Prior Period errors	-	-	(121.80)	-	(121.80)
<b>Restated balance as at 1 April 2016</b>	<b>10,647.69</b>	<b>1,116.85</b>	<b>36,490.66</b>	-	<b>48,255.19</b>
Profit for the year	-	-	4,809.40	-	4,809.40
Other Comprehensive Income	-	-	-	23.21	23.21
Interim Dividend paid	-	-	(282.19)	-	(282.19)
<b>At 31 March 2017</b>	10,647.69	1,116.85	41,017.87	23.21	52,805.63
<b>As at 1 April 2017</b>	10,647.69	1,116.85	41,017.87	23.21	52,805.63
Profit for the year	-	-	2,884.89	-	2,884.89
Other Comprehensive Income	-	-	-	(98.44)	(98.44)
Interim Dividend paid	-	-	(160.08)	-	(160.08)
<b>At 31 March 2018</b>	10,647.69	1,116.85	43,742.69	(75.23)	55,432.00

See accompanying notes to the financial statements.  
As per our audit report of even date.

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

Chartered Accountants  
Firm Registration No. :110634W

CA Sudhir Surana  
Partner  
Membership No. 043414  
Place : Nagpur  
Date : 27/09/2018

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

DILIP B SURANA  
Director  
DIN: 00953495

SMITA P. AGARKAR  
Company Secretary

SUSHANT S. MUKHERJEE  
Chief Financial Officer

## **SMS Limited (Formerly SMS Infrastructure Limited)**

### **Notes to Financial statements for the year ended 31 March 2018**

#### **1 Corporate Information**

SMS Limited (formerly SMS Infrastructure Limited), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having a registered office in Nagpur, Maharashtra, India. The company is engaged in the business of construction & commissioning and Lump Sum Turn Key facilities in various Infrastructure projects like Road Bridges, Water Supply, Power Transmission, Underground Mining Work etc., for Central/State Governments, PSUs, other local bodies and Private Sector Companies in the Country.

#### **2 Significant Accounting Policies**

##### **i Basis of Preparation**

The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013(the Act) Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lac (INR 00,000), except when otherwise indicated.

##### **ii Accounting Estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

##### **a Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

##### **b Contract Estimates**

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) Consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c **Recoverability of Claims**

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realistic ability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realistic ability of these claims.

d **Defined Benefit Plans**

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

iii **Summary of Significant Accounting Policies**

a **Property, plant and equipment and Intangible assets:**

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalized until the assets are ready to be put to use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Intangible assets purchased or acquired in business combination, are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end. Internally developed intangible assets are stated at cost that can be measured reliably during the development phase and capitalized when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Gains or losses arising from Derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is derecognized.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress

b **Depreciation methods, Estimated useful lives and Residual value.**

Depreciation method, useful lives and residual values are reviewed periodically at the end of each financial year and adjusted prospectively if appropriate.

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

c **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d **Financial Instruments**

**FINANCIAL ASSETS**

**Initial recognition and measurement**

Financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent Measurement**

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

**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 recognized in the Statement of Profit and Loss.

**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 recognized 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/initialia

**Financial assets at fair value through profit or loss**

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



### **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 recognizes 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

### **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.

### **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.

#### **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.

#### **Financial Liabilities**

##### **Initial recognition and subsequent measurement**

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

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

##### **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.

### **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.

#### **e Employee Benefits:**

##### **a. Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance and labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

##### **b. Defined Benefit Plan**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

##### **c Leave entitlement and compensated absences**

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit.

##### **d Short-term Benefits**

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur

#### **f Inventories**

The stock of construction material, stores spares and embedded goods and fuel is valued at cost or net realizable value whichever is lower.

Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

The company is classifying shuttering material and the machine spares as inventory. The management is of the opinion that these inventory are a very large number of indistinguishable minor items and are used in more than one accounting period. Even though they meet the definition of Property Plant and Equipment, the management feels that it would be appropriate to aggregate individually all insignificant items and apply recognition criteria to the aggregate value. Further the company after the technical assessment has found that the estimated life of the shuttering material is five years and thus shuttering material shall depreciated in five years from the date of purchase. The value of machine spares will be depreciated within the life of machine to which the spares relate.

#### **g Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

h **Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's chief operating decision maker has disclosed business segment as the primary segment the company's operation predominately relate to "Engineering and procurement cost" and "Mining ". The segment revenue, segment result, segment assets and segment liability includes respective amounts identifiable to each of the segment and also amounts allocated on reasonable basis.

i **Borrowing Cost:**

Borrowing cost consists of interest and other cost that company incurred in connection with borrowing of fund.

Interest and other costs in connection with the borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to the statement of Profit & Loss.

Borrowing is classified as current liabilities unless the Company has unconditional rights to defer the settlement of the liability for at least 12 month after the reporting period. When there is breach of material provision of long term loan arrangement on or before the end of reporting period with the effect that liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statement, not to demand payment as a consequence of breach.

j **Foreign Currency Transactions:**

**a Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

**b Conversion**

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**c Treatment of Exchange Difference**

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

**k Revenue Recognition:**

**1. Accounting of Construction Contracts**

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11, Construction Contracts, and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

- In case of item rate contracts on the basis of physical measurement and survey of work actually completed and which is certified by the client, at the Balance Sheet date.

- Work in progress at the balance sheet date are quantities executed but not certified by the client therefore valued at itemized contract rate less taxes and profit.

- In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

- Advance payments received from contractee for which up to the stage of completion at balance sheet date no services are rendered are presented as 'Advance from contractee'.

**2. Accounting of Supply Contracts-Sale of Goods**

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

3. Accounting for Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favorable arbitration award.

4. Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

5. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

**l Taxes on Income:**

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

**a Current Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**b Deferred Income Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

**m Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

Leases under which the lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower.

n **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.

o **Bills Receivables and Trade Payable**

**Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the EIR method, less provision for impairment.

**Trade payables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR method.

p **Earnings per share:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

q **Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence

(£ in lacs)

Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
<b>A Gross carrying amounts</b>									
<b>At 1st April 2016</b>	0.95	41.24	2,071.59	25,131.57	315.71	5,022.74	472.53	445.58	33,501.90
Additions	-	-	126.84	505.46	20.00	69.53	17.09	14.30	753.22
Disposals	-	-	-	192.89	0.41	29.92	0.74	-	223.96
Written Off	-	-	-	442.95	4.48	56.33	33.56	3.64	540.97
Interhead adjustment	-	-	-	-	-	-	-	-	-
<b>At 31st March 2017</b>	<b>0.95</b>	<b>41.24</b>	<b>2,198.44</b>	<b>25,001.18</b>	<b>330.81</b>	<b>5,006.02</b>	<b>455.31</b>	<b>456.24</b>	<b>33,490.19</b>
<b>At 1st April 2017</b>	0.95	41.24	2,198.44	25,001.18	330.81	5,006.02	455.31	456.24	33,490.20
Additions	-	-	117.92	2,836.58	48.47	327.06	44.57	80.81	3,455.41
Disposals	-	-	-	40.72	0.50	211.54	0.80	-	253.57
Written OFF	-	-	-	-	-	-	-	-	-
Interhead adjustment	-	-	-	(15.71)	0.09	15.17	0.46	-	0.00
<b>At 31st March 2018</b>	<b>0.95</b>	<b>41.24</b>	<b>2,316.35</b>	<b>27,781.32</b>	<b>378.87</b>	<b>5,136.70</b>	<b>499.54</b>	<b>537.05</b>	<b>36,692.04</b>
<b>B Accumulated Depreciation/impairment</b>									
<b>At 1st April 2016</b>	0.06	-	319.15	14,893.73	193.11	3,893.12	370.75	405.21	20,075.13
Charge for the year	0.01	-	97.43	1,156.74	26.68	358.02	50.78	26.39	1,716.05
Disposals	-	-	-	602.36	4.30	80.36	33.28	3.64	723.93
Interhead adjustment	-	-	-	-	-	-	-	-	-
<b>At 31st March 2017</b>	<b>0.07</b>	<b>-</b>	<b>416.58</b>	<b>15,448.11</b>	<b>215.49</b>	<b>4,170.78</b>	<b>388.25</b>	<b>427.97</b>	<b>21,067.25</b>
<b>At 1st April 2017</b>	0.07	-	416.58	15,448.11	215.49	4,170.78	388.25	427.97	21,067.25
Charge for the year	0.01	-	146.55	1,255.57	68.33	335.20	45.89	34.78	1,886.33
Disposals	-	-	-	35.73	0.49	206.44	0.46	-	243.11
Interhead adjustment	-	-	-	(0.59)	0.09	0.38	0.12	-	(0.00)
<b>At 31st March 2018</b>	<b>0.08</b>	<b>-</b>	<b>563.13</b>	<b>16,667.36</b>	<b>283.42</b>	<b>4,299.92</b>	<b>433.80</b>	<b>462.75</b>	<b>22,710.47</b>
<b>Net carrying amounts</b>									
<b>At 31st March 2017</b>	<b>0.88</b>	<b>41.24</b>	<b>1,781.86</b>	<b>9,553.07</b>	<b>115.32</b>	<b>835.24</b>	<b>67.06</b>	<b>28.27</b>	<b>12,422.95</b>
<b>At 31st March 2018</b>	<b>0.87</b>	<b>41.24</b>	<b>1,753.22</b>	<b>11,113.96</b>	<b>95.45</b>	<b>836.78</b>	<b>65.74</b>	<b>74.30</b>	<b>13,981.57</b>
<b>B. Capital Work- in- progress</b>									
Particular	Leasehold Land	Freehold Land	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
<b>At 1st April 2016</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	430.35	-	0.60	-	4.03	434.99
Capitalised during the year	-	-	-	-	-	-	-	-	-
<b>At 31st March 2017</b>	-	-	-	430.35	-	0.60	-	4.03	434.99
<b>At 1st April 2017</b>	-	-	-	430.35	-	0.60	-	4.03	434.99
Additions	-	-	123.30	2,478.73	46.90	326.46	46.46	77.08	3,098.93
Capitalised during the year	-	-	117.92	2,807.13	46.61	327.06	44.57	80.46	3,423.75
<b>At 31st March 2018</b>	-	-	<b>5.39</b>	<b>101.95</b>	<b>0.29</b>	-	<b>1.89</b>	<b>0.65</b>	<b>110.17</b>



**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)		
	LAND	BUILDING	TOTAL
<b>4 Investment Property</b>			
<b>A Gross carrying amount</b>			
As on 1st April 2016	1,236.61	379.27	1,615.89
Addition	-	-	-
As on 31st March 2017	1,236.61	379.27	1,615.89
Addition	-	-	-
As on 31st March 2018	1,236.61	379.27	1,615.89
<b>B Accumulated Depreciation/impairment</b>			
As on 1st April 2016	-	34.68	34.68
Depreciation charged	-	6.74	6.74
As on 31st March 2017	-	41.42	41.42
Depreciation charged	-	6.48	6.48
As on 31st March 2018	-	47.90	47.90
<b>C Net carrying amounts</b>			
At 31st March 2017	1,236.61	337.85	1,574.46
At 31st March 2018	1,236.61	331.37	1,567.98

**Information regarding income and expenditure of**

**Investment property**

Rental income derived from investment properties  
 Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.  
 Depreciation charged on the investment property that generated rental income during the year.

**Profit arising from investment properties that generated rental income after depreciation and direct expenses**

Direct operating expenses including repairs and maintenance arising from investment property that did not generate rental income during the year.

Depreciation charged on the investment property that did not generate rental income during the year.

**Profit/(Loss) arising from investment properties that did not generate rental income after depreciation and direct expenses**

**Net Profit/(Loss) from Investment activity.**

The Company's investment properties consist of flats and land in India. The management has determined that the investment properties consist of two classes of assets – Land and Building – based on the nature, characteristics and risks of each property.

The valuation of few of the properties are valued by accredited independent valuer in the last three financial years based on consistent policy followed by the company. In absence of complete valuation of all the investment property, the fair value of the property are not disclosed.

	As at 31 March 2018	As at 31 March 2017
	21.40	11.32
	1.36	1.14
	3.39	2.08
	16.64	8.11
	5.85	-
	3.09	4.66
	(8.94)	(4.66)
	7.70	3.44

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

**5 Intangible Asset**

	( ₹ in lacs)	
	<b>Computer Software</b>	<b>Total</b>
<b>A Gross carrying amount</b>		
At 1st April 2016	100.35	100.35
Additions	192.33	192.33
<b>As on 31st March 2017</b>	<u>292.68</u>	<u>292.68</u>
Additions	334.51	334.51
<b>At 31st March 2018</b>	<u>627.20</u>	<u>627.20</u>
<b>B Accumulated Depreciation/impairment</b>		
At 1st April 2016	78.16	78.16
Charge for the year	33.43	33.43
Disposal	-	-
<b>At 31st March 2017</b>	<u>111.59</u>	<u>111.59</u>
Charge for the year	81.25	81.25
Disposal	-	-
<b>At 31st March 2018</b>	<u>192.84</u>	<u>192.84</u>
<b>C Net carrying amounts</b>		
At 31st March 2017	<u>181.09</u>	<u>181.09</u>
At 31st March 2018	<u>434.35</u>	<u>434.35</u>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

(₹ in lacs)

**As at 31 March 2018**      **As at 31 March 2017**

**6 Non-current Investments**

**Unquoted at Cost**

**A Investments in Equity Instruments**

a Investment in Subsidiaries	13,809.43	25,362.54
b Investment in Associates	468.12	468.12
c Investment in Others	1.05	1.05
<b>B Investments in Preference Shares of Subsidiary</b>	259.74	259.74
<b>C Investment in Partnership Firm</b>	(86.62)	(86.55)
<b>D Investment in Joint Ventures</b>	1,225.03	1,175.32
<b>E Investment in Government Securities</b>	1.34	1.34

<b>15,678.10</b>	<b>27,181.56</b>
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1 Aggregate amount of quoted investment and market value thereof;

-	-
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2 Aggregate amount of unquoted investment

15,678.10	27,181.56
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3 Aggregate amount of impairment in value of investment

-	-
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<b>15,678.10</b>	<b>27,181.56</b>
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(` in lacs)

Details of Non Current Investments

	As at 31 March 2018	As at 31 March 2017
<b>A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No. 6(A) (a)</b>		
<b>1 Subsidiary Companies in India</b>		
(i) SMS Bhatgaon Mines Extension Pvt. Ltd. <i>5,10,000(31 March 2017: 5,10,000) Equity shares of ` 10 each fully paid</i>	51.00	51.00
(ii) SMS Envoclean Pvt. Ltd. <i>23,64,558 (31 March 2017: 23,64,558)Equity shares of ` 10 each fully paid</i>	112.60	112.60
(iii) SMS Infolink Pvt. Ltd. <i>10,000 (31 March 2017: 10,000)Equity shares of ` 10 each fully paid</i>	1.00	1.00
(iv) SMS Mine Developers Pvt. Ltd. <i>5,100(31 March 2017: 5,100) Equity shares of ` 10 each fully paid</i>	0.51	0.51
(v) SMS Parking Solution Pvt. Ltd.* <i>1,19,29,676 (31 March 2017: 1,19,29,676)Equity shares of ` 10 each fully paid</i>	6,511.10	6,511.10
(vi) SMS Taxicabs Pvt. Ltd. <i>87,45,000 (31 March 2017: 87,45,000)Equity shares of ` 10 each fully paid</i>	1,747.00	1,747.00
(vii) SMS Vidyut Pvt. Ltd. <i>3,950,000 (31 March 2017: 3,950,000)Equity shares of ` 10 each fully paid</i>	992.00	992.00
(viii) SMS Watergrace BMW Pvt. Ltd <i>58,66,181 (31 March 2017: 58,66,181)Equity shares of ` 10 each fully paid</i>	586.62	586.62
(ix) Solar Bhatgaon Extension Mines Pvt. Ltd. <i>5,10,000 (31 March 2017: 5,10,000)Equity shares of ` 10 each fully paid</i>	51.00	51.00
(x) SMS Tolls And Developers Ltd. <i>50,000 (31 March 2017: 50,000)Equity shares of ` 10 each fully paid</i>	5.00	5.00
(xi) Patwardhan Infrastructure Pvt. Ltd. <i>49,220 (31 March 2017: 49,220)Equity shares of ` 100 each fully paid</i>	60.79	60.79
(xii) Maharashtra Enviro Power Ltd. <i>41,617,411 (31 March 2017: 41,617,411)Equity shares of ` 10 each fully paid</i>	3,000.20	3,000.20
(xiii) Ayodhya Gorakhpur SMS Tolls Private Limited** <i>16,000,000 (31 March 2017: 16,000,000)Equity shares of ` 10 each fully paid</i>	1.00	1.00
(xiv)SMS Shivnath Infrastructure Pvt. Ltd.***( <i>12,183,544 (31 March 2017: 12,183,544)Class A Equity shares of ` 10 each fully paid and 49 (31 March 2017: 49)Class B Equity shares of ` 10 each fully paid</i>	-	11,483.26
(xv)SMS Waste Management Private Limited <i>10,000 (31 March 2017: 10,000)Equity shares of ` 10 each fully paid</i>	1.00	1.00
(xvi)SMS-AABS India Tollways Private Limited**** <i>5,100 (31 March 2017: 5,100)Equity shares of ` 10 each fully paid</i>	0.51	0.51
<b>2 Subsidiary Companies outside India</b>		
(xvii)Pt. SMS Minerals International <i>3,20,000 (31 March 2017: 3,20,000)Equity shares of IDR @ 9195 each fully paid</i>	139.18	143.28
(xviii) Pt. SMS Mines Indonesia <i>990,000 (31 March 2017: 990,000)Equity shares of IDR @11722 each fully paid</i>	548.93	614.68
	<b>13,809.43</b>	<b>25,362.54</b>

**B Investment in Equity Instruments (Valued at cost, fully paid up)-**

**Note No. 6(A) (b)**

**1 Associate Companies in India**

RCCL Infrastructure Pvt. Ltd <i>15,65,200 (31 March 2017: 15,65,200)Equity shares of ` 10 each fully paid</i>	467.86	467.86
SMS-AAMW Tollways Pvt. Ltd. <i>2,600 (31 March 2017: 2,600)Equity shares of ` 10 each fully paid</i>	0.26	0.26
	<b>468.12</b>	<b>468.12</b>

**C Investment in Preference Shares of subsidiary company (Valued at cost, fully paid up)-Note No. 6(B)**

(i)SMS-AABS India Tollways Private Limited**** <i>25,97,400 (31 March 2017: 25,97,400)Preference shares of ` 10 each fully paid</i>	<b>259.74</b>	<b>259.74</b>
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\*This investment is fully pledged with the India bulls Housing Finance Ltd. Against loan taken by SMS Parking Solutions Pvt. Ltd.

\*\*This investment is fully pledged with the State bank of India Against loan taken by Ayodhya Gorakhpur SMS Toll Private Limited for providing Security to State Bank of India, IFB Branch, Bharat Nagar, Nagpur

\*\*\*30% of investment in SMS Shivnath Infrastructure Pvt. Ltd. (Presently Durg Shivnath Expressways Private Limited) was pledged up to 26.04.2017 with the State Bank of Hyderabad, Commercial Branch, 74 Janpath, New Delhi Against loan taken by Ayodhya Gorakhpur SMS Toll Private Limited for providing Security to State Bank of India, IFB Branch, Bharat Nagar, Nagpur. During the year the company has sold the investments. Refer note No. 50

\*\*\*\*This investment is fully pledged with the State bank of India Against loan taken by SMS-AABS India Tollways Pvt. Ltd.

Name of the Venture	Name of Venture Partner/s	Share of Interest	31-Mar-18	31-Mar-17
Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd (JV)	S.N.Thakkar Construction Pvt. Ltd.	SMS Ltd. 65% S N Thakkar Construction Pvt. Ltd. 35%	271.74	266.29
SMS Infrastructre Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V)	D.Thakkar Construction Pvt. Ltd.	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	535.81	513.21
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)	Brahamaputra Infrastructure Pvt. Ltd.	SMS Ltd.51% Brahamaputra Infrastructure Ltd. 49%	17.34	17.34
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V)	Brahamaputra Consortium Ltd.	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	11.59	11.59
SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd.	Aarti Infra-Projects Pvt. Ltd.	SMS Ltd.51% AIPPL . 49%	57.51	55.28
SMS Infrastructure Ltd. & Shree Nath Enterprises( J.V)	Shreenath Enterprises	SMS Ltd. 36.50% Shreenath Enterprises 63.50%	40.50	26.44
SMSIL-KTCO (JV)	Khare Tarkunde Infrastructure Pvt. Ltd	SMS Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	3.25	3.51
GSJ ENVO Ltd. in Consortium with SMSIL	GSJ ENVO. Ltd.	SMS Ltd. 70 % & GSJ Envo Ltd. 30 %	284.69	273.99
BHARTIA SMSIL (JV).	Bhartia Infra Projects Limited	SMS Ltd. 49 % & BIP Limited 51 %	2.34	2.34
SMSIL-MBPL-BRAPL JV	Mehrotra Buildcon Pvt. Ltd. and Bharat Rail Automation Pvt. Ltd.	SMS Ltd. 63.33% & Mehrotra Buildcon Pvt. Ltd. 36.67%	5.33	5.33
GDCL + SMS Ltd. JV	Gannan Dunkerley & Co. Ltd.	SMS Ltd. 40% & Gannan Dunkerley & Co. Ltd. 60%	-	-
SMSIL-WESTCOAST ENGINEERING CORP. (JV)	Westcoast Engineering Corporation	SMS Ltd.51% & Westcoast Engineering Corporation 49%	-	-
SRRCPL-SMSL-BEKEM JV	M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd. 60% & BEKEM Infra Projects Pvt. Limited 20%	(2.07)	-
SRRCPL-SMSL JV	M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd.	SMS Ltd.60 % & M/s. Sri Raja Rajeshwari Constructions ( Inida) Pvt. Ltd 40%	(3.01)	-
SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)	B. P. Construction Co. Pvt Ltd (JV)	SMS Infrastructure Ltd. 61% B. P. Construction Co. Pvt. Ltd. 39%	-	-
			<b>1,225.03</b>	<b>1,175.32</b>

Investment in Partnership Firm-Note No. 6 ( C ) Valued at Cost	Partners Name	SMS Limited Share	Partners Capital	
			31-Mar-18	31-Mar-17
<b>SANBRO CORPORATION</b>	SMS Ltd.	26.00%	(86.62)	(86.55)
	Abhay Sancheti	29.60%	(59.38)	(59.30)
	Ajay Sancheti	22.20%	(17.37)	(17.31)
	Anand Sancheti	22.20%	(44.54)	(4.45)

**E Other Investment-Note No. 6(A) (c) (Valued at cost, fully paid up)**

(i) Khamgaon Urban Co-Operative Bank Ltd. <i>100 (31 March 2017: 100)Equity shares of ` 10 each fully paid</i>	0.01	0.01
(ii) Nandura Urban Co-Operative Bank Ltd. <i>43 (31 March 2017: 43)Equity shares of ` 100 each fully paid</i>	0.04	0.04
(iii) Malkapur Urban Co-Operative Bank Ltd. <i>1,000 (31 March 2017: 1000)Equity shares of ` 100 each fully paid</i>	1.00	1.00

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>7 Loans (Non Current)</b>		
<b>Security deposits</b>		
Unsecured, considered good	11,134.54	9,502.95
	<u>11,134.54</u>	<u>9,502.95</u>
* Bifurcation of Loan to related parties		
a) Subsidiary	2.74	2.74
b) Joint Ventures	733.29	627.79

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>7A Loans (Current)</b>		
<b>Unsecured, considered good</b>		
Loans to related parties	13,061.60	14,464.43
Others	1,035.22	935.22
	<u>14,096.82</u>	<u>15,399.64</u>
* Bifurcation of Loan to related parties		
Subsidiary	<u>132.96</u>	<u>281.44</u>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31	As at 31
	March 2018	March 2017
<b>8 Other financial assets (Non-Current)</b>		
<b>Unsecured considered good</b>		
Retention Money	7,978.27	6,748.03
Withheld Amount	4,882.23	2,686.27
Earnest Money Deposits	1,736.89	900.49
Fixed Deposit Receipt with original maturity for more than 12 months*	4,502.35	4,700.57
	<b><u>19,099.74</u></b>	<b><u>15,035.37</u></b>

\* Fixed Deposit Receipt are held as Margin Money or Security against Borrowing and Guarantees.

\* Bifurcation of Retention Money, Withheld amount and Earnest Money Deposit to related parties

a) Joint Ventures	1,105.93	819.54
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**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>9 Other non-current assets</b>		
<b>Unsecured considered good</b>		
Deposit under Protest	970.46	960.03
Other Non-current Assets	3,157.66	2,141.33
	<u>4,128.12</u>	<u>3,101.36</u>
* Bifurcation of Advances to related parties		
a) Joint Ventures	1,434.49	865.88

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>10 Inventories</b>		
Work-in-progress (valued at contract rate less taxes and profit.)	11,830.50	7,734.96
Construction Material (Cost or Net realisable Value whichever is lower)	13,804.76	10,647.24
	<u><b>25,635.25</b></u>	<u><b>18,382.19</b></u>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>11 Trade receivables (Current)</b>		
Unsecured, considered good	28,732.79	28,699.95
	<u><b>28,732.79</b></u>	<u><b>28,699.95</b></u>
* Bifurcation of Trade receivable to related parties		
Subsidiary	519.42	-
b) Associates	7.06	7.06
c) Joint Ventures	6,930.33	4,128.39

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	<b>As at 31 March 2018</b>	<b>(` in lacs) As at 31 March 2017</b>
<b>12 Cash and cash equivalent and other Bank balance</b>		
<b>A Cash and cash equivalent</b>		
Balances with banks in current accounts	551.35	176.23
<b>Cash on hand</b>	-	-
a) In local currency (INR)	221.06	150.76
b) In foreign Currency (other than INR)	1.74	0.41
	<b>774.16</b>	<b>327.40</b>
<b>B Other bank balances</b>		
Fixed Deposits Receipts with original maturity for more than 3 months but less than 12 months	1,575.20	1,076.58
	<b>1,575.20</b>	<b>1,076.58</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

**13 INCOME TAX ASSETS (NET)**

(` in lacs)

i

The following table provides the details of income tax assets and liabilities as at March 31, 2018 and March 31, 2017:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Income tax assets	9,285.81	7,500.70
Current income tax liabilities	8,929.12	7,395.09
Net balance	<u>356.69</u>	<u>105.61</u>

ii The gross movement in the current tax asset/ (liability) for the years ended March 31, 2018 and March 31, 2017 is as follows:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Net current income tax asset at the beginning	105.61	351.50
Income tax paid	1,785.11	1,736.91
Current income tax expense	1,534.03	1,982.81
Net current income tax asset at the end	<u>356.69</u>	<u>105.61</u>

iii Income tax expense in the Statement of Profit and Loss comprises:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Current income taxes	1,534.03	1,769.98
Deferred income taxes credit	-133.45	-242.70
Income tax expenses / (credit) (net)	<u>1,400.58</u>	<u>1,527.28</u>

iv A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Total Comprehensive income before income tax	4,187.03	6,359.90
Enacted tax rates in India	34.61	33.99
Computed expected tax expense	1,449.05	2,161.73
Restatement of deferred Tax liability of earlier year due to WDV	-	-434.64
Restatement of deferred Tax liability of earlier year due to change in tax rate	7.67	-
Effect of expenses not allowed for tax purpose	683.18	12.04
Effect of income not considered for tax purpose	-	-102.94
Others	<u>-739.32</u>	<u>-108.90</u>
Income tax expense credit/(charge) to the Statement of Profit and Loss	<u>1,400.58</u>	<u>1,527.28</u>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

( ₹ in lacs)

	As at 31 March 2018	As at 31 March 2017
<b>14 Other Current Assets</b>		
<b>Statutory dues receivable</b>		
Value Added Tax Receivable	6,121.85	6,737.12
Service Tax Receivable	87.75	820.38
Central GST Receivable	512.75	-
State GST Receivable	903.59	-
Integrated GST Receivable	1,281.12	-
<b>Advances other than Capital Advances</b>		
a) Security Deposits	-	-
b) Advances to Related Parties	-	-
<b>c) Other Advances</b>	-	-
Advance against Expenses	126.50	54.30
Advance to Creditors	2,032.16	1,545.25
Advance to Subcontractor	2,477.61	2,983.20
Advances to Others	160.71	173.07
<b>Others</b>		
Prepaid expenses	732.84	801.81
	<b>14,436.86</b>	<b>13,115.13</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

	(₹ in lacs)		
	LAND	BUILDING	TOTAL
<b>15 Assets held for Sale</b>			
<b>A Gross carrying amount</b>			
As on 1st April 2016	7.89	144.97	152.87
Addition	-	-	-
Disposal	-	144.97	144.97
<b>As on 31st March 2017</b>	<u>7.89</u>	<u>0.00</u>	<u>7.89</u>
<b>As on 1st April 2017</b>	7.89	0.00	7.89
Addition	-	-	-
Disposal	7.89	-	7.89
<b>As on 31st March 2018</b>	<u>-</u>	<u>0.00</u>	<u>0.00</u>
<b>B Accumulated depreciation/ impairment</b>			
As on 1st April 2016	-	7.97	7.97
Depreciation charged	-	-	-
Disposal	-	7.97	7.97
<b>As on 31st March 2017</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>C As on 1st April 2017</b>	-	-	-
Depreciation charged	-	-	-
Depreciation charged	-	-	-
<b>As on 31st March 2018</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>D Net carrying amount</b>			
<b>As on 31st Mar 2017</b>	<u>7.89</u>	<u>0.00</u>	<u>7.89</u>
<b>As on 31st Mar 2018</b>	<u>-</u>	<u>0.00</u>	<u>0.00</u>

**Disclosures**

**1. Description of Assets**

**Name and address of Assets**

- a. Apartment Unit No 10, Yashashree Apartment Condominium, situated at Plot No. 7 at S. No. 88/1/4 and C.T. S. No. 1460 of village Parvati, Taluka Haveli, District Pune
- b. Apartment Unit No 9, Yashashree Apartment Condominium, situated at Plot No. 7 at S. No. 88/1/4 and C.T. S. No. 1460 of village Parvati, Taluka Haveli, District Pune
- c. Apartment Unit No 2, Yashashree Apartment Condominium, situated at Plot No. 7 at S. No. 88/1/4 and C.T. S. No. 1460 of village Parvati, Taluka Haveli, District Pune
- d. Khushi Residency block B-1 and B-2 mouza telibadha, P.H.N. 113, Ward No. 28, Maharshi Walmiki Ward, Raipur-2
- e. Lands bearing Survey/Khasra No. 616/2A,648,649/1,650/1,616/1B,616/2B,649/2,650/2,651 and 652 of Mouza-Kamandoddi, Village No. 126.
- f. Flat NO. 504, Block No. A Fifth Floor Khushi Residency, mouza telibadha, P.H.N. 113/64 , Raipur
- g. Flat NO. 204, Block No. A Second Floor Khushi Residency, mouza telibadha, P.H.N. 113 , Raipur

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>2. Gain or (Loss) on account of sale of assets held for sale.</b>	92.11	71.49

	( ₹ in lacs)			
	As at 31 March 2018	As at 31 March 2017		
<b>16 Equity Share capital</b>				
<b>a Authorized shares</b>				
15,000,000 (31st March,2017 : 15,000,000) equity shares of Face value of ₹ 10/- each	1,500.00	1,500.00		
<b>b Issued, subscribed and fully paid-up shares</b>				
10261382 (31st March,2017 : 1,02,61,382) equity shares of Face value of ₹ 10/- each fully paid up	1,026.14	1,026.14		
<b>c Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year.</b>				
	<b>As at 31 March 2018</b>		<b>As at 31 March 2017</b>	
<b>Equity shares</b>	<b>No.</b>	<b>( ₹ in lacs)</b>	<b>No.</b>	<b>( ₹ in lacs)</b>
At the beginning of the year	1,02,61,382	1,026.14	1,02,61,382	1,026.14
Add : Issued During the Year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,02,61,382</b>	<b>1,026.14</b>	<b>1,02,61,382</b>	<b>1,026.14</b>

**d Terms/Rights attached to 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 dividend proposed by Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Face value of ₹ 10/- each fully paid</b>				
Abhay Harakchand Sancheti	3214696	31.33%	32,14,696	31.33%
Ajay Shaktikumar Sancheti	2410997	23.50%	24,10,997	23.50%
Anand Shaktikumar Sancheti	2410997	23.50%	24,10,997	23.50%
Femina Industrial Finance Private Limited	1046131	10.19%	10,46,131	10.19%
Femina Share Management Services Private Limited	834184	8.13%	8,34,184	8.13%



**SMS Limited (Formerly SMS Infrastructure Limited)**

**Notes to Financial statements for the year ended 31 March 2018**

(₹ in lacs)

	As at 31 March 2018	As at 31 March 2017
<b>17 Other Equity</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	1,116.85	1,116.85
<b>Closing Balance</b>	<b>1,116.85</b>	<b>1,116.85</b>
<b>Securities Premium Account</b>		
Balance as per the last financial statements	10,647.69	10,647.69
<b>Closing Balance</b>	<b>10,647.69</b>	<b>10,647.69</b>
<b>Retained Earning</b>		
Balance as per last financial statements	41,017.87	36,368.86
Add: Profit for the year	2,884.89	4,809.40
Prior period errors	-	121.80
Less: Appropriations		
Interim Dividend Paid	160.08	282.19
<b>Closing Balance</b>	<b>43,742.69</b>	<b>41,017.87</b>
<b>Other comprehensive income</b>		
<b>Re-measurement gains/ (losses) on defined benefit plans net off tax</b>		
Balance as per the last financial statements	23.21	-
Add: Additions during the year	(98.44)	23.21
<b>Closing Balance</b>	<b>(75.23)</b>	<b>23.21</b>
<b>Total of Other Equity</b>	<b>55,432.00</b>	<b>52,805.63</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

(` in lacs)

	<b>Non-current</b>	
	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>18 Borrowings (Non-current)</b>		
<b>I. Secured</b>		
<b>(A) Term Loans</b>		
<b>(i) From Banks</b>		
(1) HDFC Bank Ltd.	18.58	54.05
(2) ICICI Bank Ltd.	74.71	8.55
(3) Kotak Mahindra Bank Ltd.	318.16	-
(4) State Bank of India	-	6.92
<b>(ii) From Financial Institution</b>		
(1) SREI Equipment Finance Ltd.	5,189.60	6,731.85
(2) TATA Capital Financial Services Ltd.	-	0.03
(3) Indiabulls Housing Finance Ltd.	537.71	6,033.42
(4) HP Financial Services.	78.81	-
	<b>6,217.57</b>	<b>12,834.82</b>

**Note : For Securities please refer individual bank wise notes given**

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

The Long Term portion of Term loans are shown under long term borrowings and the current maturities of long term borrowings are shown under current liabilities as per the disclosure requirement of Schedule III

**18.2 Details of Securities and Terms of Repayments**

**I. Secured**

**(A) Term Loans**

**(i) From Banks**

**(1) HDFC Bank Ltd.- Note No. 18.I.(A) (i) (1)**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
25,93,371.00	9.75%	Fixed	29/07/2016	16	1,73,510.00	1 year 4 month
28,11,469.00	9.40%		15/12/2016	20	1,52,427.00	1 year 8 month

**(2) ICICI Bank Ltd.- Note No. 18.I.(A) (i) (2)**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
19,92,029.00	9.65%	Fixed	02/05/2017	24	91,862.00	2 year
(35,411.32)	12.75%		16/04/2015	1	1,59,475.00	1 month
7,30,737.60	10.00%		08/06/2016	26	31,481.00	2 year 2 month
92,14,686.89	7.35%		21/12/2017	34	3,01,026.00	2 year 10 month

**(3) Kotak Mahindra Bank Ltd.- Note No. 18.I.(A) (i) (3)**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
81,57,284.00	9.20 %	Fixed	19/06/2017	27	3,36,748.00	2 year 3 month
	9.77 %					
41,25,141.00	8.51%		02/09/2017	40	1,32,229.00	3 year 4 month
3,28,65,009.00	7.89%		29/09/2017	41	9,23,894.00	3 year 5 month
	7.54%					
	8.25%					

**(4) State Bank of India- Note No. 18.I.(A) (i) (4)**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
-	9.75%	Fixed	05-Jun-16	27	49,190.00	-

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**  
**(b) From Others**

**(1) SREI Equipment Finance Pvt. Ltd.- Note No. 18.I.(A) (ii) (1)**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
18,07,75,564.38	14.01%	Fixed	15/10/2016	42	54,72,513.00	3 year 6 month
19,22,34,351.99	11.99%		15/10/2016	42	56,30,000.00	3 year 6 month
28,58,80,775.32	14.01%		15/10/2016	42	86,54,305.00	3 year 6 month
17,05,565.00	9.31%		20/12/2016	8	2,53,200.00	8 month
25,46,838.00	9.50%		30/11/2016	8	3,29,800.00	8 month
21,92,898.00	9.40%		16/01/2017	9	2,53,200.00	9 month
73,49,277.00	9.25%		05/02/2017	35	2,48,525.00	2 year 11 month
21,02,790.00	7.50%		11/12/2017	32	3,07,300.00	2 year 8 month
28,35,446.00	7.50%		11/12/2017	32	98,040.00	2 year 8 month
53,29,785.67	7.31%		27/02/2018	34	1,74,000.00	2 year 10 month
26,64,833.16	8.17%		05/01/2018	34	90,460.00	2 year 10 month
80,18,289.00	8.05%		23/06/2017	30	3,07,300.00	2 year 6 month

**(2) HP Financial Services Ltd. - Note No. 18.I.(A) (ii) (4)**

Secured by first charge by way of hypothecation of specific asset as specified in the agreement, vide sanction letter on specific date. The details of individual loans are as under.

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
1,48,29,675.00	12.80%	Fixed	25/04/2017	8	21,30,369.00	2 year 9 month

**(3) Indiabulls Housing Finance Ltd.- Note No. 18.I.(A) (ii) (3)**

Secured by first charge by way of hypothecation of specific asset as specified in the agreement, vide sanction letter on specific date. The details of individual loans are as under.

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
60,98,91,534.00	12.05%	Fixed	27/03/2018	12	5,43,30,884.00	12 month

**(4) TATA Capital Financial Services Ltd. - Note No. 18.I.(A) (ii) (2)**

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

Outstanding Balance as on 31.03.2016	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
10,14,991.56	12.10%	Fixed	23-Jul-14	3	3,45,245.00	3 month
<b>10,14,991.56</b>	<b>Total</b>					

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

(` in lacs)

**As at 31**      **As at 31**  
**March 2018**   **March 2017**

**19 Other Financial liabilities (Non-current)**

Security deposits from sub contractor	2,753.68	3,031.66
Retention Money from sub contractor	1,213.85	879.34
Deposits from outsiders	7.33	5.63
Other Payable	35.00	35.00
	<u>4,009.87</u>	<u>3,951.63</u>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

(` in lacs)

	<b>Non-current</b>		<b>Current</b>	
	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>20 Provisions</b>				
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	153.05	377.86	541.24	47.28
Provision for leave benefits	-	-	267.73	118.59
	<u>153.05</u>	<u>377.86</u>	<u>808.96</u>	<u>165.86</u>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

**21 Deferred Tax Liabilities (net)** (₹ in lacs)

- i Components of deferred income tax assets and liabilities arising on account of temporary differences are:

<b>Deferred income tax liability</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Timing difference on tangible and intangible assets depreciation and amortisation	570.78	527.11
<b>Deferred income tax liability / (asset)</b>	<b>570.78</b>	<b>527.11</b>
Provision for Gratuity	189.77	105.31
Leave Encashment	92.66	-
<b>Deferred income tax Liability</b>	<b>282.43</b>	<b>105.31</b>
<b>Total deferred tax liabilities / (net)</b>	<b>288.35</b>	<b>421.80</b>
Deferred tax liabilities in case of some entities	570.78	527.11
Deferred tax assets in case of some entities	282.43	105.31
Net deferred tax liabilities	288.35	421.80

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	` (lacs)	
	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>22 Other non-current liabilities</b>		
Mobilisation Advance from customers	4,896.14	6,476.71
Secured Advance from customers	3,946.14	1,099.73
Other Advance	335.79	194.21
	<b><u>9,178.07</u></b>	<b><u>7,770.64</u></b>



**SMS Limited (Formerly SMS Infrastructure Limited)**

**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>23 Borrowings (Current)</b>		
<b>Loan repayable on Demand</b>		
<b>Secured</b>		
<b>1) From Banks</b>		
(A) Cash credit from banks (secured)	31,236.87	31,987.35
(B) State Bank of India EVFS	2,206.95	2,461.42
	<b>33,443.82</b>	<b>34,448.76</b>
<b>Unsecured</b>		
<b>2) From Other Parties</b>		
(A) Riaan Ventures Private Limited	17.10	-
(B) Shraddha Industries Ltd.	105.70	-
(C) Vikram Singh	200.00	200.00
	<b>322.79</b>	<b>200.00</b>
	<b>33,766.62</b>	<b>34,648.76</b>

**1 1. Note 22 (A & B) - Cash Credits & EVFS Secured by way of**

a) Primary Security on stocks comprising of raw-material, work in progress, consumable stores and spare parts, receivable claims and bills both present and future , collateral securities of properties of the company, its Directors and relatives as mentioned in the Annexures to the Deed of Hypothecation dated 19.12.2013 and TDR to the extent of ₹ 500 lacs (principal amount) ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of Directors to the extent of ₹ 121200.00 lacs for fund based and non fund based limits.

c) Personal guarantee of relatives of Directors to the extent of value of properties provided by them.

d) The cash credit is repayable on demand and is carries interest within the range of 10.75% to 12.55% p.a.

**2** The company has not defaulted in repayment of any loans and interest thereon as on the date of Balance Sheet. Unsecured loan do not have any specific repayment schedule. It

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>24 Trade Payable (Current)</b>		
a Trade Payable for micro, small and Medium enterprises	-	-
b Trade Payables other than micro, small and Medium enterprises		
1. Letter of Credit Issued and Outstanding	2,562.83	2,233.54
2. Trade Payables other than 1 above	20,730.58	20,164.75
	<b>23,293.41</b>	<b>22,398.30</b>

**Note 24 (a) - Trade Payables**

There are no micro, small and Medium enterprises, as defined in Micro, Small & Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small & Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

		(₹ in lacs)
	As at 31 March 2018	As at 31 March 2017
<b>25 Other Financial Liabilities (Current)</b>		
Current maturities of long-term borrowings (Refer note no 18.1)	7,590.55	2,093.24
Expenses Payable	3,230.71	1,732.48
Salary and Consultancy Payable	692.26	358.01
	<b>11,513.52</b>	<b>4,183.72</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>26 Other Current Liabilities</b>		
<b>1. Statutory Dues Payable</b>		
Service tax and Swachh Bharat Cess payable	249.00	1,200.68
ESIC Payable	5.99	4.73
Profession Tax Payable	5.10	2.59
Provident Fund Payable	147.21	49.54
Tax Deducted at Source and Tax Collected at Source payable	451.00	457.49
Works Contract Sales Tax Payable	173.76	200.55
Value Added Tax	630.90	813.24
Integrated GST Payable	0.87	-
State GST Payable	714.51	-
Central GST Payable	532.28	-
Central Sales Tax Payable	-	-
<b>2. Advance from Debtors*</b>	3,144.16	3,235.15
	<b>6,054.78</b>	<b>5,963.97</b>

\* Bifurcation of Advance from Debtors to related parties

Subsidiary	-	17.54
f) Other Related Parties	463.88	-

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

(` in lacs)

	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
<b>27 Revenue from operations</b>		
Contract Receipts	90,660.85	1,11,101.06
	<b><u>90,660.85</u></b>	<b><u>1,11,101.06</u></b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>28 Other income</b>		
Interest income on		
Bank deposits	373.49	425.71
Others	543.35	1,077.51
Dividend income on Investment in subsidiaries	160.00	283.75
Share of profit in Joint Ventures	60.00	51.22
Share in loss in Partnership Firm	(0.07)	(42.88)
Profit on sale of Investment	880.13	-
Scrap sales	89.86	16.93
Profit on sale of fixed assets	22.22	71.85
Profit on sale of Assets held for sale	92.11	71.49
Miscellaneous Income	157.74	651.73
Rental income on Investment Property	21.40	11.32
Insurance claim	82.14	4.02
	<b>2,482.36</b>	<b>2,622.65</b>

	Year ended 31 March 2018	Year ended 31 March 2017
<b>29 Cost of Construction Material Consumed</b>		
Stock at beginning of the year	10,647.24	7,808.92
Add: Purchases	27,687.71	21,895.53
Less: Stock at the end of the year	13,804.76	10,647.24
Total cost of construction materials consumed	<b>24,530.19</b>	<b>19,057.21</b>
<b>30 Change in Inventory of Work in Progress</b>		
Opening WIP	7,734.96	22,106.19
Closing WIP	(11,830.50)	(7,734.96)
	<b>(4,095.54)</b>	<b>14,371.23</b>
<b>31 Direct Expenses</b>		
Work Expenses	40,477.71	49,496.83
Transporting Charges	587.06	1,100.60
Central Sales Tax & Value Added Tax	213.66	185.06
GST Expenses Including state compensation cess	43.57	-
Hire Charges	1,410.58	1,078.03
Royalty	682.40	267.02
R.T.O Taxes	42.30	47.06
Service Tax & swachha Bharat Cess	185.37	169.36
Machinery Repairs and Maintenance	1,410.60	2,108.18
Vehicles Repairs and Maintenance	156.66	210.41
Insurance	418.42	384.38
Net loss on foreign currency transaction	205.68	174.05
Custom Duty	56.48	119.78
	<b>45,890.49</b>	<b>55,340.75</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Financial statements for the year ended 31 March 2018**

	(₹ in lacs)	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>32 Employee Benefit Expense</b>		
Salaries, Wages and Bonus	8,427.61	5,338.07
Contribution to Provident and other funds	353.13	149.33
Contribution to Employees State Insurance Corporation	45.07	20.58
Gratuity	164.17	62.36
Staff welfare expenses	11.64	4.18
	<u>9,001.63</u>	<u>5,574.52</u>
<b>33 Finance Costs</b>		
Interest	6,835.27	7,835.52
Bank finance charges	1,079.57	1,152.15
	<u>7,914.85</u>	<u>8,987.66</u>
<b>34 Depreciation and Amortization Expenses</b>		
Depreciation of Tangible assets	1,886.33	1,716.06
Depreciation of Investment properties	6.48	6.74
Amortization of Intangible assets	81.25	33.43
	<u>1,974.06</u>	<u>1,756.23</u>
<b>35 Other Expenses</b>		
Power and fuel	570.39	356.69
Rent	155.36	38.13
Rates and taxes	25.59	20.15
Profession Tax	0.13	0.14
Advertising and sales promotion	35.91	26.63
Books & periodicals	0.59	0.51
Membership & Subscription	2.20	6.21
Office expenses	379.26	302.32
Security charges	371.81	314.77
Donation	12.51	15.81
Tender expenses	13.25	29.78
Travelling and conveyance	334.74	248.70
Communication costs	90.12	111.91
Printing and stationery	34.60	47.32
Legal and professional fees	1,231.84	619.02
Internal Auditors remuneration	24.96	52.00
Statutory Auditors remuneration	24.20	22.00
Cost Auditors remuneration	5.25	5.25
Repairs to Building	1.68	27.04
Bank Charges	67.25	43.66
Interest on Statutory dues	187.04	22.25
Comission & Brokarage	19.95	0.10
Property Tax	1.35	1.32
	<u>3,589.97</u>	<u>2,311.71</u>



**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

**36 A Contingent Liabilities and Guarantees**

( in lacs)

	As at 31 March 2018	As at 31 March 2017
<b>Claims against the company not acknowledged as debts</b>		
Service Tax *	23,582.41	18,126.40
Custom Duty	-	10.00
AP VAT ACT 2005 (VAT Amount)	2,773.38	2,006.55
MP VAT ACT 2002	537.89	537.89
Bihar Vat Act 2005	4,377.44	3,461.93
Life Time road transport tax (Paid under protest and kept in advances)	721.79	721.79
Legal Cases against company	7,386.84	7,386.84
<b>Guarantees</b>		
Corporate Guarantees to associate companies and joint venture	39,901.39	35,407.93
Performance Bank Guarantees of Subsidiaries & Associates Co's.	5,626.49	4,996.43
<b>Other money for which the company is contingently liable</b>		
Bills of exchange discounted with banks	2,248.41	2,296.34
	<b>87,156.03</b>	<b>74,952.10</b>

\* The total contingent liability shown above under heading service tax includes Rs. 141.85 crores against appeal number ST/86550/2017 pending before CESTAT, Mumbai, that the total demand of irregular credit cannot exceed the actual amount of credit availed and that reversal of credit is equivalent to non-availment of credit. Further, the Commissioner (Appeal), Central Excise & GST, Nagpur in order in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 has accepted that computation of reversal of credit made by SMS and dropped the entire demand as the company had reversed credit of INR 1,04,52,325. It may be noted that the order passed by Commissioner (Appeal) is also for the same period of dispute, i.e., 2011-12 to 2014-15, as in aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai.

In view of the aforesaid legal precedents and order dated 23.08.2018 passed by Commissioner (Appeal), we are of the view that the total demand which may arise as outcome of the aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai should not exceed INR 1,04,52,325, i.e., actual amount of common credit availed by SMS Limited.

**B Commitments**

Capital Commitment	527.15	691.13
Revenue Commitment	1,14,819.13	1,44,267.86
	<b>1,15,346.28</b>	<b>1,44,958.99</b>

**37 Payment to Auditors (Excluding Taxes)**

**As Auditor:**

Audit fee	17.60	16.00
Tax audit fee	4.40	4.00

**In other capacity:**

Other services (Certification Fees)	2.20	2.00
	<b>24.20</b>	<b>22.00</b>

**38 Disclosure in accordance with Ind AS 11 'Construction contracts' - Amount due from / to customers on Construction Contracts**

Contract Revenue	90,660.85	1,11,101.06
Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	7,79,347.76	6,88,686.92
Contract Costs incurred	66,325.15	88,769.19
Recognised profits/Losses	4,337.56	6,324.40
Advances received	8,842.28	7,576.44
Retention money / SD / Withheld	23,995.03	18,937.26
Gross amount due from customer for contract work	28,732.79	28,699.95
Gross amount due to customer for contract work	-	-

**39 Leases**

(a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

- i Not later than one year - Rs. 19,99,29,080.00 (Rupees Nineteen Crore Ninety Nine Lakh Twenty Nine Thousand Eighty)
- ii Later than one year and not later than five years - Rs. 341812059.00 (Rupees Thirty Four Crore Eighteen Lakh Twelve Thousand Fifty Nine )
- iii Later than five years - Nil.

(b) The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date - Nil.

(c) Lease payments recognized in the statement of profit and loss for the year ended 31st March, 2018, with separate amounts for minimum lease payments and contingent rents.

- i Lease Payment - Rs. 71312866 /-
- ii Contingent Rent - Nil.

(d) Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year ended 31st March, 2016 - Nil.

(e) A general description of the lessee's significant leasing arrangements:

- i Name of Lessor : SREI Equipment Finance Limited
- ii Machines Description:

Sr. No.	LESSEE	CONTRACT NO	ASSET
1	SREI	132998	JUMBO DRILL
2	SREI	132982	LHD Mining Equ.
3	SREI	138192	TH430 UnderGround Mining Eqi.
4	SREI	133012	LHD Mining Equ.
5	SREI	138214	Locomotives
6	SREI	138229	TH430 UnderGround Mining Eqi.
7	SREI	138215	Face Master 2.3
8	SREI	119885	VARIOUS ASSETS
9	HP	5371045837INDTNKS2A1	SAP

iii Lease rent and end date of lease.

LEASE	CONTRACT NO.	MONTHLY LEASE RENT	LAST DATE OF LEASE RENT
1	132998	33,50,917.13	15/06/2020
2	132982	31,33,233.08	15/09/2020
3	138192	16,77,583.88	15/11/2020
4	133012	30,79,124.88	15/11/2020
5	138214	9,08,382.75	15/11/2020
6	138229	16,61,592.12	15/11/2020
7	138215	14,25,891.00	15/11/2020
8	119885	38,90,220.52	15/09/2021
9	5371045837INDTNKS2A1	9,70,935.00	01/08/2019(Quarterly)

iv Option for the company at the end of lease period.

- 1 Renew the lease arrangement (on the terms mutually agreed between the lessor and lessee) or
  - 2 Surrender the machine in the operating order, repair and condition and appearance as when originally delivered to the company (fair wear and tear excepted) or
  - 3 Purchase the machine at fair market value.
- To exercise any of the above option the company must give a written notice to the Lessor at least 90 days prior to the end of lease term, otherwise, the existing lease shall be deemed to be extended for a further period 6 months on the existing terms and Conditions.

v Restrictions imposed by the lease arrangement :

- 1 Company makes proper use of the machinery leased and in such value from time to time as expected of similar machine put to proper use.
- 2 Company keeps the machinery insured.
- 3 Company does not cease or threaten to cease carrying on the business.
- 4 Company does not attempt to sell, encumber or part with possession of the machinery in any way without lessor's written consent.

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

**40 Segment Reporting**

a The company's primary business segments comprises of EPC, Toll and Mining. The business segments have been identified in line with IND AS 108 on Segment Reporting.

b Segment Revenue Results & Other Information

(lacs)

Particulars	31 March 2018				31 March 2017			
	EPC	Toll	Mining	Total	EPC	Toll	Mining	Total
<b>Revenue</b>								
External sales	67,370.12	-	23,290.72	90,660.84	84,821.44	1,242.91	25,036.71	1,11,101.06
Inter segment sales	-	-						
<b>Total revenue</b>	<b>67,370.12</b>	<b>-</b>	<b>23,143.92</b>	<b>90,660.84</b>	<b>84,821.44</b>	<b>1,242.91</b>	<b>25,036.71</b>	<b>1,11,101.06</b>
<b>Results</b>								
Segment results	6,362.44		5,272.76	11,635.20	1,270.65	1.22	13,173.78	14,445.65
Unallocated expenses	-	-	-	246.54	-	-		
<b>Operating profit</b>	<b>6,511.84</b>	<b>-</b>	<b>5,093.19</b>	<b>11,388.67</b>	<b>1,320.09</b>	<b>1.22</b>	<b>13,173.78</b>	<b>14,445.65</b>
Other Income	1,912.55		569.82	2,482.36	2,191.24		431.41	2,622.65
Finance costs	5,847.62		2,067.22	7,914.84	857.15	1.21	8,129.30	8,987.66
Depreciation / Amortisation	575.40		1,043.23	1,618.63	698.96		1,057.27	1,756.23
<b>Profit before tax</b>	<b>1,851.98</b>	<b>-</b>	<b>2,521.52</b>	<b>4,337.56</b>	<b>1,907.54</b>	<b>0.00</b>	<b>4,418.62</b>	<b>6,324.40</b>
Exceptional Items	-		-	-	-	-	-	-
Income taxes	-		-	1,452.67	-	-	-	1,515.00
<b>Net profit</b>	<b>1,851.98</b>	<b>-</b>	<b>2,521.52</b>	<b>2,884.89</b>	<b>1,907.54</b>	<b>0.00</b>	<b>4,418.62</b>	<b>4,809.41</b>
<b>Assets</b>								
Segment assets	86,181.42	-	43,745.36	1,29,926.78	85,793.17	0.14	35,877.64	1,21,670.95
Unallocated assets	-	-		21,815.56				24,878.19
<b>Total assets</b>	<b>86,181.42</b>	<b>-</b>	<b>43,745.36</b>	<b>1,51,742.34</b>	<b>85,793.17</b>	<b>0.14</b>	<b>35,877.64</b>	<b>1,46,549.14</b>
<b>Liabilities</b>								
Segment liabilities	72,064.03	-	21,814.04	93,878.07	80,797.37	336.89	6,827.80	87,962.06
Unallocated liabilities	-	-	-	1,406.13				4,755.31
<b>Total liabilities</b>	<b>72,064.03</b>	<b>-</b>	<b>21,814.04</b>	<b>95,284.20</b>	<b>80,797.37</b>	<b>336.89</b>	<b>6,827.80</b>	<b>92,717.37</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

**41 Employees Benefit**

This section provides the Report under IND AS 19 in respect of Gratuity Plan.

(` in lacs)

As at 31 March 2018 As at 31 March 2017

**Table I: Assumptions**

Assumptions	March 31, 2018	March 31, 2017
Discount Rate	7.74% per annum	7.50% per annum
Rate of increase in Compensation levels	7.00% per annum	7.00% per annum
Rate of Return on Plan Assets	7.50% per annum	8.00% per annum

**Table II: Service Cost**

All Figures in INR	March 31, 2018	March 31, 2017
Current Service Cost	1,04,50,525	62,35,950
Past Service Cost (including curtailment Gains/Losses)*	27,78,102	0
Gains or losses on Non Routine settlements	0	0
<b>Total</b>	<b>1,32,28,627</b>	<b>62,35,950</b>

\*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.

**Table III: Net Interest Cost**

All Figures in INR	March 31, 2018	March 31, 2017
Interest Cost on Defined Benefit Obligation	31,88,497	32,97,743
Interest Income on Plan Assets	8,64,875	6,91,645
<b>Net Interest Cost (Income)</b>	<b>23,23,622</b>	<b>26,06,098</b>

**Table IV: Change in Present Value of Obligations**

All Figures in INR	March 31, 2018	March 31, 2017
Opening of defined benefit obligations	4,25,13,296	4,12,21,790
Service cost	1,32,28,627	62,35,950
Interest Cost	31,88,497	32,97,743
Benefit Paid	(45,54,897)	(46,92,313)
Actuarial (Gain)/Loss on total liabilities:	1,50,53,500	(35,49,874)
- due to change in financial assumptions	(21,64,238)	18,50,782
- due to change in demographic assumptions	0	0
- due to experience variance	1,72,17,738	(54,00,656)
<b>Closing of defined benefit obligation</b>	<b>6,94,29,023</b>	<b>4,25,13,296</b>

**Table V: Change in Fair Value of Plan Assets**

All Figures in INR	March 31, 2018	March 31, 2017
Opening fair value of plan assets	1,15,31,667	86,45,557
Actual Return on Plan Assets	5,62,060	3,86,111
Employer Contribution	70,54,897	71,92,313
Benefit Paid	(45,54,897)	(46,92,313)
<b>Closing fair value of plan assets</b>	<b>1,45,93,728</b>	<b>1,15,31,667</b>

**Table VI: Actuarial (Gain)/Loss on Plan Asset**

All Figures in INR	March 31, 2018	March 31, 2017
Expected Interest Income	8,64,875	6,91,645
Actual Income on Plan Asset	5,62,060	3,86,111
<b>Actuarial gain /(loss) on Assets</b>	<b>(3,02,815)</b>	<b>(3,05,534)</b>

**Table VII: Other Comprehensive Income**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening amount recognized in OCI outside P&L account	0	0
Actuarial gain / (loss) on liabilities	(1,50,53,500)	35,49,874
Actuarial gain / (loss) on assets	(3,02,815)	(3,05,534)
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>(1,53,56,315)</b>	<b>32,44,340</b>

**Table VIII: The amount to be recognized in Balance Sheet Statement**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Present Value of Obligations	6,94,29,023	4,25,13,296
Fair value of plan assets	1,45,93,728	1,15,31,667
Net Obligations	5,48,35,295	3,09,81,629
Amount not recognized due to asset limit	0	0
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>5,48,35,295</b>	<b>3,09,81,629</b>

**Table IX: Expense Recognized in Statement of Profit and Loss**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Service cost	1,32,28,627	62,35,950
Net Interest Cost	23,23,622	26,06,098
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>1,55,52,249</b>	<b>88,42,048</b>

**Table X: Major categories of plan assets (as percentage of total plan assets)**

<b>Item</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Government of India Securities	0%	0%
State Government Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Fund Managed by Insurer	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Table XI: Change in Net Defined Obligations**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening of Net defined benefit liability	3,09,81,629	3,25,76,233
Service cost	1,32,28,627	62,35,950
Net Interest Cost	23,23,622	26,06,098
Re-measurements	1,53,56,315	(32,44,340)
Employer Contribution	(70,54,897)	(71,92,313)
<b>Closing of Net defined benefit liability</b>	<b>5,48,35,295</b>	<b>3,09,81,629</b>

**1 Related Party Transactions**

**1. Relationships (Related Party relationships are as identified by the Company).**

**a Subsidiary Companies**

1. SMS Bhatgaon Mines Extension Pvt. Ltd.	10. SMS-AABS India Tollways Private Limited
2. SMS Envoclean Pvt. Ltd.	11. SMS Waste Management Pvt. Ltd.
3. SMS Infolink Pvt. Ltd.	12. PT. SMS Minerals International
4. SMS Mine Developers Pvt. Ltd.	13. Solar Bhatgaon Extension Mines Pvt. Ltd.
5. SMS Parking Solutions Pvt. Ltd.	14. Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
6. SMS Taxi Cabs Pvt. Ltd.	15. Patwardhan Infrastructure Pvt. Ltd.
7. SMS Vidyut Pvt. Ltd.	16. Maharashtra Enviro Power Ltd.
8. SMS Water Grace BMW Pvt. Ltd.	17. PT. SMS Mines Indonesia
9. SMS Tolls And Developers Ltd.	18. SMS Shivnath Infrastructure Private Limited

**b Associates**

1. RCCL Infrastructure Ltd.	2. SMS AAMW Tollways Pvt. Ltd.
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**c Joint Venture**

1. SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	8. Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
2. SMS Infrastructure Ltd. & B. P. Construction Co. Pvt Ltd (JV)	9. GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.
3. SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)	10. SMSIL KTCO (JV)
4. SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)	11. Bhartiya SMSIL (JV)
5. SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	12. SMSIL-MBPL-BRAPL (JV)
6. SMS Infrastructure Ltd. Shreenath Enterprises J.V.	13. GDCL-SMSIL ( J.V. )
7. SRRCIPL-SMSL-BEKEM-JV	14. SMSL-SRRCIPL ( J V )
	15. SMSIL-WESTCOAST ENGINEERING CORP. (JV)

**d Key Management Personnel**

1. Abhay H. Sancheti - Chairman & Director	5. Ajay Kumar Lakhotia - Independent Director
2. Anand S. Sancheti - Managing Director	6. Ramendra Gupta- Independent Director
3. Ajay Shaktikumar Sancheti (Non executive Director)	7. Renu Challu - Independent Director
4. Dilip B Surana - Director	

**e Other related parties**

1. SMS Infrastructure PTE Ltd.	11. Bhatgaon Mines Pvt. Ltd.
2. SMS Envocare Ltd.	12. Adianubhav Developers Pvt. Ltd.
3. SMS Waluj CETP Pvt. Ltd.	13. Bio-waste Management (U) Ltd.
4. SMS Multi Objective Organisation	14. M/s San Finance Corporation
5. Atul Multi Objective Organisation	15. M/s Sanson Developers
6. Valencia Constructions Pvt. Ltd.	16. M/s Sanbro Corporation
7. Veet Rag Homes Pvt. Ltd.	17. Akshay A Sancheti
8. Veetrag Developers Pvt. Ltd.	18. Paramveer A Sancheti
9. San Commercials Pvt. Ltd.	19. Nirbhay A Sancheti
10. Bhatgaon Extension Mines Pvt. Ltd.	20. Anil H. Sancheti
	21. S N Thakkar Construction Private Limited

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Financial statement for the Year ended 31 March 2018**  
**2) Related Party Transactions**

Transaction carried out with related parties referred to above

Related Parties

(` in lacs)

<b>Nature of Transaction</b>	<b>Subsidiary Companies</b>	<b>Key Mangement Personnel</b>	<b>Associates, JVs &amp; Other Related Parties</b>
Advances Given/ Repaid	690.23	-	1,978.31
	<b>(9.91)</b>		<b>(501.23)</b>
Interest Paid	-	-	754.52
	-	-	<b>(957.87)</b>
Interest Received	154.58	-	-
	<b>(140.17)</b>	-	-
Investment	30.65	-	65.07
	<b>(11,872.51)</b>	-	<b>(77.44)</b>
Loan Granted/ Repaid	12,337.19	-	62,474.26
	<b>(12,067.31)</b>	-	<b>(39,131.95)</b>
Loan Taken/ Recovered	6,059.27	-	69,559.40
	<b>(9,010.03)</b>	-	<b>(28,535.37)</b>
Managerial Remuneration	-	368.67	-
	-	<b>(305.14)</b>	-
Purchases	-	-	-
	-	-	(13.41)
Rent Paid	13.24	-	14.40
	<b>(6.62)</b>	-	<b>(1.20)</b>
Salary	-	-	248.00
	-	-	<b>(106.42)</b>
Services Taken	46.65	-	328.55
	<b>(15.77)</b>	-	<b>(2,034.39)</b>
Work Bill	2,866.39	-	16,619.76
	<b>(18,889.66)</b>	-	<b>(17,265.99)</b>
Sitting Fees	-	12.00	-
	-	<b>(12.00)</b>	-
Advances taken/recovered	1,543.12	-	4,961.33
	<b>(14,775.99)</b>	-	<b>(3,452.49)</b>
Rent Received	23.77	-	-
	<b>(8.10)</b>	-	<b>(13.20)</b>
Rent Deposit	1.60	-	-
	<b>(2.00)</b>	-	-
Outstanding balances include in Current Assets & Current Liabilities	16,009.77	-	(942.78)
	<b>(7,727.90)</b>	-	<b>(7,096.64)</b>

2) Transaction carried out with related parties referred to above

Nature of Transaction	Interest Paid	Interest Received	Investment	Loan/Advances Given (Repaid)	Loan/Advances Taken (Recovered)	Purchases	Work Bill	Rent Income	Rent Paid	Service Taken	Rent Deposit	Outstanding balances
<b>Details of Transaction with Subsidiary Companies</b>												
Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	-	-	-	750.85	995.69	-	1,134.68	11.77	-	-	-	(4,274.50)
Maharashtra Enviro Power Ltd.	-	-	-	(545.38)	(8,397.87)	-	(5,082.97)	-	-	-	-	5,107.06
Patwardhan Infrastructure Pvt. Ltd.	-	-	-	115.14	1,052.55	-	1,731.72	-	-	46.65	-	499.90
PT. SMS Minerals International	-	-	-	(6,632.11)	(3,780.15)	-	(2,850.68)	-	-	(15.77)	-	413.82
SMS Bhatgaon Mines Extension Pvt. Ltd.	-	-	-	6.03	-	-	-	-	-	-	-	6.03
SMS Envoclean Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Infoclean Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Infolink Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Mine Developers Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Parking Solutions Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Shivnath Infrastructure Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Taxi Cabs Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Tolls And Developers Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Vidyut Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Waste Management Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS Water Grace BMW Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
SMS-AABS India Tollways Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
PT. SMS Mines Indonesia	-	-	-	-	-	-	-	-	-	-	-	-
Solar Bhatgaon Extension Mines Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-

Details of Transaction with Key Mangement Personnel

Nature of Transaction	Managerial Remuneration	Setting Fees	Rent
Abhay H. Sancheti	115.20	-	-
Ajay Kumar Lakhota	-	4.00	-
Anand S. Sancheti	125.94	-	-
Akshay Sancheti	(86.40)	-	-
Dilip B Surana	103.54	-	-
Ramendra Gupta	-	4.00	-
Renu Challu	-	4.00	-

Details of Transaction with Other Related Parties

Nature of Transaction	Interest Paid	Investment	Loan/Advances Given (Repaid)	Loan/Advances Taken (Recovered)	Purchases	Rent Paid	Rent Income	Services Taken	Work Bill	Salary	Outstanding balances
Other Related Parties	754.52	65.07	64,452.56	74,520.72	-	14.40	-	328.55	16,619.76	248.00	(942.77)
	(957.87)	(77.44)	(39,633.18)	(31,987.86)	(13.41)	(1.20)	(13.20)	(2,034.39)	(17,265.99)	(106.42)	(7,096.64)



**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

	( ₹ in lacs)	
	As at 31 March 2018	As at 31 March 2017
<b>43 Earnings Per Share (EPS)</b>		
Net profit for calculation of basic EPS	2,786.45	4,832.62
Effect of dilution	-	-
<b>Net profit/(loss) for calculation of diluted EPS</b>	<b>2,786.45</b>	<b>4,832.62</b>
Weighted average number of equity shares in calculating basic EPS	1,02,61,382	1,02,61,382
Effect of dilution	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>1,02,61,382</b>	<b>1,02,61,382</b>
10261382 (31 March 2017: 10261382) equity shares of ₹ 10/- each		
<b>Earnings per equity share:</b>		
Basic	27.15	47.10
Diluted	27.15	47.10

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to financial statements for the year ended 31 March 2018**

**44 Financial instruments**

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- (a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if require, allowances are taken to account for the expected losses of these receivables.

**A Financial instruments by category**

(` in lacs)

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Investments	15,678.10	-	-	42,859.66	42,859.66
Trade receivables	28,732.79	-	-	57,432.74	57,432.74
Loans	25,231.36	-	-	50,133.95	50,133.95
Others financial assets	19,099.74	-	-	34,135.11	34,135.11
Cash and cash equivalents	774.16	-	-	1,101.56	1,101.56
Other bank balances	1,575.20	-	-	2,651.78	2,651.78
<b>Liabilities:</b>					
Borrowings	39,984.18	-	-	87,467.77	87,467.77
Trade payables	23,293.41	-	-	45,691.71	45,691.71
Other financial liabilities	15,523.38	-	-	23,658.73	23,658.73

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Investments	27,181.56	-	-	27,181.56	27,181.56
Trade receivables	28,699.95	-	-	28,699.95	28,699.95
Loans	24,902.59	-	-	24,902.59	24,902.59
Others financial assets	15,035.37	-	-	15,035.37	15,035.37
Cash and cash equivalents	327.40	-	-	327.40	327.40
Other bank balances	1,076.58	-	-	1,076.58	1,076.58
<b>Liabilities:</b>					
Borrowings	47,483.59	-	-	47,483.59	47,483.59
Trade payables	22,398.30	-	-	22,398.30	22,398.30
Other financial liabilities	8,135.35	-	-	8,135.35	8,135.35

#### 45 Financial Risk Management

The Company's activities expose it to the following risks:

- Credit risk
- Interest risk
- Liquidity risk

##### A Credit Risk

Credit Risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments

##### i Trade receivables

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

##### Credit risk exposure

The Company's credit period generally ranges from 30 – 60 days are as below.

(` in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade receivables	28,732.79	28,699.95
Work in progress	11,830.50	7,734.96
Total	<b>40,563.29</b>	<b>36,434.90</b>

The Company evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple industries.

##### ii Financial instruments and deposits with banks

Credit risk is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

##### B Liquidity risk

Liquidity 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 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. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

(` in lacs)

The break-up of cash and cash equivalents, deposits and investments is as below.

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalent	774.16	327.40
Bank balance other cash and cash equivalent	1,575.20	1,076.58
Total	<b>2,349.36</b>	<b>1,403.98</b>

## C Market Risk

### Foreign exchange rates

The Company has balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

### Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is exposed to significant interest rate risk.

- 46 Gross amount required to be spent by the Group towards CSR during the year ` 1.18 crore (March 31, 2017: ` 1.19 crore)

		(C in lacs)	
47 A	Reconciliation of Comprehensive Income	As at 31 March 2018	As at 31 March 2017
	Profit after tax	2,786.45	4,412.00
	Prior Period item	-	(1.00)
	Tax impact of actuarial gain /loss	-	(12.00)
	Total Comprehensive Income	2,786.45	4,397.00

B	Reconciliation of Other Equity	As at 31 March 2018	As at 31 March 2017
	Total Equity	55,432.00	52,398.00
	Prior Period item	-	419.00
	Tax impact of actuarial gain /loss	-	(12.00)
	Total Equity	55,432.00	52,805.00

- 48 In respect of Bhatgaon Mines Private limited and Bhatgaon Extension Mines Private Limited (Joint venture of SMS Limited and Solar Industries Limited), the total expenses incurred is Rs. 90.37 crore. Out of which SMS Limited incurred Rs. 34.32 Crore and balance Rs. 56.05 by Solar Industries Limited.

By virtue of Supreme Court decision, mine got deallocated and project was abandoned. Consequently, the Joint venture has raised a claim for deposits and various expenses incurred for the development of mine through Arbitration.

Against this claim Rs. 70.14 crore awarded under the arbitration to the Joint Venture company. However, in this award the cost of land acquisition not considered, against which, Chhattisgarh Mineral Development Corporation Limited has raised the claim an Ministry of Coal.

However, as per the legal advice taken by the company, this cost is recoverable by the Joint Venture company.

- 49 Company having various works contract, some are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1<sup>st</sup> July, 2017, exempt contract become taxable. Which result in tax liability on the company against which company filed the claim with the concern Department. Outcome of this claim is still pending with the Department. But on the basis of opinion taken from the legal advisor, the company made the provision for the GST impact turnover in books of account.

- 50 The company had made investments to the tune of Rs. 1747 lacs and 6511 lacs in two subsidiaries, SMS Taxicabs Pvt Ltd and SMS Parking Solutions P Ltd. There are substantial losses in these two companies, however, SMS Limited intends to carry these investments at its historical cost without any impairment.

SMS Taxicabs P Ltd. (STPL) was floated to run a fleet of Radiocabs in the city of Mumbai for 2800 taxis. STPL owns licenses to run taxis and the same are perpetual in nature. STPL, though was making good profits in the initial years, is in losses due to severe competition from large corporates. However, the licenses are of perpetual in nature, SMS will be able to recoup its entire money by sale of these licenses.

SMS Parking Solutions P Ltd. (SPSPL) was floated to Develop and Operate a Multilevel Fully Automated Car Parking System and Commercial Complex in Kamlanagar, Delhi. Since inception, SPSPL is in losses. This was due to recession in the retail sales of the malls across India. However, recently, the SPV has changed the product mix and had shifted its focus from retail trade to services. Hence, food outlets and gaming zones are being introduced. The company is also in an advanced stage of starting two 40 seater multiplexes. A new management team has been introduced which has started turning around business and the recovery post April 2018 has picked up drastically.

- 52 SMS Ltd had invested an amount of Rs. 139.18 lacs towards equity and Rs. 5135.48 lacs as unsecured loan to its foreign JV in Indonesia with the name Pt. SMS Minerals International. The company is in the business of trading coal in the province Sumatra. This JV company had huge reserves of coal and major portion of the same has been mined and sold. SMS Ltd had earned huge foreign earnings from this company in the form of interest in the previous years. Since last two years, there is no business in the JV company as the balance portion of the coal reserves is stuck beneath a river. The approval for river diversion is already put with the concerned authorities in Indonesia. SMS Ltd is optimistic that once the approval for diversion of river is obtained, it can recoup its entire investment in the JV company along with the loan advanced.
- 53 SMS Limited had invested an amount of Rs. 992 lacs in SMS Vidyut Private Limited. The company is engaged in the business of Hydro Power generation across the river Pench. The concessioning authority had ensured a minimum guaranteed supply of water and a power purchase agreement was already in place. However, the concessioning authority had failed to supply the minimum guaranteed water, owing to which desired output was not generated, resulting into losses to the company on a year or year basis. The company had already taken up this matter with the concessioning authority and claimed compensation for the losses of the previous years. The company is confident of getting an award and hence, SMS Limited intends to carry the value of investment in SMS Vidyut Private Limited at its historical cost.
- 54 During the financial year company implemented SAP system in the various functions of the organization. This is the very good initiative taken by the company for the improvement of reporting ability in the various aspect of the organization. After considering the dynamic environment where company is developing, the life of SAP system is considered as 5 years. It is equally depreciation throughout its life.
- 55 During the year under review, the Board of Directors declared an interim dividend of ` 1.56/- per equity share (15.60%) on the paid-up equity share capital of the Company amounting to ` 1,60,07,755.92/- (Rupees One Crore Sixty Lac Seven Thousand Seven Hundred Fifty Five and Ninety Two Paise only) and shall be the final dividend for the Financial year 2017-18 and that no further dividend is recommended.

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

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana

Partner

Membership No. 043414

Place : Nagpur

Date : 27/09/2018

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B SURANA

Director

DIN: 00953495

SMITA P. AGARKAR

Company Secretary

SUSHANT S. MUKHERJEE

Chief Financial Officer

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

CHARTERED ACCOUNTANTS

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### **INDEPENDENT AUDITOR'S REPORT**

**To,**

**The members of SMS LIMITED**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **SMS LIMITED** (hereinafter referred to as 'the Company') and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit & Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting principles generally accepted in India.

The Company's Board of Directors and the respective Board of Directors / Management of subsidiaries, and its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and jointly controlled entities 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### **Basis of Qualified Opinion**

#### **A) RCCL Infrastructure Limited – Associate of the Company**

i) In Public Interest Litigation Petition (PIL No. 1250/2013), the Hon'ble Rajasthan High Court vide its order dated 09/09/2014 directed to company to deposit entire collection from toll with effect from 15/09/2014 in the Bank Account in the name of PWD. Further the Hon'ble Rajasthan High Court vide its order dated 28/7/2015 ordered that collection of toll on road shall be stopped. The Hon'ble Rajasthan High Court vide its order dated 14/07/2017 appointed retired justice as Sole Arbitrator to resolve the dispute between the parties, who passed an award vide its order dated 18/03/2018, against which the State of Rajasthan through PWD has filed an appeal before Special Court (Commercial Court), which is pending for disposal.

The Company has collected toll of Rs. 3794.19 Lacs from 15.09.2014 to 19.09.2016. Out of it, Rs. 3738.81 Lacs has been deposited in the PWD SBBJ Account and balance of Rs 55.38 Lacs was recognised as income in the respective years. During FY 2017-18, the company has received an amount of Rs. 792.77 Lacs from PWD and shown as other current liabilities i.e. not recognised as revenue pending outcome of the proceeding before the court. (Refer Note No. 54(a))

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ii) Liability in respect of Work contract tax, PF, ESI on contract awarded for renovation / repair & maintenance of Road has not been ascertained and provided for. (Refer Note No. 54(b)).

iii) Non provision of expenses/ liability in respect of ESI, Bonus, Gratuity and Leave Encashment for its employees, amount not ascertained. (Refer Note No. 54(c))

iv) Non-accounting of Agricultural land registered in the name of Company at cost of Rs. 1.16 Lacs and Non provision of corresponding liability against it. (Refer Note No. 54(d))

As a result, the proportionate revenue of the Group including its associate companies to the extent of Rs. 269.54 Lacs, as referred in Para i) above, is not recognised in consolidated financial statements.

### **B) SMS Taxicabs Private Limited – Subsidiary of the Company**

i) No reconciliation is available in respect of balance with State Bank of India, Malad Branch- Current Account. Also all the bank accounts, trade receivables and trade payables are subject to confirmation and reconciliations if any.

In absence of the reconciliations / confirmations, we are unable to determine the effect of these transactions on the financial statements of the company. (Refer Note No. 55(a))

ii) The company has not disclosed details of following pending litigation under the contingent liability in its financial statement:

a) Litigation of Corporation Bank in The Mumbai Debts & Recovery Tribunal for unpaid amount of secured term loan. – Rs. 854.40 Lacs

b) Litigation of Creditor Eco Fuel System (I) Pvt Ltd in The National Company Law Tribunal for unpaid amount of outstanding against material supplied. – Rs. 362.38 Lacs

c) Litigation of Employees Shri Surendra Pal and Shri Ajit Rajapure in The Labour Court, Mumbai for unpaid amount of salary, full & final settlement and other dues.—Amount not ascertained.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and jointly controlled entities, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above in the Report on Other Legal and Regulatory Requirement, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the Consolidated State of the Affairs of the Group, its associates and jointly controlled entities as at March 31, 2018 and their Consolidated Profit including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.



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### **Emphasis of Matter**

#### **A) RCCL Infrastructure Limited – Associate of the Company**

a) The Associate Company had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP) and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statements are consolidated based on conversion adjustments prepared by the management of the company. (Refer Note No. 47(v))

b) Concession period of the Road under BOT project was up to 23/12/2017 but it was reduced to 19/09/2016 by PWD vide its letter dated 06/09/2016. The Hon'ble Rajasthan High Court vide its order dated 14/07/2017 appointed retired Justice as Sole Arbitrator to resolve the dispute between the parties, who has passed an award vide its order dated 18/03/2018, against which State of Rajasthan through PWD filed an appeal before Special Court (Commercial Court), which is pending for disposal. (Refer Note No. 54(a) and 54(e))

B) SMS Taxicabs Private Limited – Subsidiary of the Company

We draw attention to Note No. 55(b) to the financial statements, which is reproduced as under:

#### **GOING CONCERN**

The net-worth of the company has significantly eroded and turned negative as at the end of the year. The company has closed its phone a fleet taxi operation and the financial viability of the company greatly depends on its ability to pursue new business ventures and / or strategic business plans. The company has started a DBO subscription scheme in place of existing taxi operations. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

#### **C) Jointly Controlled Entities not consolidated**

In absence of the financial statements of four Jointly Controlled Entities, the same has not been consolidated in the consolidated financial statements and the balances appearing in the books of accounts of the company are considered.

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Jointly Controlled Entities and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid Jointly Controlled Entities, is not modified in respect of the above matters. (Refer Note No. 47(iii))

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matter.

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

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### **Other Matters**

(a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs.97279.11 Lacs as at 31<sup>st</sup> March, 2018, total revenues of Rs. 37621.03 Lacs and net cash inflow amounting to Rs.1518.88 Lacs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss (including Other comprehensive income) of Rs. 110.47 Lacs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by, and the reports of the, other auditors.

(b) We did not audit the financial statements of eleven jointly controlled entities, whose financial statements reflect total assets of Rs.17719.13 Lacs as at 31<sup>st</sup> March, 2018, total revenues of Rs.15620.09 Lacs and net cash outflows amounting to Rs.745.46 Lacs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports / audited financial statement have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entities, is based solely on the reports / audited financial statement of the other auditors.

The jointly controlled entities had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP) and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statements are consolidated based on conversion adjustments prepared by the management of the company, which have been audited by us. (Refer Note No. 47(iii))

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

CHARTERED ACCOUNTANTS

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Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by, and the reports of the, other auditors.

(c) We did not audit the financial statements of two foreign subsidiaries, whose financial statements reflect total assets of Rs. 3680.87 Lacs as at 31<sup>st</sup> March, 2018, total revenues of Rs. 0.41 Lacs and net cash outflows amounting to Rs. 17.71 Lacs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

The management of these companies had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments prepared by the management of the company, which have been audited by us. (Refer Note No. 47(i))

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. 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, is not applicable to the Auditor's Report on Consolidated Financial Statement.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint controlled entities, we report, to the extent applicable, that:
  - a) We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

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- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except (i) for the possible effects of the matters described in Basis for Qualified Opinion paragraph in case of Associate Company RCCL Infrastructure Limited and (ii) for bank accounts, debtors and creditors which are subject to confirmation and reconciliation in case of subsidiary company SMS Taxicabs Private Limited ;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) The matters described in Basis for Qualified Opinion paragraph in case of associate company RCCL Infrastructure Limited, in our opinion, may have an adverse effect on the functioning of the Group and its associates.  
In case of Subsidiary company - SMS Taxicabs Private Limited in the absence of specific reporting in Auditors report, on whether the matters described in Basis of Qualified Opinion paragraph have an adverse effect on the functioning of the Group or not we are unable to comment on the same.
- f) On the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary and associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act except subsidiary company SMS Taxicabs Private Limited wherein one director is disqualified as on 31<sup>st</sup> March'2018.
- g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph in case of associate company RCCL Infrastructure Limited.  
In case of Subsidiary company - SMS Taxicabs Private Limited the absence of specific reporting in Auditors report on qualifications relating to the maintenance of accounts and other matters connected therewith, as stated in the Basis of Qualified Opinion paragraph or not, we are unable to comment on the same.

## V. K. SURANA & CO.

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- h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**” which is based on the auditor’s reports of the Company and its fourteen subsidiary and two associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting of those companies, for the reasons stated therein.

In case of SMS Taxicabs Private Limited – Subsidiary of the Company, not included above, the reporting under Internal Financial Controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and associates companies:

- 1) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. **(Refer Note No. 39(a)).**

The Subsidiary of the Company - SMS Taxicabs Private Limited has not disclosed the details of following pending litigation under the contingent liability in its financial statement:

j) Litigation of Corporation Bank in The Mumbai Debts & Recovery Tribunal for unpaid amount of secured term loan. – Rs. 854.40 Lacs

ii) Litigation of creditor Eco Fuel System (I) Pvt Ltd in The National Company Law Tribunal for unpaid amount of outstanding against material supplied. – Rs. 362.38 Lacs

iii) Litigation of Employees Shri Surendra Pal and Shri Ajit Rajapure in The Labour Court, Mumbai for unpaid amount of salary, full & final settlement and other dues – amount not ascertained.

- 2) The Group and its associate companies did not have any long term contracts including derivatives contracts, which require provision for material foreseeable losses except in case of Associate company- SMS-AAMW Toll ways Private Limited wherein the company has made the provision as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long-term contracts including derivative contracts.

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- 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate companies except in case of Associate company- SMS-AAMW Tollways Private Limited wherein there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

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

*Chartered Accountants*

Firm Reg No.110634W

**CA. Sudhir Surana**

*Partner*

Membership No.043414

Nagpur, September 27, 2018

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

CHARTERED ACCOUNTANTS

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### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph (h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SMS Limited of even date)**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **SMS LIMITED** (hereinafter referred to as “the Company”), its fourteen subsidiary companies and its two associate companies which are companies incorporated in India, as of March 31, 2018.

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

The respective Board of Directors of the Company, its fourteen subsidiary companies and its two associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its fourteen subsidiary companies and its two associate companies, which are companies incorporated in India, 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..**

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company, its fourteen subsidiary companies and its two associate companies, which are companies incorporated in India.

### **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..**

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### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company, its fourteen subsidiary companies and its two associate companies, which are companies incorporated in India, have, 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, 2018, based on the internal control over financial reporting criteria established by the respective companies 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.

### **Other Matters**

- A) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
  
- B) In case of SMS Taxicabs Private Limited – Subsidiary of the Company, opinion on the Internal financial controls over the financial reporting is not given by the Statutory Auditor of the company, due to which we are unable to comment on the same.

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

*Chartered Accountants*

Firm Reg No.110634W

**CA. Sudhir Surana**

*Partner*

Membership No. 43414

Nagpur, September 27, 2018

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Consolidated Balance Sheet as at 31 March 2018

Particulars	Note No.	C in lacs)	
		As at 31 March, 2018	As at 31 March, 2017
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	27,826.56	29,037.60
(b) Capital work in progress	3	474.05	2,848.18
(C) Investment property	4	1,646.80	1,653.28
(d) Goodwill		681.07	619.71
(e) Other Intangible assets	5	78,918.53	1,13,780.32
(f) Intangible assets under development	6	17,332.32	18,983.60
<b>(g) Financial assets</b>			
(i) Investments	7	32,244.39	2,868.47
(ii) Trade receivables	8	23.85	1,884.52
(iii) Loans	9	20,966.79	18,009.36
(iv) Other financial assets	10	14,838.37	10,652.58
(h) Deferred tax assets (net)	11	10,884.13	9,934.19
(i) Other non-current assets	12	1,968.72	1,911.28
<b>Total non-current assets</b>		<b>2,07,805.58</b>	<b>2,12,183.08</b>
<b>(2) Current assets</b>			
(a) Inventories	13	29,054.53	19,768.92
<b>(b) Financial assets</b>			
(i) Trade receivables	8	33,307.82	37,268.57
(ii) Loans	9	18,353.17	18,600.93
(iii) Cash and cash equivalent	14	3,781.27	4,685.32
(iv) Bank Balance other Than (iii) above	14	8,558.11	11,010.69
(v) Other financial assets	15	343.22	78.73
(c) Assets classified as held for Sale		-	7.89
(d) Current Tax Assets (Net)		1,101.06	385.42
(e) Other current assets	16	16,339.34	15,542.80
<b>Total current assets</b>		<b>1,10,838.51</b>	<b>1,07,349.28</b>
<b>Total assets</b>		<b>3,18,644.10</b>	<b>3,19,532.37</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	17	1,026.14	1,026.14
<b>(b) Other Equity</b>			
(i) Reserve & surplus	18	43,782.51	35,371.34
(ii) Other reserves	19	19,641.41	20,093.99
(C) Non-controlling interests		2,228.79	6,279.09
<b>Total equity</b>		<b>66,678.85</b>	<b>62,770.57</b>
<b>(2) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	20	57,970.32	52,959.68
(ii) Other financial liabilities	21	7,311.74	6,991.05
(b) Provisions	22	5,520.28	8,815.70
(C) Deferred tax liabilities (net)		-	-
(d) Other non current liabilities	23	10,585.16	8,703.75
		81,387.50	77,470.19
<b>(3) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	24	45,415.96	43,953.40
(ii) Trade payables	25	27,523.12	26,618.33
(iii) Other financial liabilities	26	27,941.61	28,010.39
(b) Other current liabilities	27	8,500.28	8,181.03
(C) Provisions	22	61,196.78	72,528.45
(d) Current Tax liability (Net)		-	-
		1,70,577.75	1,79,291.61
<b>Total liabilities</b>		<b>2,51,965.25</b>	<b>2,56,761.79</b>
<b>Total equity and liabilities</b>		<b>3,18,644.10</b>	<b>3,19,532.37</b>

Notes form an integral part of the consolidated financial statement. This is the Balance Sheet referred to in our audit report of even date.

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

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana  
Partner

Membership No. 043414

Place : Nagpur

Date : 27/09/2018

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

DILIP B. SURANA  
Director  
DIN: 00953495

SUSHANT S. MUKHERJEE  
Chief Financial Officer

SMITA P. AGARKAR  
Company Secretary

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Consolidated Statement of Profit and Loss for the period ended 31 March 2018**

Particulars	Note No.	( in lacs)	
		Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	28	1,56,583.22	1,76,901.14
Other income	29	3,952.27	4,578.51
Total income		<b>1,60,535.49</b>	<b>1,81,479.65</b>
<b>Expenses</b>			
Cost of raw material and components consumed	30	20,916.89	34,121.27
Direct Expenses	31	76,536.31	85,141.13
Employee benefits expense	32	12,432.41	8,851.22
Depreciation and amortization expense	33	23,161.30	22,461.22
Impairment of non-current assets		-	-
Finance costs	34	15,813.88	17,650.54
Other expenses	35	5,549.65	5,133.34
Total expense		1,54,410.45	1,73,358.72
<b>Profit before exceptional item and tax</b>		6,125.04	8,120.93
Exceptional items	36	-	1,063.46
<b>Profit/(loss) before share of (profit)/loss of associates and tax</b>		6,125.04	7,057.47
Share of profit / (loss) of associates		(110.47)	(840.47)
<b>Profit before tax</b>		6,014.58	6,217.00
Tax Expense	37	2,783.65	(195.58)
<b>Profit for the year</b>		3,230.93	6,412.58
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
	0	(10.61)	3.88
	0	(137.35)	36.55
	0	(474.60)	
	0	(28.30)	
	0	50.23	(9.39)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		(600.62)	31.05
<b>Other comprehensive income for the year, net of tax</b>		(600.62)	31.05
<b>Total comprehensive income for the year, net of tax attributable to:</b>		2,630.30	6,443.63
Non controlling interest		464.10	785.05
Owners of the parent		2,166.21	5,658.58
<b>Earning per equity share</b>	38		
Basic		31.49	62.49
Diluted		31.49	62.49
Anti-diluted		31.49	62.49

As per our report of even date

**For and on behalf of the Board of Directors**

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

Chartered Accountants  
Firm Registration No. :110634W

ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

DILIP B. SURANA  
Director  
DIN: 00953495

CA Sudhir Surana  
Partner  
Membership No. 043414  
Place : Nagpur  
Date : 27/09/2018

SUSHANT S. MUKHERJEE  
Chief Financial Officer

SMITA P. AGARKAR  
Company Secretary

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Consolidated Cash flow statement for the year ended 31 March 2018**

	Year Ended 31 March, 2018	( in lacs) Year Ended 31 March, 2017
<b>Cash flow from operating activities</b>		
Total Comprehensive Income before tax	5,363.72	6,257.44
<b>Adjustment for :</b>		
Depreciation/amortization of Property, Plant and Equipment and intangible assets	23,161.30	22,461.22
Amount Written Off	-	540.96
Foreign Exchange rate fluctuations	3.32	-
Interest income	(1,023.19)	(1,733.17)
Dividend income	(160.00)	(283.75)
<b>Operating profit before working capital changes</b>	<b>27,345.15</b>	<b>27,242.71</b>
<b>Adjustment for :</b>		
Increase/(decrease) in trade payables	904.79	17,502.75
Increase / (decrease) in non current provisions	(3,295.42)	(3,287.93)
Increase / (decrease) in current provisions	(11,331.67)	(6,569.01)
Increase/(decrease) in other current liabilities	319.25	3,972.89
Increase/ (decrease) in other non current liabilities	1,881.41	(5,009.42)
Increase/ (decrease) in Current financial liabilities	(68.78)	(3,259.75)
Increase/ (decrease) in Other Non-current financial liabilities	320.69	4,138.97
Increase/ (decrease) in Non controlling interest	(4,514.40)	(1,773.60)
Decrease/(increase) in current trade receivables	3,960.75	(17,023.54)
Decrease/(increase) in non current trade receivables	1,860.68	4,933.52
Decrease/(increase) in Other Non-current financial assets	(4,185.79)	(700.04)
Decrease/(increase) in Other Current financial assets	2,188.09	(1,452.99)
Decrease/(increase) in Other Current assets	(796.54)	(6,233.82)
Decrease/(increase) in Other Non-current assets	(57.44)	753.55
Decrease/(increase) in inventories	(9,285.61)	13,782.09
Decrease / (increase) in Other Reserves	6,596.63	(12,031.15)
Decrease / (increase) in Income Tax assets	(1,665.59)	(6,087.49)
	<b>10,176.20</b>	<b>8,897.72</b>
Direct taxes paid (net of refunds)	(2,733.42)	186.19
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>7,442.79</b>	<b>9,083.90</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(8,778.12)	(12,181.76)
Proceeds from sale of fixed assets	25,719.05	376.68
Purchase of non-current investments	(29,375.92)	(2,934.47)
Decrease / (increase) in non current loans and advances	(2,957.43)	(12,125.27)
Decrease / (increase) in current loans and advances	247.76	(14,850.98)
Sale of current investments	7.89	137.00
Goodwill created during consolidation	(61.36)	13,114.94
Subsidy recognised during the year	(452.59)	(455.97)
Interest received	1,023.19	1,733.17
Dividends received	160.00	283.75
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(14,467.53)</b>	<b>(26,902.92)</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Consolidated Cash flow statement for the year ended 31 March 2018**

<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	5,010.64	7,167.80
Proceeds from short-term borrowings	1,462.55	11,784.64
Dividend & DDT paid on equity shares	(352.65)	(282.19)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>6,120.54</b>	<b>18,670.25</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(904.21)	851.23
Cash and cash equivalents at the beginning of the year	4,685.32	3,834.10
<b>Cash and cash equivalents at the end of the year</b>	<b>3,781.12</b>	<b>4,685.33</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	471.05	387.25
With banks- on current account	3,310.22	4,298.08
<b>Total cash and cash equivalents</b>	<b>3,781.27</b>	<b>4,685.32</b>

As per our report of even date  
**For V. K. Surana & Co.**  
Chartered Accountants  
Firm Registration No. :110634W

**For and on behalf of the Board of Directors of  
SMS Limited**

ANAND S. SANCHETI	DILIP B. SURANA
Managing Director	Director
DIN: 00953362	DIN: 00953495

CA Sudhir Surana  
Membership No. 043414  
Place : Nagpur  
Date : 27/09/2018

SUSHANT S. MUKHERJEE	SMITA P. AGARKAR
Chief Financial Officer	Company Secretary

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Consolidated Statement of changes in Equity for the year ended 31 March 2018**

**A. EQUITY SHARE CAPITAL**

**Issued and paid up capital**

(\* in lacs)

Particulars	Number of Shares	Amount
Balance as at 1 April 2016	1,02,61,382	1,026.14
Changes in equity share capital	-	-
Balance as at 31 March 2017	1,02,61,382	1,026.14
Changes in equity share capital	-	-
Balance as at 31 March 2018	1,02,61,382	1,026.14

**B. OTHER EQUITY**

Particulars	Reserves and Surplus						Non controlling interest	Total Equity
	Securities premium reserve	General reserve	Retained earnings	Capital reserve	Capital Subsidy	Money Received against Share Warrants		
<b>As at 1 April 2016</b>	10,647.69	1,116.85	35,686.05	101.50	1,769.55	8,031.22	-	57,352.86
Profit for the year	-	-	5,658.56	-	-	-	-	5,658.56
Interim Dividend paid	-	-	(282.19)	-	-	-	-	(282.19)
Increase/(decrease)	(0.00)	-	(1,598.99)	-	(455.97)	-	6,279.09	4,224.13
Arising on Account of Consolidation	-	-	(5,340.99)	-	-	-	-	(5,340.99)
IND AS impact on leave provision	-	-	-	-	-	-	-	-
IND AS impact on prior period	-	-	132.07	-	-	-	-	132.07
<b>At 31 March 2017</b>	10,647.69	1,116.85	34,254.50	101.50	1,313.58	8,031.22	6,279.09	61,744.43
<b>As at 1 April 2017</b>	10,647.69	1,116.85	34,254.50	101.50	1,313.58	8,031.22	6,279.09	61,744.43
Profit for the year	-	-	2,166.21	-	-	-	-	2,166.21
Increase/(decrease)	-	-	0.98	-	(452.59)	-	(4,050.30)	(4,501.91)
Interim Dividend paid	-	-	(352.65)	-	-	-	-	(352.65)
Arising on Account of Consolidation	-	-	6,596.63	-	-	-	-	6,596.63
<b>At 31 March 2018</b>	10,647.69	1,116.85	42,665.67	101.50	860.99	8,031.22	2,228.79	65,652.71

This is the statement of changes in equity referred to in our audit report of even date

**For and on behalf of the Board of Directors of SMS Limited**

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

Chartered Accountants

Firm Registration No. :110634W

CA Sudhir Surana  
 Partner  
 Membership No. 043414  
 Place : Nagpur  
 Date : 27/09/2018

ANAND S. SANCHETI  
 Managing Director  
 DIN: 00953362

DILIP B SURANA  
 Director  
 DIN: 00953495

SUSHANT S. MUKHERJEE  
 Chief Financial Officer

SMITA P. AGARKAR  
 Company Secretary

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**1 Corporate information**

SMS Limited (the "Company" or "parent") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company having CIN U45201MH1997PLC107906, is located at IT Park, 20 S.T.P.I. Gayatri Nagar, Parsodi, Nagpur-440022, Maharashtra, India.

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and jointly control entities arrangements. The Group is principally engaged in the business of providing engineering and construction services, infrastructure, mines, waste management and urban development and management.

These consolidated financial statements ("the financial statements") of the Group for the year ended March 31, 2018 were authorised for issue in accordance with resolution of the Board of Directors on 27th Sept, 2018.

**2 Significant Accounting Policies**

**A Basis of preparation:**

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

In case of certain companies of the Group, operating cycle for the business activities, based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents have been ascertained as twelve months for the purpose of current / non-current classification of assets and liabilities.

The Group's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

**B Principles of consolidation:**

The financial statements have been prepared on the following basis:

**i Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

**ii Associates**

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**iii Joint arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

**Joint operations**

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

**Joint ventures**

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

**C Accounting Estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Contract estimates**

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



**Recoverability of claims**

The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact reliability of these claims.

**Deferred tax assets**

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

**Defined benefit plans**

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

**Overlay Expenditure:**

As per the concession Agreement entered with NHAI, the company has a contractual obligation to carry out resurfacing /overlay of the roads under concession. Provision for overlay in respect of toll roads maintained by the company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facilities to a specified level of serviceability in respect of such asset and hence has recognised the same as an upgrade service and as intangible asset, the timing and amount of such asset are estimated and recognised on a discounted basis. Estimate of the provision is measured using a number of factors such as contractual requirements, technology, expert opinions and expected price level. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectation, technology, prices and conditions and can take place many years in the future, the carrying amounts of provisions is reviewed at regular intervals and adjusted to take account of such changes.

**Property, plant and equipment**

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

**Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

**D Property, Plant and Equipment**

"Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

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".

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure."

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

**E Investment Property**

"Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

**F Intangible Assets**

Intangible assets comprise of lease rights, toll collection rights and assets that are incidental for the purpose of Toll Collection and license fees & implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortization and accumulated impairment losses, if any.

i. In case of toll collection, the expenditure on Operation and Maintenance Contracts which are in the nature of enduring nature like construction of new facilities and relaying of Roads are classified as Intangible assets and carried forward, to be written off systematically during the project concession period.

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

ii. In case of toll collection, the total capital cost towards Project are estimated for the entire Concession period which are measured at the initially present value of estimated cash outflows as on date of financial statement thereafter every year the amortisation is deducted from the cost initially recognised plus/minus changes in the estimate if any after actual expenditure.

The cost of an item of Intangible assets comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of intangible assets if the recognition criteria are met.

**G Service concession arrangements**

The Group recognizes an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortizations and accumulated impairment losses.

**H Depreciation/ Amortization**

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation method, useful lives and residual values are reviewed periodically, including at each financial year.

In respect of Amortisation of Project expenditure the Group follows Cost Model (i.e. An intangible asset after initial recognition is carried at cost less accumulated depreciation).

Further the amount of amortisation used is such that reflects the pattern in which the asset's future economic benefit is expected to be consumed by the entity, wherein the case of the company it is calculated as a proportion of actual revenue for the year bears to the estimated total revenue for the entire concession period. The estimates of toll are based on the projected revenue submitted to the bank for financing the Project.

In case of one subsidiary ( Maharashtra Enviro Power Limited), 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.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

For overseas subsidiaries, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, associates and joint arrangements. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies and local laws. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

In case of one subsidiary (SMS Taxicabs Private Limited), as per Ind AS 38 - Intangible Assets presumes that useful life of intangible assets is unlikely to exceed 10 years, Motor Car Operating Licensee (Under Specified Phone Fleet Taxi Scheme) is amortized on straight line method over 30 years since in the opinion of the management, the licensee which is renewable after 5 years over further periods of 5 year blocks, would be further renewed for an estimated period of 25 years or 5 blocks.

**Impairment of Goodwill**

Goodwill is tested for impairment on an annual basis and wherever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operation results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating unit is determined based on higher of value-in-use and fair value less cost to sell.

**I Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial Assets**

**Initial Recognition**

Financial assets, not recorded at fair value through profit or loss (FVPL), are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent Measurement**

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

**Financial Assets at Amortised 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.

**Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these 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 Group 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 Group on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments. Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

**Impairment of Financial Assets**

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group 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.

**De-recognition of Financial Assets**

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**ii. Equity Instruments and Financial Liabilities**

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

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group 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.

**Financial Liabilities**

**Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

**Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**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.

**Offsetting Financial Instruments**

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

**J Inventories:**

Inventories comprise all costs of purchase, conversion and other costs incurred including taxes (not refundable) in bringing the inventories to their present location and condition.

The stock of construction material, stores spares, tools, components, embedded goods and fuel is valued at cost or net realizable value whichever is lower. Cost is determined on weighted average basis.

The Parent is classifying shuttering material and the machine spares as inventory. The management is of the opinion that these inventories are a very large number of indistinguishable minor items and are used in more than one accounting period. Even though they meet the definition of Property Plant and Equipment, the management feels that it would be appropriate to aggregate individually all insignificant items and apply recognition criteria to the aggregate value. Further the company after the technical assessment has found that the estimated life of the shuttering material is five years and thus shuttering material shall depreciated in five years from the date of purchase. The value of machine spares will be depreciated within the life of machine to which the spares relate.

**Work-in-progress and finished goods**

They are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost is determined on weighted average basis. Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

In case if any payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost in such cases are recognised as interest expense over the period of financing under the effective interest method.

**K Revenue Recognition:**

**i. Accounting of Construction Contracts**

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11, Construction Contracts, and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

- In case of item rate contracts on the basis of physical measurement and survey of work actually completed and which is certified by the client, at the Balance Sheet date.
- Work in progress at the balance sheet date are quantities executed but not certified by the client therefore valued at itemized contract rate less taxes and profit.

- In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Advance payments received from contractee for which up to the stage of completion at balance sheet date no services are rendered are presented as 'Advance from contractee'.

**ii. Accounting of Supply Contracts-Sale of Goods**

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

**iii. Accounting for Claims**

claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favorable arbitration award.

**iv. Dividend Income**

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

**v. Direct Landfill and Landfill after Treatment:**

Revenue has been recognized under direct landfill on accrual basis at the time of receipt of waste and billing.

**vi. Incineration (Plasma based):**

The service of disposal by incineration Facility consists of

- (1) Collection of Hazardous waste (waste) from generators,
- (2) Transportation of waste from generator's premises to waste disposal facility (common facility),
- (3) Analysis of the waste at common facility,
- (4) Storage of the waste at common facility and
- (5) Burning of it in incineration (plasma based) plant.

The activities with regard to this facility get completed from process (1) to (4) on receipt of waste material. Only burning in incineration plant is deferred up to the stage of collection of sufficient quantity of waste material so as to efficiently run the activity. Hence, revenue has been recognized in full under Incineration as substantial activities of this service are completed and substantial revenue from the billed amount has been realized.

Note: - The word waste used in this note shall mean "Hazardous waste" as defined in hazardous waste (Handling and Management) rules.

**vii. Membership Fees:**

Membership fees are collected from customers to let them use the facility of waste disposal. Fees collected are non-refundable in nature and provides customer the rights to use our services for the period for which membership fees is collected. Therefore, membership fees are recognized as income over the period of membership on pro rata basis.

**viii. Service Charges:**

Service charges are charged to customer for provision of service for a year with a right to adjust the same against billing, if any, in a year. Hence Services charges are recognized as income after expiry of the one calendar year if the same does not get adjusted against the billing done during that period.

**ix. Container Maintenance Charges:**

Container Maintenance Charges are being booked to income on receipt basis, which is as and when charges are collected from customers.

**x. Toll collection**

Revenue from toll collection is recognised on actual collections of toll and in case of contractual terms with certain customers the same is recognised on an accrual basis.

**xi. Operation and Maintenance Contracts**

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

**xii. Operation of Phone fleet taxi / DBO subscription income**

The company recognizes income from operating phone fleet taxis on accrual basis for the period of deployment of cars (excluding initial waiver period). During the year the company closed its phone a fleet taxi operations in March 2018 and launched DBO subscription scheme. As per the DBO subscription scheme the taxi is offered for sale to prospective drivers on giving a deposit and daily subscription amount. On full payment of subscription amount the ownership of the taxi would get transferred in favour of the respective driver for his use. The entire subscription amount for the taxi is accounted as a receivable and collection against the same is reduced as and when received. The subscription proportionate to the year is offered as subscription income in the financials and indirect taxes on the same accrued till the time ownership is transferred after which it would be due for payment.

**xiii. Advertisement Income**

Advertisement Income is recognized after rendering of services for advertisement has been completed.

xiv. Rent, Common Area Maintenance Charges and other charges with relation to the usage of the properties and various utility charges are accounted for on accrual basis except in case where ultimate collection is considered doubtful.

**xv. Food Court charges**

Food court charges are accounted on revenue sharing / Fixed Rental basis as per the agreement entered with the Parties.

**xvi. Car Parking Collection has been accounted on actual basis.**

**xvii. Power Supply and Transmission Charges**

Revenue from Power Supply and Transmission Charges are accounted for on the basis of billing to State Transmission Utility i.e. Maharashtra State Electricity Distribution Corporation Limited.



**xviii. Finance and Other Income**

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments.

**L Government grants:**

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

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

**M Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group chief operating decision maker has disclosed business segment as the primary segment the Group operation predominately relate to "Engineering and procurement constructions", "Tolls" "Mining", "Hazardous". The segment revenue, segment result, segment assets and segment liability includes respective amounts identifiable to each of the segment and also amounts allocated on reasonable basis.

**N Foreign Currency Transaction:**

**i. Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

**ii. Conversion**

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**iii. Treatment of Exchange Difference**

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

The Group's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

**O Employee Benefits:**

**Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognize the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

**i. Defined Contribution plans:**

Defined contribution plans are Provident fund, Employee state insurance scheme, Labour welfare fund and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

**Recognition and measurement of defined contribution plans:**

The the Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable 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 reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**ii. Defined Benefit plans:**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

**Leave entitlement and compensated absences**

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.

**P Bills Receivables and Trade Payable**

The balance of Bills Receivables and Trade Payables are subject to reconciliation with some parties. Any difference which may arise on reconciliation will be dealt in by the Company in subsequent years.

In the opinion of management the net effect may not be material.

**Q Borrowing Cost**

Interest and other costs in connection with the borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for their intended use. All other borrowing costs are charged to Profit & Loss Account.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted unless that period is a necessary part of the process for the construction of the asset.

**R Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

**S Taxes on Income**

**Income Tax**

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

**i) Current Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**ii) Deferred Income Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

**T Earnings per share:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

**U Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably.

Contingent assets are neither recognized nor disclosed in the financial statements.

## 3 Property, plant and equipment

(₹ in lacs)

Gross Block	Building	Land	Leasehold Land	Plant and Machinery	Furniture and fixture	Computer	Office equipment	Vehicle	Total
<b>Opening 01.04.2016</b>	7,612.02	45.64	9.26	71,804.31	669.45	989.39	907.56	9,101.26	91,138.88
Assets Held for Sale									-
Addition	453.29			937.84	30.94	46.39	28.79	135.47	1,632.72
Disposal				328.06	0.75	3.40	5.20	39.27	376.68
Written Off				(442.95)	(4.48)	(3.64)	(33.56)	(56.33)	(540.96)
Interhead Adjustment									-
<b>Closing 31.03.2017</b>	8,065.31	45.64	9.26	71,971.13	695.16	1,028.73	897.60	9,141.13	91,853.96
<b>Opening 01.04.2017</b>	8,065.31	45.64	9.26	71,971.13	695.16	1,028.73	897.60	9,141.13	91,853.96
Addition	416.66			5,977.05	53.99	105.24	71.09	480.85	7,104.89
Disposal		4.40		2,424.87	6.54	8.11	4.20	471.97	2,920.07
Written Off				(20.62)			(0.04)	(3.10)	(23.76)
Interhead Adjustment						(35.86)	35.86		-
<b>Closing 31.03.2018</b>	8,481.97	41.25	9.26	75,502.69	742.62	1,090.01	1,000.31	9,146.92	96,015.02
<b>Accumulation</b>									
<b>Opening 01.04.2016</b>	4,278.55		5.89	42,999.99	485.91	825.66	589.75	7,488.74	56,674.48
Depreciation for the year	254.03		0.23	6,016.90	44.19	103.26	97.30	482.07	6,997.99
Depreciation on Disposal				717.46	4.62	6.98	37.50	89.51	856.08
Dep Interhead Adjustment									-
<b>Closing 31.03.2017</b>	4,532.58	-	6.12	48,299.43	525.48	921.94	649.54	7,881.30	62,816.39
<b>Opening 01.04.2017</b>	4,532.58		6.12	48,299.43	525.48	891.32	680.16	7,881.29	62,816.39
Depreciation for the year	344.96		0.23	7,094.59	82.13	92.26	91.23	440.89	8,146.30
Depreciation on Disposal				2,298.18	5.43	8.07	3.23	437.65	2,752.56
Written Off				(23.08)			(0.04)	1.70	(21.42)
Dep Interhead Adjustment				(0.59)	(0.09)		(0.12)	0.38	(0.42)
<b>Closing 31.03.2018</b>	4,877.54	-	6.36	53,072.18	602.09	975.51	768.01	7,886.60	68,188.28
<b>NET Block 01.04.2016</b>	3,333.47	45.64	3.37	28,804.32	183.54	163.72	317.82	1,612.52	34,464.40
<b>NET Block 31.03.2017</b>	3,532.72	45.64	3.13	23,671.71	169.68	106.79	248.06	1,259.83	29,037.57
<b>NET Block 31.03.2018</b>	3,604.43	41.25	2.90	22,430.52	140.53	114.50	232.30	1,260.31	27,826.73

3 Capital Work-in-progress

<b>Gross Block</b>	<b>Building</b>	<b>Land</b>	<b>Leasehold Land</b>	<b>Plant and Machinery</b>	<b>Furniture and fixture</b>	<b>Computer</b>	<b>Office equipment</b>	<b>Vehicle</b>	<b>Total</b>
<b>Opening 01.04.2016</b>	11.70			182.00		-		0.23	193.93
Addition	149.84			2,646.05		4.03		0.60	2,800.53
Capitalisation during the year	12.12			133.94		-		0.23	146.29
<b>Closing 31.03.2017</b>	149.43	-	-	2,694.11	-	4.03	-	0.60	2,848.18
<b>Opening 01.04.2017</b>	149.43			2,694.11	-	4.03	-	0.60	2,848.18
Addition	225.39			3,280.51	46.90	79.27	46.98	633.56	4,312.61
Capitalisation during the year	369.43			5,688.13	46.61	82.65	45.10	454.81	6,686.73
<b>Closing 31.03.2018</b>	<b>5.39</b>	-	-	<b>286.49</b>	<b>0.29</b>	<b>0.65</b>	<b>1.89</b>	<b>179.35</b>	<b>474.05</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

<b>4 Investment Property</b>	<b>LAND</b>	<b>BUILDING</b>	<b>TOTAL</b>
<b>Gross carrying amount</b>			
<b>As on 1st April 2016</b>	1,315.43	379.27	1,694.70
Addition	-	-	-
Sum of Interhead Adjustemnt Given	-	-	-
<b>As on 31st March 2017</b>	<b>1,315.43</b>	<b>379.27</b>	<b>1,694.70</b>
<b>As on 1st April 2017</b>	1,315.43	379.27	1,694.70
Addition	-	-	-
Sum of Interhead Adjustemnt Given	-	-	-
<b>As on 31st March 2018</b>	<b>1,315.43</b>	<b>379.27</b>	<b>1,694.70</b>
<b>Accumulated depreciation</b>			
<b>As on 1st April 2016</b>	-	34.68	34.68
Depreciation charged	-	6.74	6.74
Sum of Provision for Depreciation Reversal on account of Sale	-	-	-
<b>As on 31st March 2017</b>	<b>-</b>	<b>41.42</b>	<b>41.42</b>
<b>As on 1st April 2017</b>	-	41.42	41.42
Depreciation charged	-	6.48	6.48
Sum of Provision for Depreciation Reversal on account of Sale	-	-	-
<b>As on 31st March 2018</b>	<b>-</b>	<b>47.90</b>	<b>47.90</b>
Net carrying amount	1,315.43	344.59	1,660.03
Net carrying amount	1,315.43	337.85	1,653.28
Net carrying amount	1,315.43	331.37	1,646.80

<b>Information regarding income and expenditure of Investment property</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Rental income derived from investment properties	21.40	11.32
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income during the year.	1.36	1.14
Depreciation charged on the investment property that generated rental income during the year.	3.39	2.08
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>16.65</b>	<b>8.10</b>
Direct operating expenses including repairs and maintenance arising from investment property that did not generat rental income during the year.	5.85	0
Depreciation charged on the investment property that did not generat rental income during the year.	3.09	4.66
<b>Profit/(Loss) arising from investment properties that did not generat rental income after depreciation and direct expenses</b>	<b>(8.94)</b>	<b>(4.66)</b>
<b>Net Profit/( Loss) from Investment acitivity.</b>	<b>7.71</b>	<b>3.44</b>

The Company's investment properties consist of flats and land in India. The management has determined that the investment properties consist of two classes of assets – Land and Building – based on the nature, characteristics and risks of each property.

The valuation of few of the properties are valued by accredited independent valuer in the last three financial years based on consistent policy followed by the company. In absence of complete valuation of all the investmet property, the fair value of the property are not disclosed.

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

5 Intangible assets

(` in lacs)

Gross Block	Computer software	Motor Car Permits	Right to collect Toll	Project Facilities on NH-28	Rights	Others	Total
<b>Opening 01.04.2016</b>	861.13	7,309.60	9,116.04	80,203.95	19,980.78	581.14	1,18,052.64
Addition	226.82		21,802.09	5,652.66	83.16		27,764.72
Disposal							-
Written Off							-
Interhead Adjustment							-
<b>Closing 31.03.2017</b>	1,087.95	7,309.60	30,918.12	85,856.61	20,063.94	581.14	1,45,817.36
<b>Opening 01.04.2017</b>	1,087.95	7,309.60	30,918.12	85,856.61	20,063.94	581.14	1,45,817.36
Addition	337.69			3,439.26	3.24		3,780.19
Disposal			30,918.12				30,918.12
Written Off							-
Interhead Adjustment							-
<b>Closing 31.03.2018</b>	1,425.63	7,309.60	-	89,295.87	20,067.18	581.14	1,18,679.43
<b>Accumulation</b>							
<b>Opening 01.04.2016</b>	445.50	948.40	4,284.58	11,746.00	1,077.31	54.14	18,555.93
Depreciation for the year	81.00	243.41	1,082.00	11,607.62	443.40	23.68	13,481.11
Depreciation on Disposal							-
Dep Interhead Adjustment							-
<b>Closing 31.03.2017</b>	526.50	1,191.81	5,366.58	23,353.61	1,520.71	77.82	32,037.03
<b>Opening 01.04.2017</b>	526.50	1,191.81	5,366.58	23,353.61	1,520.71	77.82	32,037.03
Depreciation for the year	117.95	243.41		12,242.70	462.33	23.68	13,090.08
Depreciation on Disposal			5,366.58				5,366.58
Written Off							-
Dep Interhead Adjustment							-
<b>Closing 31.03.2018</b>	644.44	1,435.22	-	35,596.32	1,983.04	101.50	39,760.53
<b>NET Block 01.04.2016</b>	415.63	6,361.20	4,831.46	68,457.95	18,903.47	527.00	99,496.71
<b>NET Block 31.03.2017</b>	561.45	6,117.79	25,551.54	62,502.99	18,543.23	503.32	1,13,780.33
<b>NET Block 31.03.2018</b>	781.19	5,874.38	-	53,699.56	18,084.14	479.64	78,918.90



SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

6 Intangible Assets Under Development

(` in lacs)

Particulars	Right to collect Toll	Preliminary & Preoperative Expenditure	Total
<b>Gross block</b>			
<b>Opening 01.04.2016</b>	21,802.09	21,679.71	43,481.79
Addition	-	250.74	250.74
Disposal	21,802.09	-	21,802.09
<b>Closing 31.03.2017</b>	(0.00)	21,930.45	21,930.44
<b>Opening 01.04.2017</b>	(0.00)	21,930.45	21,930.44
Addition		267.16	267.16
Disposal			-
<b>Closing 31.03.2018</b>	(0.00)	22,197.61	22,197.61
<b>Accumulation</b>			
<b>Opening 01.04.2016</b>		1,135.13	1,135.13
Depreciation for the year	-	1,811.72	1,811.72
Depreciation on Disposal			
<b>Closing 31.03.2017</b>	-	2,946.85	2,946.85
<b>Opening 01.04.2017</b>	-	2,946.85	2,946.85
Depreciation for the year		1,918.45	1,918.45
Depreciation on Disposal			
<b>Closing 31.03.2018</b>	-	4,865.29	4,865.29
<b>NET Block 01.04.2016</b>	21,802.09	20,544.58	42,346.67
<b>NET Block 31.03.2017</b>	(0.00)	18,983.60	18,983.60
<b>NET Block 31.03.2018</b>	(0.00)	17,332.32	17,332.32

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(C in lacs)

	As at 31 March, 2018	As at 31 March, 2017
<b>7 Non-current Investments</b>		
<b>A Trade investments</b>		
a Investment in Associates	(259.04)	(973.97)
b Investment in Joint Ventures	28.93	28.93
	<b>(230.10)</b>	<b>(945.04)</b>
<b>B Non-trade investments</b>		
a Investment in Equity instruments (Unquoted)	31,222.94	3,172.85
b Investment in Government Securities (NSC)	1.34	1.34
c Investment in Mutual Fund (Quoted)	20.39	20.45
d Investment in debt instruments (Quoted)	1,229.82	618.87
	<b>32,474.50</b>	<b>3,813.51</b>
	<b>32,244.39</b>	<b>2,868.47</b>

**SMS Limited (Formerly SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

**Details of Non Current Investments**

(` in lacs)

**As at 31 March 2018**      **As at 31 March 2017**

**A Investment in Equity Instruments (Valued at cost, fully paid up)-Note No. 7(B) (a)**

1	10,19,407.785 units [31st March, 2016: Nil; 1st April, 2015: Nil] of Face value of ` 1,000 each in Franklin India Ultra Short Bond - Super Institutional Plan - Growth	-	226.97
2	Franklin India Treasury Management Account - Super Institutional Plan - Growth 28,831.674 units [31st March, 2016: Nil; 1st April, 2015: Nil] of Face value of ` 1,000 each in	-	699.47
	Equity Shares of Abhyudaya Co-operative Bank Limited ( 50,000 Equity	5.00	5.00
3	Shares of ` 10/- each issued at Par)		
4	SAN Finance Corporation	31,193.84	2,128.82
5	Shares in Abhudaya Co-op. Bank Ltd	18.01	106.50
6	Shares in RCBL Limited 50000 shares at ` 10 each	5.00	5.00
7	Khamgaon Urban Co-Operative Bank Ltd. 100 (31 March 2017: 100)Equity shares of ` 10 each fully paid	0.01	0.01
8	Nandura Urban Co-Operative Bank Ltd. 43 (31 March 2017: 43)Equity shares of ` 100 each fully paid	0.04	0.04
9	Malkapur Urban Co-Operative Bank Ltd. 1,000 (31 March 2017: 1000)Equity shares of ` 100 each fully paid	1.00	1.00
		<b>31,222.91</b>	<b>3,172.81</b>

**B Investment in Equity Instruments of Associate Companies in India (Valued at cost, fully paid up)-Note No. 7(A) (b)**

RCCL Infrastructure Pvt. Ltd 15,65,200 (31 March 2017: 15,65,200)Equity shares of ` 10 each fully paid Including Goodwill 1.71 Lacs	-274.35	-255.09
SMS-AAMW Tollways Pvt. Ltd. 2,600 (31 March 2017: 2,600)Equity shares of ` 10 each fully paid Including Goodwill Nil, Capital Reserve Nil	-810.09	-718.88

**C Investment in Preference shares of Associate Companies in India -Note No. 7(A) (b)**

Agroh Biaora Tollways Pvt Ltd 70,00,000 (31 March 2017: Nil) 5% Non Cumulative Convertible Preference shares of ` 10 each fully paid	700.00	-
Manawar Kukshi Tollways Pvt Ltd 6,00,000 (31 March 2017: Nil) 1% Cumulative Redeemable Preference shares of ` 100 each fully paid	125.40	-
	<b>(259.04)</b>	<b>(973.97)</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>8 Trade receivables</b>		
Outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	23.85	1,884.52
Doubtful	-	-
	<b>23.85</b>	<b>1,884.52</b>
Outstanding for a period Less than six months		
Secured, considered good	-	-
Unsecured, considered good	33,307.82	37,268.57
Doubtful	-	-
	<b>33,307.82</b>	<b>37,268.57</b>
	<b>33,331.67</b>	<b>39,153.09</b>

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

(₹ in lacs)

	Non Current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>9 Loans and advances</b>				
<b>A Security deposit</b>				
Secured, considered good	11,457.41	9,792.63	-	-
	<u>11,457.41</u>	<u>9,792.63</u>	<u>-</u>	<u>-</u>
<b>B Loan and advances to related parties</b>				
Unsecured, considered good	3.82	3.82	(1,563.02)	2,423.14
	<u>3.82</u>	<u>3.82</u>	<u>(1,563.02)</u>	<u>2,423.14</u>
<b>C Advances recoverable in cash or kind</b>				
Unsecured considered good	9,481.96	8,211.49	15,304.36	11,693.99
	<u>9,481.96</u>	<u>8,211.49</u>	<u>15,304.36</u>	<u>11,693.99</u>
<b>D Other loans and advances</b>				
Loans to employees	-	-	240.26	122.41
other	23.60	1.42	4,371.57	4,361.40
	<u>23.60</u>	<u>1.42</u>	<u>4,611.83</u>	<u>4,483.81</u>
	<u>20,966.79</u>	<u>18,009.36</u>	<u>18,353.17</u>	<u>18,600.93</u>

**SMS Limited (Formerly known as SMS Infrastructure Limited)****Notes to Consolidated financial statements for the year ended 31 March 2018**

( in lacs)

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>10 Non current financial assets</b>		
Earnest Money Deposits	1,736.89	901.46
Retention Money	7,978.27	6,748.03
Withheld Amount	4,882.23	2,686.27
Interest Accrued on Fixed Deposits	-	0.05
Other deposits	-	54.96
Security Deposit	57.98	56.05
Interest Receivable on Deposits	-	21.84
Receivable form MSEDCL	180.90	180.90
Water Cess Receivable	2.11	3.00
	<b>14,838.37</b>	<b>10,652.58</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**11 Deferred Tax Assets (net)**

(₹ in lacs)

**Components of deferred income tax assets and liabilities arising on account of temporary differences are:**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Losses	12,593.68	12,257.22
Addition (Reversal) during the period on 43B Payments	20.66	-
Change in Investment due to fair value	3.08	0.22
Leave Encashment	93.69	0.81
Provision for Gratuity	279.69	177.53
Statutory Provisions	35.34	28.48
Timing difference on tangible and intangible assets depreciation and amortisation	2,070.49	3,295.31
	<b>15,096.63</b>	<b>15,759.58</b>
<b>Deferred Tax Liability</b>		
Addition (Reversal) during the period on 40a(ia) Payments	120.19	167.04
Provision for Gratuity	1.02	1.70
Timing difference on tangible and intangible assets depreciation and am	4,091.30	5,050.86
	<b>4,212.51</b>	<b>5,219.60</b>
<b>Deferred Tax Assets (net)</b>	<b>10,884.12</b>	<b>10,539.98</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>12 Non Current Assets</b>		
MAT credit	1,950.54	1,896.95
Service Tax Deposit Receivable	18.18	14.33
	<b><u>1,968.72</u></b>	<b><u>1,911.28</u></b>



**SMS Limited (Formerly known as SMS Infrastructure Limited)****Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>13 Inventories</b>		
Inventory	25,948.67	18,388.22
Raw Materials and components	2,848.57	1,308.08
Bags	1.20	2.20
Diesel	0.49	0.10
Stock-in-trade	43.57	12.15
Chemicals	0.26	-
Stores and spares	211.76	58.17
	<b>29,054.53</b>	<b>19,768.92</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

	(₹ in lacs)	
	As at 31	As at 31
	March 2018	March 2017
<b>14 Cash and bank balances</b>		
<b>Balances with banks:</b>		
In current accounts	3,310.22	4,298.08
Cash on hand	471.05	387.25
	<u>3,781.27</u>	<u>4,685.32</u>
<b>Other bank balances</b>		
Marketable securities	1,987.18	1,994.18
Fixed Deposits with Banks	6,570.93	9,016.50
	<u>8,558.11</u>	<u>11,010.69</u>
	<u><u>12,339.38</u></u>	<u><u>15,696.01</u></u>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

( in lacs)

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>15 Other Current Financial Assets</b>		
Advances to Contractor	139.10	100.00
Advances to Suppliers	148.36	(103.73)
Interest accrued on deposits	18.27	74.53
Receivable from TATA Power Delhi Distribution Ltd	1.09	1.21
Security deposits	-	1.01
Other receivables	-	2.09
Indus Tower Electricity Charges Receivable	-	0.13
Receivable from MIDC Water Charges	-	3.50
Other Bank balance	36.40	-
	<b>343.22</b>	<b>78.73</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)****Notes to Consolidated financial statements for the year ended 31 March 2018**

( in lacs)

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>16 Other Current Assets</b>		
Advance Tax	15.29	300.31
Advance to Staff	0.85	2.27
Prepaid expenses	882.13	1,013.82
Service Tax Receivable	103.68	1,346.71
Value Added Tax Receivable	6,179.89	6,808.68
Integrated GST Receivable	1,281.12	-
Central GST Receivable	512.75	-
State GST Receivable	903.59	-
GST Receivable	813.53	-
Salary & Other Preliminary Exp.	105.71	108.89
Amount recoverable from gratuity fund	-	12.85
Others	5,540.80	5,949.27
	<b><u>16,339.34</u></b>	<b><u>15,542.80</u></b>

**SMS L SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	As at 31 March, 2018	As at 31 March, 2017
<b>17 Share capital</b>		
<b>a Authorized shares</b>		
15,000,000 (31st March 2017 : 15,000,000) equity shares of ` 10/- each	1,500.00	1,500.00
<b>b Issued, subscribed and fully paid-up shares</b>		
10261382 ((31st March 2017 : 1,02,61,382) equity shares of ` 10/- each	1,026.14	1,026.14
<b>Total Issued, subscribed and fully paid-up share capital</b>	1,026.14	1,026.14

**c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	As at 31 March, 2018		As at 31 March, 2017	
	No.	Amount	No.	Amount
At the beginning of the period	1,02,61,382	1,026.14	1,02,61,382	1,026.14
Add : Rights Issued During the Year	-	-	-	-
<b>Outstanding at the end of the period</b>	1,02,61,382	1,026.14	1,02,61,382	1,026.14

**d Terms/Rights attached to 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 except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder

**e Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of ` 10/- each fully paid</b>				
Shri Abhay Harakchand Sancheti	3214696	31.33%	3214696	28.20%
Shri Ajay Shaktikumar Sancheti	2410997	23.50%	2410997	21.15%
Shri Anand Shaktikumar Sancheti	2410997	23.50%	2410997	21.15%
M/s Femina Industrial Finance Private Limited	1046131	10.19%	1046131	10.19%
M/s Femina Share Management Services Private Limited	834184	8.12%	834184	8.12%

**f Five Year (Aggregate No. of Shares)**

Equity Shares :	As at 31 March, 2018	As at 31 March, 2017
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL
Shares bought back	NIL	NIL

**SMS Limited (Formerly known as SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	<b>As at 31 March, 2018</b>	<b>As at 31 March, 2017</b>
<b>18 Reserves &amp; Surplus</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	1,116.85	1,116.85
Add: Addition during the year	-	-
Less : Amount utilised during the year	-	-
<b>Closing Balance</b>	<u>1,116.85</u>	<u>1,116.85</u>
<b>Surplus/(Deficit) in the statement of Profit and Loss</b>		
Balance as per last financial statements	34,254.50	35,686.05
<b>ADD</b>		
Arising on Account of Consolidation	6,596.63	(5,340.99)
Profit for the year	2,166.21	5,658.56
<b>LESS</b>		
Bonus Shares issued during the year	-	(1,599.00)
Foreign Exchange Rate Fluctuation	0.98	-
IND AS Prior period	-	132.07
Interim Dividend Paid	(320.08)	(282.19)
Earlier Year Tax	-	0.01
Dividend Distribution Tax	(32.57)	-
<b>Net surplus in the statement of profit and loss</b>	<u>42,665.67</u>	<u>34,254.50</u>
	<u>43,782.51</u>	<u>35,371.34</u>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	As at 31 March, 2018	As at 31 March, 2017
<b>19 Other Reserves</b>		
<b>Securities Premium Account</b>		
Balance as per the last financial statements	10,647.69	10,647.69
Add: Amount added during the year	-	-
Less: Amounts utilized during the year	-	-
<b>Closing Balance</b>	<b>10,647.69</b>	<b>10,647.69</b>
<b>Capital Reserve</b>		
Balance as per the last financial statements	101.50	101.50
Add: Amount added during the year	-	-
Less : Amount utilised during the year	-	-
<b>Closing Balance</b>	<b>101.50</b>	<b>101.50</b>
<b>Capital Subsidy</b>		
Balance as per the last financial statements	1,313.58	1,769.55
Subsidy Received during the year	386.00	526.44
Amount offered to income in the current year	(829.66)	(973.48)
Transferred to other Income	(8.93)	(8.93)
<b>Closing Balance</b>	<b>860.99</b>	<b>1,313.58</b>
<b>Money received against Share Warrant</b>		
Balance as per the last financial statements	8,031.22	8,031.22
Add: Amount added during the year	-	-
Less : Amount utilised during the year	-	-
<b>Closing Balance</b>	<b>8,031.22</b>	<b>8,031.22</b>
	<b>19,641.41</b>	<b>20,093.99</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	Non-current		Current	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
<b>20 Long-Term Borrowings</b>				
<b>I. Secured</b>				
<b>A Preference Share Capital</b>	5,816.02	787.72	-	-
<b>B Term loans</b>				
<b>i Banks</b>				
Andhra Bank (RBC)	-	-	-	8.31
Axis Bank Ltd.	174.79	226.28	387.77	453.73
Bank of Baroda	-	160.42	-	61.18
Bank of India	-	219.17	-	85.20
Bank of Maharashtra	-	4.81	-	69.57
Indian Overseas Bank	1,354.58	1,803.48	384.00	384.00
Indusind Bank Ltd	-	-	-	-
State Bank of Hyderabad	1,556.25	18,414.92	429.00	1,749.00
State Bank of India	2,545.66	3,869.91	1,440.00	1,446.30
State Bank of Mysore	1,411.44	1,824.10	385.00	350.00
Yes Bank	-	1.26	1.26	2.74
ICICI Bank Limited	247.78	32.11	140.83	122.60
Kotak Mahindra Bank Ltd	318.16	-	158.22	2.02
HDFC Bank limited	40.30	61.50	63.26	67.51
Abhyudaya Co-operative Bank Limited	3,995.90	3,598.18	109.64	109.64
Corporation Bank Limited	-	-	1,482.09	1,258.87
United Bank of India	-	-	620.27	728.57
Oriental Bank of Commerce	-	-	99.82	101.11
<b>ii Financial Institution</b>				
Indiabulls Housing Finance	30,910.19	10,147.96	7,022.98	9,360.57
Kotak Mahindra Prime Ltd.	-	-	5.74	8.26
Tata Motors Finance Ltd.	5.70	9.74	33.70	70.89
Srei Equipment Finance Private Limited	5,189.60	6,731.85	1,746.77	1,481.78
HP Financial Services	78.81	-	69.48	-
Reliance Capital Limited	-	-	-	6.12
Tata Capital Financial Services Limited	-	0.03	-	10.12
<b>II. Unsecured</b>				
<b>A Loans and advances from related parties</b>				
Anup Nilawar	-	-	20.00	20.00
Solar Industries India Ltd.	112.96	100.69	-	-
Vishwanath Infrastructure Limited.	-	-	9.10	9.10
SMS Limited	(0.00)	-	-	-
<b>B Others</b>				
Femina Industrial Finance Pvt Ltd	17.83	16.77	-	-
Rian Ventures Pvt Ltd.	261.49	272.31	17.10	-
Shraddha Industries Ltd	-	-	105.70	-
Glorius Diamond Private Limited	-	1,014.77	-	-
Shri Gurudatta Sugars Limited	126.71	112.57	-	-
Adeshwar Gems Pvt Ltd	254.70	235.61	-	-
Jinendra Diamonds Private Ltd.	55.10	50.55	-	-
Raynik FZC (Investor)	114.07	-	-	-
Maharashtra Enviro Power Ltd.	3,382.29	3,262.95	-	-
	<b>57,970.32</b>	<b>52,959.68</b>	<b>14,731.73</b>	<b>17,967.20</b>

**Note : For Securities please refer individual bank wise notes given**



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

(Figures in Rs.)

The Long Term portion of Term loans are shown under long term borrowings and the current maturities of long term borrowings are shown under current Financial liabilities as per the disclosure requirement of Schedule III

**Details of Securities and Terms of Repayments**

**SMS Limited (Holding Company)**

**I. Secured**

**(A) Term Loans**

**(i) From Banks**

**(1) HDFC Bank Ltd.**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
25,93,371.00	9.75%	Fixed	29/07/2016	16	1,73,510.00	1 year 4 month
28,11,469.00	9.40%		15/12/2016	20	1,52,427.00	1 year 8 month

**(2) ICICI Bank Ltd.**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
19,92,029.00	9.65%	Fixed	02/05/2017	24	91,862.00	2 year
(35,411.32)	12.75%		16/04/2015	1	1,59,475.00	1 month
7,30,737.60	10.00%		08/06/2016	26	31,481.00	2 year 2 month
92,14,686.89	7.35%		21/12/2017	34	3,01,026.00	2 year 10 month

**(3) Kotak Mahindra Bank Ltd.**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
81,57,284.00	9.20 % 9.77 %	Fixed	19/06/2017	27	3,36,748.00	2 year 3 month
41,25,141.00	8.51%		02/09/2017	40	1,32,229.00	3 year 4 month
3,28,65,009.00	7.89% 7.54% 8.25%		29/09/2017	41	9,23,894.00	3 year 5 month

**(4) State Bank of India**

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

Outstanding Balance as on 31.03.2018	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
-	9.75%	Fixed	05-Jun-16	27	49,190.00	-

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**(ii) From Others**

**(1) SREI Equipment Finance Pvt. Ltd.**

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

Outstanding Balance as on 31.03.2018	Rate of interest %	Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
18,07,75,564.38	14.01%	Fixed	42	54,72,513.00	3 year 6 month
19,22,34,351.99	11.99%		42	56,30,000.00	3 year 6 month
28,58,80,775.32	14.01%		42	86,54,305.00	3 year 6 month
17,05,565.00	9.31%		8	2,53,200.00	8 month
25,46,838.00	9.50%		8	3,29,800.00	8 month
21,92,898.00	9.40%		9	2,53,200.00	9 month
73,49,277.00	9.25%		35	2,48,525.00	2 year 11 month
21,02,790.00	7.50%		32	3,07,300.00	2 year 8 month
28,35,446.00	7.50%		32	98,040.00	2 year 8 month
53,29,785.67	7.31%		34	1,74,000.00	2 year 10 month
26,64,833.16	8.17%		34	90,460.00	2 year 10 month
80,18,289.00	8.05%		30	3,07,300.00	2 year 6 month

**(2) HP Financial Services Ltd.**

Secured by first charge by way of hypothecation of specific asset as specified in the agreement, vide sanction letter on specific date. The details of individual loans are as under.

Outstanding Balance as on 31.03.2018	Rate of interest %	Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
1,48,29,675.00	12.80%	Fixed	8	21,30,369.00	2 year 9 month

**(3) Indiabulls Housing Finance Ltd.**

Secured by first charge by way of hypothecation of specific asset as specified in the agreement, vide sanction letter on specific date. The details of individual loans are as under.

Outstanding Balance as on 31.03.2018	Rate of interest %	Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
60,98,91,534.00	12.05%	Fixed	12	5,43,30,884.00	12 month

**(4) TATA Capital Financial Services Ltd.**

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

Outstanding Balance as on 31.03.2016	Rate of interest %	Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
10,14,991.56	12.10%	Fixed	3	3,45,245.00	3 month
<b>10,14,991.56</b>	<b>Total</b>				

**II. Unsecured**

Unsecured loan do not have any specific repayment schedule. It will be payable on demand.

SMS Limited (Formerly SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

Maharashtra Enviro Power Limited

(A) 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.

(1) Axis bank Ltd

Outstanding Balance as on 31.03.2018	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including Interest (Fig in Rs)	Maturity period w.r.t. Balance Sheet date
3,80,264	9.86%	Fixed Rate of Interest	26-Oct-15	27	15,986	2 years 3 Months
3,80,264	9.86%		26-Oct-15	27	15,986	2 years 3 Months
7,05,209	9.86%		26-Oct-15	29	28,200	2 years 5 Months
7,05,209	9.86%		26-Oct-15	29	28,200	2 years 5 Months
7,05,209	9.86%		26-Oct-15	29	28,200	2 years 5 Months
7,05,209	9.86%		26-Oct-15	29	28,200	2 years 5 Months
7,05,209	9.86%		26-Oct-15	29	28,200	2 years 5 Months
-	9.86%		26-Oct-15	41	46,185	2 years 6 Months
-	9.86%		26-Oct-15	41	46,185	2 years 6 Months
-	9.86%		26-Oct-15	41	46,185	2 years 6 Months
5,79,129	9.86%		26-Oct-15	18	34,744	1 years 6 Months
3,97,234	9.86%		26-Oct-15	18	34,744	1 years 6 Months
3,97,234	9.86%		26-Oct-15	18	34,744	1 years 6 Months
3,97,234	9.86%		26-Oct-15	18	34,744	1 years 6 Months
3,97,234	9.86%		26-Oct-15	18	34,744	1 years 6 Months
3,97,234	9.86%		26-Oct-15	18	34,744	1 years 6 Months
5,79,129	9.86%		26-Oct-15	18	34,744	1 years 6 Months
5,79,129	9.86%		26-Oct-15	18	34,744	1 years 6 Months
-	9.61%		07-Jan-15	32	33,041	2 Years and 8 months
<b>80,10,130</b>						

(2) ICICI Bank Ltd

Outstanding Balance as on 31.03.2018	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including Interest (Fig in Rs)	Maturity period w.r.t. Balance Sheet date	
7,10,748	10.25%	Fixed Rate of Interest	20-Mar-15	24	33,130	2 years	
14,94,371	11.34%		16-Jul-15	15	1,08,307	1 Years 3 Months	
-	12.01%		22-Feb-14	11	20,051	11 Months	
-	11.13%		15-Dec-13	8	19,548	8 Months	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
11,62,047	8.32%		22-Jan-18	34	38,563	2 Years 10 Month	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
17,50,958	8.09%		22-Jan-18	34	57,918	2 Years 10 Month	
17,50,958	8.09%		22-Jan-18	34	57,918	2 Years 10 Month	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
22,15,910	8.04%		22-Jan-18	34	73,245	2 Years 10 Month	
22,89,513	8.04%		22-Jan-18	34	75,671	2 Years and 10 months	
22,89,513	8.04%		22-Jan-18	34	75,671	2 Years and 10 months	
<b>2,69,59,478</b>							

SMS Limited (Formerly SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

(3) Kotak Mahindra Bank Ltd

Outstanding Balance as on 31.03.2018	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including Interest (Fig in Rs)	Maturity period w.r.t. Balance Sheet date
46,70,719	7.98%	Fixed Rate of Interest	02-Sep-17	40	1,34,845	3 Years 4 Month
6,43,543	7.98%		20-Jan-18	44	17,107	3 Years and 8months
6,43,543	7.98%		20-Jan-18	47	17,107	3 Years and 8months
-	7.76%		27-Sep-17	47	97,749	3 Years and 8 months
<b>59,57,805</b>						

(4) ICICI Bank Vehicle Loan

1VNAG00036877980	8.04%	Fixed Rate of Interest	22.01.2018	37	73,245	2 Years and 11 months
1VNAG00036878000	8.04%		22.01.2018	37	73,245	2 Years and 11 months
1VNAG00036878029	8.04%		22.01.2018	37	73,245	2 Years and 11 months
1VNAG00036878065	8.04%		22.01.2018	37	73,245	2 Years and 11 months
1VNAG00036878139	8.32%		22.01.2018	37	38,563	2 Years and 11 months
1VNAG00036878047	8.04%		22.01.2018	37	73,245	2 Years and 11 months
1VNAG00036878128	8.09%		22.01.2018	37	57,918	2 Years and 11 months
1VNAG00036878099	8.09%		22.01.2018	37	57,918	2 Years and 11 months
1VNAG00036877938	8.04%		22.01.2018	37	73,245	2 Years and 11 months
1VNAG00036877970	8.04%		22.01.2018	37	73,245	2 Years and 11 months

(5) HDFC Bank Ltd

Outstanding Balance as on 31.03.2018	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment including Interest (Fig in Rs)	Maturity period w.r.t. Balance Sheet date
-	10.02%	Fixed Rate of Interest	21.10.2016	48	26,640	2 Years and 8 months
-						

(B) 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. The term loan is repayable in 120 monthly installments of Rs. 4,65,18,105/- each. Rate of Interest @ 12.50% p.a.

Further Co-applicant / Gurantor of the loan are : Bharati Abhay Sancheti, Abhay Harakchand Sancheti, Anand Shaktikumar Sancheti, Vijaya

Outstanding Balance as on 31.03.2018	Effective Rate of interest %	Nature of Interest	Date of Agreement/Sanction	No of instalments due	Amount of instalment (Fig in Rs)	Maturity period w.r.t. Balance Sheet date
-	12.50%	Fixed Rate of Interest	20.03.2017	120	4,65,18,105	10 Years

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.**

**a. Secured By :-**

Secured against hypothecation of corresponding vehicles and equipments.

**b. Terms of Repayment of Secured Term Loans from Banks, Financial Institutions & Others are given as under:**

Banks, Financial Institutions & Others	As at	As at	Remaining Months of Repayment	Remaining Months of Repayment	Interest
	30th September	31st March 2018			Rate
			2017	08 July 1905	
Vehicle Loan From ICICI Bank - (Camp)	0	0	0	8	11.49
Vehicle Loan From ICICI Bank - (Innova)	0	0	0	9	11.00
Vehicle Loan From ICICI Bank - (Tavera)	0	0	0	8	11.26
Vehicle Loan From ICICI Bank - (ZLX 1)	0	0	0	8	11.49
Vehicle Loan From ICICI Bank - (ZLX 2)	7	-	13	25	10.75

c. Installments falling due in respect of the above loan upto 31st March, 2018 (previous year: 31st March 2017) have been grouped under "Current maturities of long-term borrowings".

**l) Term Loans:**

A) Term Loan includes loan from bank which is secured by a first and exclusive charge as under:

- Exclusive charge on all the Bank accounts of the company including the Escrow Account.
  - Exclusive charge and Mortgage over all the Company's Movable/Immovable properties and assets, both present and future.
  - Exclusive charge on all intangible assets of the company including but not limited to the goodwill, undertaking and uncalled capital of the Borrower.
  - Exclusive charge / assignment of all the revenues of the borrower from the project or otherwise.
  - Exclusive charge / assignment / security interest on the Company's all the rights, titles, benefits, claims/demands under the Concession Agreement, Project Documents, Contracts and all licenses, permits, approvals and consents in respect of the Project.
  - Exclusive charge by way of assignment of all the rights, titles, benefits, interests, demand and claims under insurance policies obtained/procured by the Company, and/or any of its contractors favoring the Company, present & future, in respect of the Project.
  - Assignment of EPC Contract & underlying contractor & liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counterparty under any Project Agreement or contract in favour of the Borrower.
  - Pledge of 100% share of Ayodhya Gorakhpur SMS Toll Private Limited.
  - Personal Guarantee of Shri Anand Sancheti.
- The term loan is repayable in 57 unequal monthly installments commencing from 30th November 2016.

**SMS Tolls And Developers Ltd.**

Loan has been taken from SMS Limited (Formerly SMS Infrastructure Ltd.) is interest free. This loan is in nature of short term and repayable on demand.

**SMS Parking Solutions Pvt. Ltd.**

**Security ( for all loan account under consortium arrangement)**

**Primary**

On pari passu basis for a debt component of Rs. 109 Crores.

First charge by way of hypothecation of all movable assets and receivables/revenues both present and future.

First charge on all borrower's bank accounts including without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the borrower under any project document or contract.

A first charge /assignment /security interest on the borrower's rights under the projects document, concession agreement, contracts and all licenses, permits, approvals, consents and insurance policies in respect of the project.

Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project Agreement or contract in favor of borrower.

**Corporate Guarantee**

Corporate guarantee given by its holding company SMS Limited.

**Collateral**

NIL

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**Repayment Schedule and Default.**

Name of Bank  
 From Indian Overseas Bank Term Loan  
 From State Bank of Hyderabad Term Loan  
 From State Bank of Mysore Term Loan

The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**Terms of Preference Shares**

The said preference shares shall carry preferential rights to receive dividend at the rate of 12% per annum in the year in which the company declares dividend and shall be Non Cumulative Optimally Convertible Redeemable Preference Share. The Dividend in the year in which they are allotted will be in proportion to the period in respect of which such shares remain paid provided that dividend is declared.

Such Preference Shares Shall be nomenclature as " 12% Optimally Convertible Non Cumulative Redeemable Preference Share" (OCNCRPS)

The OCNCRPS shall be convertible at the option of the shareholder as well as the issuer. Each OCNCRPS shall be convertible after a period of 120 months from the date of allotment into one Fully paid Equity Share of Rs. 10/- each of the company at par ar the option of OCNCRPS Shareholders by giving one month's notice.

The said preference shares shall be redeemable at the option of the company at any time before 20 years. Terms of Redemption are as follows:

OCNCRPS are redeemable at the issue price of Rs. 50 each at any time before the expiry of 36 months from the date of allotment.

OCNCRPS are redeemable at Rs. 63 each at any time after 36 months but before the expiry of 60 months from the date of allotment.

OCNCRPS are redeemable at Rs. 74 each at any time after expiry of 60 months from the date of allotment but before end of 120 months from the date of allotment.

OCNCRPS are redeemable at Rs. 110 each at any time after expiry of 120 months from the date of allotment but before end of 180 months from the date of allotment.

OCNCRPS are redeemable at Rs. 170 each at any time after expiry of 180 months from the date of allotment but before end of 235 months from the date of allotment.

OCNCRPS are redeemable at Rs. 270 each at any time after expiry of 235 months from the date of allotment but before end of 240 months from the date of allotment.

Such preference shares shall carry preferential right for redemption of the capital on the winding up the company.

The voting rights on such Preference Shares shall be in accordance with the provisions of section 47 of the Companies Act, 2013, whenever applicable.

**SMS-AABS India Tollways Private Limited**

**(Terms of borrowings)**

Overdraft facility of Rs. 50.00 Crore From SBI is a reducible OD, repayable on demand subject to last instalment to be paid by 2022, and the Rate of Interest being 1.85% above MCLR (Marginal Cost of Fund Based lending rate).

**SMS Water Grace BMW Pvt. Ltd**

**14.1 Details of Securities and Terms of Repayments**

**I. Secured Loan**

**(1) HDFC Bank Ltd**

Secured by first

Date of Agreement/Sanction	Outstanding as on 31.03.2018	Rate of interest %	No of instalments due	No of instalments due	Amount of instalment (Including Interest)
22/06/2017	8.20	10.49	35	26	0.26
22/06/2017	8.20		35		0.26
22/06/2017	8.20	9.41	35	34	0.26

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**(2) Axis Bank Ltd.**

Secured by first charge by way of hypothecation on entire current assets of the company both present and future, also by first charge on entire fixed assets constructed out of the term loan. collateral security in the form of equitable mortgage/registered mortgage on Plot No 1 to 33, survey no 48/1-B, Mouza -Arni Suitated at ARni, Opp Tahasil Office, Arni, Yawatmal having total Plot Area 13500 sq. meters owned by Mr. Rajiv Nilawar, Mrs. Sheelabai Nilawar and Mrs. Kusum Nilawar. Also secured against the personal guarantees of Mr Paramveer Sancheti and land onwer of above stated of land owner. The current rate of interest is 10.30% (MCLR+2.00%) p.a for Term Loan. Term Loan no 1 is payable in 31 installment (30 intsalment of Rs 48390 and last installment of Rs 48300) and term loan no 2 is payable in 34 installment (33 installments of Rs 588240 and last instalment of Rs 588080). The period of maturity w.r.t. balance sheet date for term loan I is 1 year 10 months and for term loan II is 1 year and 10 months.

**(3) Yes Bank**

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter dated 26th Aug 2016.

Date of Agreement/Sanction	Outstanding as on 31.03.2018	Rate of interest %	No of instalments due	No of instalments due	Amount of instalment (Including Interest)
26/08/2016	1.26	10.78	5	8	0.26

**(4) Tata Motors Finance Ltd.**

Secured by first charge by way of hypothecation of specific vehicles as specified in the schedule annexed to the agreement, vide sanction letter dated 2nd June 2016. The details of individual loans are as under.

Date of Agreement/Sanction	Outstanding as on 31.03.2018	Rate of interest %	No of instalments due	No of instalments due	Amount of instalment (Including Interest)
02/06/2016	4.87	10.78	25	8	0.22
02/06/2016	4.87		25	8	0.22

**(5) Unsecured Loan From Other**

(a) Loans from Riaan Venture Pvt. Ltd. does not have specific repayment term. Interest has been provided on the loan @ 8% p.a for FY 2017-18. There is no any specific repayment schedule, it is repayable on demand. No default reported at balance sheet date.

**SMS Limited (Formerly known as SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

	( ` in lacs)	
	<b>As at 31 March,</b>	<b>As at 31</b>
	<b>2018</b>	<b>March, 2017</b>
<b>21 Non- Current Financial Liabilities</b>		
Membership Deposits	2,921.44	2,642.47
Payable to DHS	30.24	30.24
Deferred Income - Liability	167.93	-
Retention Money from sub contractor	1,213.85	879.34
Security Deposit	2,978.28	3,439.01
	<b><u>7,311.74</u></b>	<b><u>6,991.05</u></b>



**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	Non-current		Current	
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
<b>22 Provisions</b>				
Provision for Overlay Expenses	3,857.50	7,057.89	-	-
Provision for Gratuity	428.81	579.12	546.30	50.98
Landfill cover charges payable	1,233.97	1,178.69	-	-
Other provision	-	-	60,169.97	72,248.83
Provision for leave benefit	-	-	422.86	225.09
Provision for tax	-	-	57.65	3.54
	<u>5,520.28</u>	<u>8,815.70</u>	<u>61,196.78</u>	<u>72,528.45</u>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	<b>As at 31 March, 2018</b>	<b>As at 31 March, 2017</b>
<b>23 Non-current liabilities</b>		
Mobilisation Advance	3,921.19	5,349.80
Secured Advance	3,946.14	1,099.73
Other Advances	335.79	194.21
Escrow Charges Payable	2,382.04	2,060.02
	<u>10,585.16</u>	<u>8,703.75</u>

**SMS Limited (Formerly known as SMS Infrastructure Limited)****Notes to Consolidated financial statements for the year ended 31 March 2018**

(C in lacs)

	As at 31 March, 2018	As at 31 March, 2017
<b>24 Current Borrowings</b>		
<b>Secured</b>		
(A) Cash credit from banks (secured)	32,693.28	32,678.60
(B) SBI EVFS	2,206.95	2,461.42
<b>Unsecured</b>		
Loans and advances from related parties	10,306.61	8,604.27
From other parties	209.11	209.11
	<b>45,415.96</b>	<b>43,953.40</b>

**Cash Credits from Banks Secured by way of SMS Limited**

a) Primary Security on stocks comprising of raw-material, work in progress, consumable stores and spare parts, receivable claims and bills both present and future, collateral securities of properties of the company, its Directors and relatives as mentioned in the Annexures to the Deed of Hypothecation dated 19.12.2013 and TDR to the extent of ` 500 lacs ranking on pari-pasu basis amongst participating banks.

b) Personal guarantees of Directors to the extent of ` 110200.00 lacs for fund based and non fund based limits.

c) Personal guarantee of relatives of Directors to the extent of value of properties provided by them.

d) The cash credit is repayable on demand and is carries interest within the range of 11.75% to 13.40% p.a.

**Maharashtra Enviro Power Ltd.**

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 Recuring 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 (G) having Folio No. 1018373855, 2. Aditya Birla Sun Life Dynamic Bond Fund (G) having Folio No. 1018375875, 3. State Bank of India Dyanamic Bond Fund (G) Folio No. 16544310, 4. SREI perpetual Debenture Instrument (PDI), 5. Aditya Birla Sun Life Corporate Reg (G) Folio No. 1018373855, 6.State Bank of India Corporate Bond Fund reg (G) having Folio No. 16544310.

**SMS Limited (Formerly known as SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

**SMS WATER GRACE BMW PVT. LTD.**

Secured by first charge by way of hypothecation on entire current assets of the company both present and future, also by first charge on entire fixed assets constructed out of the term loan. collateral security in the form of equitable mortgage/registered mortgage on Plot No 1 to 33, survey no 48/1-B, Mouza -Arni Suitated at ARni, Opp Tahasil Office, Arni, Yawatmal having total Plot Area 13500 sq. meters owned by Mr. Rajiv Nilawar, Mrs. Sheelabai Nilawar and Mrs. Kusum Nilawar. Also secured against the personal guarantees of Mr Paramveer Sancheti and land owner of above stated of land owner. The current rate of interest is 10.05% (MCLR+2.00%) p.a for Cash Credit.

**SMS ENVOCLEAN PRIVATE LIMITED**

Note: Secured by First Hypothecation charge on entire current assets of the company both present and future. Also First charge on entire fixed asset constructed out of the proposed term loan. Also secured by way of collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters along with personal guarantee of Shri Paramveer Sancheti and land owners of above stated land. The current rate of interest is 10.30%(MCLR 1 +2% PA).

**SMS INFOLINK PRIVATE LIMITED**

The loan accepted from SMS Limited is in the nature of short term which is payable on demand and not interest bearing.

**SMS WASTE MANAGEMENT PRIVATE LIMITED**

The loan accepted from SMS Limited is in the nature of short term which is repayable on demand.

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

	(₹ in lacs)	
	As at 31 March, 2018	As at 31 March, 2017
<b>25 Current Trade Payable</b>		
a Total outstanding dues of micro and small enterprises	-	-
b Total outstanding dues of creditors other than micro and small enterprises	27,523.12	26,618.33
	<b>27,523.12</b>	<b>26,618.33</b>

**Trade Payables**

There are no Micro & Small Scale Enterprises, as defined in Micro, Small & Medium Enterprises Development Act, 2006, to whom the group owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small & Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

**SMS Limited (Formerly known as SMS Infrastructure Limited)****Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	<b>As at 31 March, 2018</b>	<b>As at 31 March, 2017</b>
<b>26 Other Current Financial Liabilities</b>		
Dues and deposits payable to sub-contractors	8,991.85	7,356.44
Current Maturities of Long Term Borrowings	14,731.73	17,967.20
Expenses Payable	3,230.71	2,089.26
Interest Payable	33.40	189.79
Retension Money	205.85	-
Salary Payable	720.50	389.32
Security Deposit	9.87	9.24
Membership fees	-	1.48
Audit Fees Payable	0.54	0.53
Provision of Encashment of Leave	17.17	7.13
	<b><u>27,941.61</u></b>	<b><u>28,010.39</u></b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**

**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	As at 31 March, 2018	As at 31 March, 2017
<b>27 Other Current Liabilities</b>		
Advance From Debtors	3,452.59	3,511.05
Audit Fees Payable	11.57	8.22
Bonus Payable	41.41	30.32
DDT Payable	-	103.12
ESIC Payable	20.04	8.77
Expenses Payable	1,303.29	916.57
Mobilisation Advance From (NHA)	32.57	100.10
Profession Tax Payable	6.58	3.72
Provident Fund Payable	181.87	72.05
Salary Payable	116.22	95.37
Service tax payable	368.57	1,357.71
TDS Payable	777.40	688.13
Value Added Tax Payable	630.90	816.69
Integrated GST Payable	0.87	-
Central GST Payable	532.28	-
State GST Payable	714.51	-
GST Payable	23.40	-
Works Contract Tax Payable	174.00	390.90
Workers Cess Payable	1.23	0.33
Security Deposits for Directorship	1.00	-
other	109.98	77.97
	<b>8,500.28</b>	<b>8,181.03</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
<b>28 Revenue from operations</b>		
Contract Receipts	1,05,458.83	1,26,564.11
Toll Receipt	35,246.51	33,533.77
Waste Disposal Charges	9,984.28	8,984.13
Logistic Revenue	1,135.53	1,177.80
Revenue from Operating Taxi cabs	1,405.17	3,166.68
Sale of Product	320.27	267.42
Sale of Service	1,993.75	1,902.36
CAM Charges from Shops	88.37	100.02
Laboratory Income	26.00	27.37
Parking Collection	114.55	95.98
Rent Income	576.99	627.49
Sale of Electricity	88.05	221.37
Shared Services with Food Court	4.20	6.40
Advertisement Revenue on Operating Taxi cabs	85.43	226.15
Other Operating Income	0.09	0.08
Revenue from DBO Subscriptions	55.22	-
	1,56,583.22	1,76,901.14



**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	<b>Year ended 31 March 2018</b>	<b>Year ended 31 March 2017</b>
<b>29 Other income</b>		
Interest income	1,023.19	1,733.17
Recoupment of subsidy Received	838.59	982.41
Rent Received	4.00	3.52
Share of profit in Partnership Firm	-	-
Dividend Income	160.00	283.75
Profit on sale of Fixed Assets	20.06	74.28
Profit on Sale of Investment	903.83	64.89
Profit on sale of Assets held for sale	92.11	71.49
Rental income on Investment Property	9.40	3.22
Advertisement Income	-	0.12
Gain arising on financial assets measured at fair value through profit or loss	50.07	90.23
Miscellaneous income	694.69	1,267.49
Profit on Currency Flactuation	0.03	0.11
Creditors & Provisions W/off	160.43	-
	<b>3,952.27</b>	<b>4,578.51</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	Year ended 31 March 2018	Year ended 31 March 2017
<b>30 Material Consumed</b>		
Opening Material & WIP	18,396.54	30,023.68
Material Purchase	28,394.64	22,643.77
Closing Material & WIP	(25,874.29)	-18,546.17
	<b>20,916.89</b>	<b>34,121.27</b>
<b>31 Direct Expenses</b>		
Analysis Charges	2.54	1.41
Bag Commission Charges	1.26	4.79
Change of Scope	186.79	3.57
Consultancy Expenses	72.77	80.79
Consumption of spares	-	0.22
Custom Duty	56.48	119.78
Driver's Allowances	8.40	6.68
Effluent Treatment Plant Expenses	14.97	8.11
Excg Variation	205.68	174.05
Fees to NHAI	6,443.39	5,536.54
Gas, Pipeline and Ducting	-	0.76
Hire Charges	1,410.58	1,078.03
Incinerable waste	894.18	915.95
Insurance Expenses	427.35	406.57
Labour Expenses	88.09	98.97
Landfill Charges	376.63	1,085.42
Machine Hire Charges	16.29	7.84
Maintenance Charges for Property Management	131.89	115.07
MEE Plant Expenses	99.62	110.69
MIDC Charges	198.85	135.81
Monitoring Expenses	2.07	3.52
Operating & Maintenance Expenses	199.98	169.52
Others Expenses	77.52	26.34
Project Facility Maintenances	75.77	82.76
Rates & Taxes Expenses	224.98	436.32
Repairs & Maintenance Expenses	3,240.78	3,288.10
Royalty	682.40	267.02
Security Charges	175.00	166.73
Service Tax Expenses	185.37	169.36
Testing & Certification Expenses	3.33	4.15
Toll Operating Expenses	282.23	223.88
Transportation Charges	1,266.83	1,718.68
Waste Lifting Expenses	108.61	121.62
Water Charges	55.57	33.80
VAT Expenses	213.66	185.06
Construction Work Exp	55,845.56	65,256.03
Bad Debts	1,324.34	604.61
Car Parking Charges	85.42	122.76

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

Contract Workers Charges	-	2.66
Motor Car Expenses	985.12	1,819.13
Change in Inventory	(52.10)	-
ETC Hydrive Lane	51.20	-
Chemical consumption	5.33	6.29
GST Expense	76.28	-
Misc Expense of Logistic Department	7.25	10.20
Machine Hire Charges	0.17	-
OB & Coal Removable	49.08	-
Power & Fuel Expenses	494.76	531.56
Works contract Expense	234.02	-
	<b>76,536.31</b>	<b>85,141.13</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(₹ in lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>32 Employee Benefit Expense</b>		
Salaries, Wages & Allowances	11,359.07	8,081.75
Contribution to PF and ESIC	569.93	351.20
Bonus	59.12	49.28
Gratuity expenses	249.30	167.53
Leave Encashment salary	3.04	5.63
Medical Allowance	1.53	7.01
Recruitment Expenses	1.41	1.86
Staff welfare expenses	185.94	184.25
Statutory Payment towards employee	0.12	0.14
Training & Promotion	2.94	2.58
	12,432.41	8,851.22
<b>33 Depreciation and Amortization Expenses</b>		
Depreciation of tangible assets	8,234.03	7,038.18
Amortization of intangible assets	14,927.27	15,423.04
	23,161.30	22,461.22
Less: Recoupment from revaluation reserve	-	-
	23,161.30	22,461.22
<b>34 Finance Costs</b>		
Bank charges & commission	1,448.17	1,491.87
Interest	14,362.93	16,157.11
Interest on Gratuity	2.79	1.56
	15,813.88	17,650.54
<b>35 Other Expenses</b>		
Administrative Expenses	98.74	202.28
Audit Fees	47.66	47.38
Books & Periodicals	0.65	1.26
Computer Expenses	2.19	1.46
Corporate Social Responsibility Expenses	18.20	54.47
Cost Audit Fees	5.25	5.25
Donation	14.95	17.43
Exchange variation	-	0.30
Hire Charges	3.89	4.20
Loading & Boarding Expenses	79.99	76.45
Power & Fuel Expenses	647.44	443.78
Profession Tax ( Company)	0.21	0.21
Professional & Consultancy Expenses	1,763.37	1,208.84
Rates & Taxes Expenses	97.03	144.77
Rent Paid	198.94	105.49
Repair & Maintenance Expenses	289.76	339.95
ROC Charges	0.36	0.59
Security Charges	442.95	408.90
Service Tax Expenses	16.59	82.66
Tender Expenses	13.66	29.92
Transporting Charges	1.89	3.55

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

Work Contract Tax not recovered	-	360.64
Legal Expense	6.17	16.49
Commission and Brokerage	33.11	10.74
Written Off amount	0.50	21.17
Internal Audit	24.96	52.00
Insurance Expenses	56.10	58.48
Share in Loss of Partnership firm	132.75	21.30
Preliminary Expenses	20.77	0.59
Advertisement & Sales Promotion Expenses	56.90	50.34
Membership & Subscription	4.22	12.07
Office & Miscellaneous Expenses	557.20	514.88
Penalties & Fines	0.62	1.71
Printing & Stationery Expenses	79.08	101.21
Postage & Telecommunication Charges	163.97	258.88
Traveling & Conveyance Expenses	462.97	423.48
Interest on Late Payment of statutory dues	206.62	50.23
	<u>5,549.65</u>	<u>5,133.34</u>
<b>36 Exceptional Items</b>		
Disposal of items of fixed assets	-	0.88
Exceptional item	-	1,053.87
Loss on Scrap of Asset	-	8.71
	<u>-</u>	<u>1,063.46</u>
<b>37 Tax Expenses</b>		
Adjustment of tax relating to earlier periods	-	(224.80)
Deferred Tax	(648.24)	(3,158.37)
Income Tax	3,518.52	3,705.49
MAT Credit Available	(86.63)	(517.89)
	<u>2,783.65</u>	<u>(195.58)</u>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

(` in lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>38 Earnings Per Share (EPS)</b>		
Profit/(loss) after tax	3,230.93	6,412.58
Less : dividends on convertible preference shares & tax thereon	-	-
<b>Net profit for calculation of basic EPS</b>	3,230.93	6,412.58
Net profit as above	3,230.93	6,412.58
Add : dividends on convertible preference shares & tax thereon	-	-
Add : interest on bonds convertible into equity shares (net of tax)	-	-
<b>Net profit/(loss) for calculation of diluted EPS</b>	3,230.93	6,412.58
Weighted average number of equity shares in calculating basic EPS	102.61	102.61
<b>Effect of dilution:</b>	-	-
Convertible preference shares	-	-
Convertible bonds	-	-
Stock options granted under ESOP	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	102.61	102.61
10261382 (31 March 2017: 10261382) equity shares of ` 10/- each		
<b>Earnings per equity share:</b>		
Basic	31.49	62.49
Diluted	31.49	62.49

**39 A Contingent Liabilities and Guarantees**

(` in lacs)

	As at 31.03.2018	As at 31.03.2017
<b>Counter Indemnities given to Banks in respect of Contracts</b>		
Bills discounted with banks	2,248.41	2,296.34
Guarantees	4,379.80	16.63
<b>Claims against company not acknowledged as debts</b>		
Service Tax*	23,708.68	18,470.48
MIDC		
Custom Duty	80.00	90.00
AP VAT ACT 2005 (VAT & Entry Tax Amount)	2,773.38	2,006.55
MP VAT ACT 2002 (VAT & Entry tax Amount)	537.89	537.89
Bihar Vat Act 2005	4,377.44	3,461.93
Legal Cases against Company	7,386.84	7,386.84
Life Time road transport tax (Included in Long term loans and advances in the Balance sheet)	721.79	721.79
Property Tax	42.12	-
	<b>46,256.35</b>	<b>34,988.45</b>

Note :-

- 1 \* The total contingent liability shown above under heading service tax includes ` 141.85 crores against appeal number ST/86550/2017 pending before CESTAT, Mumbai, that the total demand of irregular credit cannot exceed the actual amount of credit availed and that reversal of credit is equivalent to non-availment of credit. Further, the Commissioner (Appeal), Central Excise & GST, Nagpur in order in appeal no. NGP/EXCUS/000/APPL/03/18-19/1245 dated 23.08.2018 has accepted that computation of reversal of credit made by SMS and dropped the entire demand as the company had reversed credit of ` 1,04,52,325. It may be noted that the order passed by Commissioner (Appeal) is also for the same period of dispute, i.e., 2011-12 to 2014-15, as in aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai.

In view of the aforesaid legal precedents and order dated 23.08.2018 passed by Commissioner (Appeal), we are of the view that the total demand which may arise as outcome of the aforesaid appeal no. ST/86550/2017 pending before CESTAT, Mumbai should not exceed INR 1,04,52,325, i.e., actual amount of common credit availed by SMS Limited.

- 2 In case of Envoclean Mr Ganesh Rane logistic supervisor has filled case against his termination in the office of Labour Commissioner. The Labour Commissioner has referred the case in labour court on 19-11-14 and the Matter is pending in labour court. The Company does not expect to make any payment on this matter.

**B Commitments**

Capital Commitment	1,173.64	727.94
Revenue Commitment	1,14,819.13	1,44,267.86
	<b>1,15,992.77</b>	<b>1,44,995.80</b>

**40 Disclosure in accordance with Ind AS 11 'Construction contracts' - Amount due from / to customers on Construction Contracts**

Contract Revenue	90,660.85	1,11,101.06
Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	7,79,347.76	6,88,686.92
Contract Costs incurred	66,325.15	88,769.19
Recognised profits/Losses	4,337.56	6,324.40
Advances received	8,842.28	7,576.44
Retention money / SD / Withheld	23,995.03	18,937.26
Gross amount due from customer for contract work	28,732.79	28,699.95
Gross amount due to customer for contract work	-	-

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**41 Leases**

**(Figures in Rs.)**

**SMS Limited**

- (a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
- i Not later than one year - Rs. 19,99,29,080.00 (Rupees Nineteen Crore Ninety Nine Lakh Twenty Nine Thousand Eight Hundred Eighty)
  - ii Later than one year and not later than five years - Rs. 341812059.00 (Rupees Thirty Four Crore Eighteen Lakh Twelve Thousand Fifty Nine )
  - iii Later than five years - Nil.
- (b) The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date - Nil.
- (c) Lease payments recognized in the statement of profit and loss for the year ended 31st March, 2018, with separate amounts for minimum lease payments and contingent rents.
- i Lease Payment - Rs. 71312866 /-
  - ii Contingent Rent - Nil.
- (d) Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year ended 31st March, 2017 - Nil.
- (e) A general description of the lessee's significant leasing arrangements:
- i Name of Lessor : SREI Equipment Finance Limited
  - ii Machines Description:

Sr. No.	LESSEE	CONTRACT NO	ASSET
1	SREI	132998	JUMBO DRILL
2	SREI	132982	LHD Mining Equ.
3	SREI	138192	TH430 UnderGround Mining Eqi.
4	SREI	133012	LHD Mining Equ.
5	SREI	138214	Locomotives
6	SREI	138229	TH430 UnderGround Mining Eqi.
7	SREI	138215	Face Master 2.3
8	SREI	119885	VARIOUS ASSETS
9	HP	5371045837INDTNKS2A1	SAP

- iii Lease rent and end date of lease.

LEASE	CONTRACT NO.	MONTHLY LEASE RENT	LAST DATE OF LEASE RENT
1	132998	33,50,917.13	15/06/2020
2	132982	31,33,233.08	15/09/2020
3	138192	16,77,583.88	15/11/2020
4	133012	30,79,124.88	15/11/2020
5	138214	9,08,382.75	15/11/2020
6	138229	16,61,592.12	15/11/2020
7	138215	14,25,891.00	15/11/2020
8	119885	38,90,220.52	15/09/2021
9	045837INDTNK	9,70,935.00	01/08/2019(Quarterly)



**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

- iv Option for the company at the end of lease period.
- 1 Renew the lease arrangement (on the terms mutually agreed between the lessor and lessee) or
  - 2 Surrender the machine in the operating order, repair and condition and appearance as when originally delivered to the company (fair wear and tear excepted) or
  - 3 Purchase the machine at fair market value.
- To exercise any of the above option the company must give a written notice to the Lessor at least 90 days prior to the end of lease term, otherwise, the existing lease shall be deemed to be extended for a further period 6 months on the existing terms and Conditions.
- v Restrictions imposed by the lease arrangement :
- 1 Company makes proper use of the machinery leased and in such value from time to time as expected of similar machine put to proper use.
  - 2 Company keeps the machinery insured.
  - 3 Company does not cease or threaten to cease carrying on the business.
  - 4 Company does not attempt to sell, encumber or part with possession of the machinery in any way without lessor's written consent.

**SMS Vidhyut Private Limited**

Operating lease payments represent lease rentals payable by the company for the lands on which the LBC & RBC Hydropower projects are built. The period of lease is 30 years as per the Hydro power development agreement. As per the agreement lease payments will be increased in every subsequent year @ 5%.

The total operating lease expense debited to Statement of Profit & loss for both the lands is Rs. 9,367 (Previous year Rs. 8,921). No contingent lease rental is payable by company.

<u>Sr</u> <u>No</u>	<u>Period</u>	<u>31-Mar-18</u>	<u>31-Mar-17</u>
		<u>in Lacs</u>	<u>in Lacs</u>
-			
1)	not later than one year;	0.10	0.09
2)	later than one year and	0.57	0.54
3)	later than five years.	3.81	3.94

**SMS Limited (Formerly SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**42 Employees Benefit**

**(Figures in Rs.)**

This section provides the Report under IND AS 19 in respect of Gratuity Plan.

**Table I: Assumptions**

<b>Assumptions</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Discount Rate	7% TO 8% per annum	6.8% TO 8.08% per
Rate of increase in Compensation levels	6% TO 7.00% per annum	6.00% per annum
Rate of Return on Plan Assets	7.50% per annum	8.00% per annum
Rate of Employee Turnover	10% & 2%	10 & 2 %
Mortality Rate During Employment	Indian Assured Lives	Indian Assured
Mortality Rate After Employment	N.A	N.A

**Table II: Service Cost**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Current Service Cost	1,63,37,465.00	84,31,945.00
Past Service Cost (including curtailment Gains/Losses)*	27,78,102.00	-
Gains or losses on Non Routine settlements	-	-
<b>Total</b>	<b>1,91,15,567.00</b>	<b>84,31,945.00</b>

\*The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20

**Table III: Net Interest Cost**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Interest Cost on Defined Benefit Obligation	56,94,030.00	41,24,403.00
Interest Income on Plan Assets	8,64,875.00	6,91,645.00
<b>Net Interest Cost (Income)</b>	<b>48,29,155.00</b>	<b>34,32,758.00</b>

**Table IV: Change in Present Value of Obligations**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening of defined benefit obligations	5,10,99,784.00	4,55,84,661.00
Service cost	1,72,93,230.00	84,31,945.00
Interest Cost	43,71,582.00	41,24,403.00
Benefit Paid	-48,06,177.00	-46,92,313.00
Actuarial (Gain)/Loss on total liabilities:	1,30,98,029.00	-42,38,131.00
- due to change in financial assumptions	-21,64,238.00	18,50,782.00
- due to change in demographic assumptions	-	-
- due to experience variance	1,72,17,738.00	-54,00,656.00
<b>Closing of defined benefit obligation</b>	<b>8,30,11,919.00</b>	<b>4,98,98,822.00</b>

**Table V: Change in Fair Value of Plan Assets**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening fair value of plan assets	1,15,31,667.00	86,45,557.00
Actual Return on Plan Assets	5,62,060.00	3,86,111.00
Employer Contribution	70,54,897.00	71,92,313.00
Benefit Paid	-45,54,897.00	-46,92,313.00
<b>Closing fair value of plan assets</b>	<b>1,45,93,727.00</b>	<b>1,15,31,668.00</b>

**Table VI: Actuarial (Gain)/Loss on Plan Asset**

<b>All Figures in INR</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Expected Interest Income	8,64,875.00	6,91,645.00
Actual Income on Plan Asset	5,62,060.00	3,86,111.00
<b>Actuarial gain /(loss) on Assets</b>	<b>3,02,815.00</b>	<b>3,05,534.00</b>

Table VII: Other Comprehensive Income

All Figures in INR	March 31, 2018	March 31, 2017
Opening amount recognized in OCI outside P&L account	-	-
Actuarial (gain) / loss on liabilities	1,35,95,161.00	-33,38,490.00
Actuarial (gain) / loss on assets	3,02,815.00	3,05,534.00
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>1,38,97,976.00</b>	<b>-30,32,956.00</b>

Table VIII: The amount to be recognized in Balance Sheet Statement

All Figures in INR	March 31, 2018	March 31, 2017
Present Value of Obligations	8,48,86,545.00	5,21,40,352.00
Fair value of plan assets	1,45,93,728.00	1,15,31,667.00
Net Obligations	7,02,92,817.00	4,06,08,685.00
Amount not recognized due to asset limit	-	-
<b>Net defined benefit liability / (assets) recognized in</b>	<b>7,02,92,817.00</b>	<b>4,06,08,685.00</b>

Table IX: Expense Recognized in Statement of Profit and Loss

All Figures in INR	March 31, 2018	March 31, 2017
Service cost	1,72,93,230.00	84,31,945.00
Net Interest Cost	35,06,707.00	34,32,758.00
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>2,07,99,937.00</b>	<b>1,18,64,703.00</b>

Table X: Change in Net Defined Obligations

All Figures in INR	March 31, 2018	March 31, 2017
Opening of Net defined benefit liability	4,71,94,117.00	4,30,73,155.00
Service cost	1,72,93,230.00	84,31,945.00
Net Interest Cost	35,06,707.00	34,32,758.00
Re-measurements	1,38,97,976.00	-30,32,956.00
Employer Contribution	-70,05,570.00	-71,92,313.00
<b>Closing of Net defined benefit liability</b>	<b>7,48,86,460.00</b>	<b>4,47,12,589.00</b>

Note:- While preparing consolidated disclosure of Employee benefit we considered only financial of those subsidiaries in which these disclosures are available.

SMS Limited (Formerly SMS Infrastructure Limited)													
Notes to financial statements for the year ended 31 March 2018													
43	Segment Reporting												
a	The company's primary business segments comprises of EPC, Toll and Mining. The business segments have been identified in line with IND AS 108 on Segment Reporting.												
b	Segment Revenue Results & Other Information												
												(C in lacs)	
		March 31, 2018					March 31, 2017						
	Particulars	EPC	Toll	Mining	Hazardous	Other	Total	EPC	Toll	Mining	Hazardous	Other	Total
	<b>Revenue</b>												
	External sales	82,694.17	35,246.51	23,290.72	13,506.48	2,946.20	1,57,684.08	1,00,774.14	34,776.69	25,036.71	12,374.85	5,336.57	1,78,298.96
	Inter segment sales	1,040.97	-	-	46.65	13.24	1,100.86	1,375.44	-	-	15.77	6.62	1,397.82
	<b>Total revenue</b>	<b>81,653.20</b>	<b>35,246.51</b>	<b>23,290.72</b>	<b>13,459.83</b>	<b>2,932.96</b>	<b>1,56,583.22</b>	<b>99,398.70</b>	<b>34,776.69</b>	<b>25,036.71</b>	<b>12,359.08</b>	<b>5,329.95</b>	<b>1,76,901.14</b>
	<b>Results</b>												
	Segment results	6,520.78	24,209.19	4,962.44	7,329.15	-892.69	42,128.87	1,496.38	23,948.39	12,978.65	5,615.61	828.34	44,867.38
	Identifiable operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Unallocated expenses	-	-	-	-	-	246.54	-	-	-	-	-	-
	Inter segment Expenses	59.89	163.82	-	877.15	-	1,100.86	22.39	792.12	-	583.31	-	1,397.82
	<b>Operating profit</b>	<b>6,460.89</b>	<b>24,045.37</b>	<b>4,962.44</b>	<b>6,452.01</b>	<b>-892.69</b>	<b>40,781.47</b>	<b>1,496.38</b>	<b>23,948.39</b>	<b>12,978.65</b>	<b>5,615.61</b>	<b>828.34</b>	<b>43,469.56</b>
	Other Income	2,144.53	169.59	570.23	1,043.78	201.00	4,129.13	2,670.08	322.77	431.43	1,262.44	35.53	4,722.24
	Finance costs	6,166.21	2,099.00	2,079.57	4,253.02	1,425.85	16,023.64	1,461.52	4,553.52	8,140.19	177.16	3,277.28	17,609.67
	Depreciation / Amortisation	576.95	14,254.63	1,098.87	2,603.53	4,227.88	22,761.86	700.19	14,652.81	1,137.75	1,908.73	4,061.74	22,461.21
	<b>Net profit</b>												
	Segment assets	1,03,919.09	86,927.80	47,938.12	51,137.85	44,016.29	3,35,391.82	1,03,082.65	1,25,110.08	40,285.20	22,726.98	48,484.35	3,39,689.25
	Intercompany assets	16,835.49	4,764.95	-	5.98	8.53	21,614.95	-2,975.41	5,171.91	7.76	420.39	-	2,624.64
	Unallocated assets	-	-	-	-	-	21,815.56	-	-	-	-	-	24,878.19
	<b>Total assets</b>	<b>1,03,919.09</b>	<b>86,927.80</b>	<b>47,938.12</b>	<b>51,137.85</b>	<b>44,016.29</b>	<b>3,57,207.38</b>	<b>1,03,082.65</b>	<b>1,25,110.08</b>	<b>40,285.20</b>	<b>22,726.98</b>	<b>48,484.35</b>	<b>3,61,942.80</b>
	Segment liabilities	88,376.80	72,020.72	27,714.35	43,254.19	40,866.52	2,73,685.25	96,864.21	1,05,747.79	12,608.14	13,179.31	40,265.91	2,68,665.37
	Intercompany liabilities	980.93	605.30	1.00	377.14	19,650.58	21,614.95	1,142.74	601.96	5,161.40	6.54	7,549.27	14,461.91
	Unallocated liabilities	-	-	-	-	-	1,406.13	-	-	-	-	-	4,755.31
	<b>Total liabilities</b>	<b>88,376.80</b>	<b>72,020.72</b>	<b>27,714.35</b>	<b>43,254.19</b>	<b>40,866.52</b>	<b>2,75,091.39</b>	<b>96,864.21</b>	<b>1,05,747.79</b>	<b>12,608.14</b>	<b>13,179.31</b>	<b>40,265.91</b>	<b>2,73,420.68</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**44 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:**

**1 Relationships (Related Party relationships are as identified by the Company and relied upon by the auditors)**

**A Joint Ventures**

- 1 SMSIL-MBPL-BRAPL (J.V)
- 2 SMSIL-KTCO (JV)
- 3 SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
- 4 Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
- 5 SMS Infrastructure Ltd. Shreenath Enterprises J.V.
- 6 SRRCIPL-SMSL-BEKEM-JV
- 7 SMSL-SRRCIPL ( J V )
- 8 GDCL-SMSIL ( J.V. )
- 9 Bhartiya SMSIL (JV)
- 10 SMSIL-West Coast Engineering Corp-JV
- 11 SMSIL-BIL JV-(BRAMHAPUTRA PROJET )
- 12 SMSIL-BCL JV-(BRAMHAPUTRA PROJET )
- 13 SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
- 14 GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.
- 15 Sanbro Corporation

**B Associates**

- 1 RCCL Infrastructure Ltd.
- 2 Solar Industries India Limited
- 3 SMS AAMW Tollways Pvt. Ltd.

**C Key Management Personnel**

- 1 Abhay H. Sancheti - Chairman & Director
- 2 Anand S. Sancheti -Managing Director
- 3 Ajay Shaktikumar Sancheti (Non executive Director)
- 4 Dilip B Surana - Director
- 5 Arun Patil
- 6 Shailendra Singhal
- 7 Vijay Kisanlal Sancheti
- 8 Dattatrya Laxmanrao Kinage
- 9 Saurabh Gautam
- 10 Chetan Bora
- 11 Amit Nilawar
- 12 Anup Nilawar
- 13 Hemant Lodha
- 14 Asif Hussain
- 15 Chittaranjan Sarkar
- 16 Rajesh Kawale
- 17 Pranav Akhileshwar Kumar

**44 Related Party Disclosures as required in terms of "Indian Accounting Standard [IND AS] 24 are given below:**

**1 Relationships (Related Party relationships are as identified by the Company and relied upon by the auditors)**

**D Other Related Parties**

- 1 SMS Envocare Ltd.
- 2 SMS Waluj CETP Pvt. Ltd.
- 3 SMS Multi Objective Organisation
- 4 Atul Multi Objective Organisation
- 5 Valencia Constructions Pvt. Ltd.
- 6 Veetrag Explorations & Minerals Pvt. Ltd. (Formerly known as Veet Rag Homes Pvt. Ltd.)
- 7 Veetrag Developers Pvt. Ltd.
- 8 San Commercials Pvt. Ltd.
- 9 Bhatgaon Extension Mines Pvt. Ltd.
- 10 Bhatgaon Mines Pvt. Ltd.
- 11 Adianubhav Developers Pvt. Ltd.
- 12 Bio-waste Management (U) Ltd.
- 13 M/s San Finance Corporation
- 14 M/s Sanson Developers
- 15 M/s Sanbro Corporation
- 16 BSS Associates
- 17 Akshay A Sancheti
- 18 Paramveer A Sancheti
- 19 Nirbhay A Sancheti
- 20 Anil H. Sancheti
- 21 Ajay Kumar Lakhota - Independent Director
- 22 Ramendra Gupta- Independent Director
- 23 Renu Challu - Independent Director

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**44 Related Party Disclosures as required in terms of “Indian Accounting Standard [IND AS] 24 are given below:**

**2 Related Party transactions during the year are as follows:**

(` in lacs)

SR. NO.	Particulars	Joint Ventures		Associates		Key management personnel and relatives		Enterprises owned and significantly influenced by key management personnels or their relatives		Other Related Party	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
1	Advances Given/ Repaid	1,923.88	501.23							54.43	
2	Advances taken/recovered	4,229.15	1,579.03							732.18	1,873.46
3	Loan Granted/Repaid	1,417.92	3,247.51	111.32	81.30	9.60	-			60,945.02	35,803.14
4	Loan Taken/Recovered	606.22	7,270.51	-	15.00					68,953.17	21,249.86
5	Rent Received	-	13.20								
6	Services Taken	-	1,980.51								
7	Work Bill	16,619.76	17,265.99								
8	Expense witten off			0.00	-						
9	Expenses Incurred			1.16	0.21						
10	Interest Paid			11.10	9.80					754.52	957.87
11	Bonus					3.29	-				
12	Conveyance Reimbursement					2.40	-				
13	Dividend Paid					-	222.75				
14	Exgratia					-	37.20				
15	Loans and advance returned					0.02	0.02				
16	Managerial Remuneration					344.67	-305.14				
17	Other Advances For expenses					-	63.00				
18	Purchase of Service					-	0.38			328.55	53.87
19	Remuneration					136.75	109.51			248.00	106.42
20	Rent					0.84	0.84			14.40	1.20
21	Tax paid /Other Transaction ( paid)					-	0.59	128.03	95.46	5.36	1.19
22	Tax paid /Other Transaction Recd					-	0.07	128.03	95.46	9.87	4.83
23	Asset Purchase							0	64.93		
24	EPC work done							0	4103.75		
25	Fees for Mgmt services							7.08	6		
26	Legal Expenses							0	2		
27	Purchase of Material/Services							47.62	191.98	7.84	182.39
28	Repair maintenance							14.29449	725.86605		
29	Repayment of Loan							0	1.37		

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**44 Related Party Disclosures as required in terms of “Indian Accounting Standard [IND AS] 24 are given below:**

**2 Related Party transactions during the year are as follows:**

(` in lacs)

SR. NO.	Particulars	Joint Ventures		Associates		Key management personnel and relatives		Enterprises owned and significantly influenced by key management personnels or their relatives		Other Related Party	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
30	Sale of Services							1530.96884	669.81291	49.20	47.69
31	Share Purchased							1300	0		
32	Unsecured Loan Received							0	0.29		
33	Director Sitting Fees									13.20	13.80
34	Investment									29,241.53	2,227.57
35	Loan/Advances Given									-	4,580.10
36	Loan/Advances Received									4,430.10	-
37	Managerial Remuneration									24.00	-
38	Other Transaction received									-	0.50
39	Payment Made against Services									8.77	8.83
40	Payment Received against Services									39.26	18.03
41	Purchases									-	13.41
42	<b>Outstanding Balances included in Assets/liabilities</b>	<b>4,882.05</b>	<b>6,029.73</b>	<b>1,110.30</b>	<b>1,004.19</b>	<b>-21.68</b>	<b>-83.84</b>	<b>-20.07</b>	<b>632.33</b>	<b>28,878.81</b>	<b>6,509.30</b>



**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**45 Financial instruments**

(` in lacs)

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

**A Financial instruments by category**

**The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:**

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Investments	32,244.39	-		32,244.39	32,244.39
Trade receivables	33,331.67	-	-	33,331.67	33,331.67
Loans	39,319.96	-	-	39,319.96	39,319.96
Others financial assets	15,181.59	-	-	15,181.59	15,181.59
Cash and cash equivalents	9,029.16	-	-	9,029.16	9,029.16
Other bank balances	3,310.22	-	-	3,310.22	3,310.22
<b>Liabilities:</b>					
Borrowings	1,03,386.27	-	-	1,03,386.27	1,03,386.27
Trade payables	27,523.12	-	-	27,523.12	27,523.12
Other financial liabilities	35,253.35	-	-	35,253.35	35,253.35

**The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows:**

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Investments	2,868.47				
Trade receivables	39,153.09	-	-	39,153.09	39,153.09
Loans	36,610.29	-	-	36,610.29	36,610.29
Others financial assets	10,731.31	-	-	10,731.31	10,731.31
Cash and cash equivalents	9,403.75	-	-	9,403.75	9,403.75
Other bank balances	4,298.08	-	-	4,298.08	4,298.08
<b>Liabilities:</b>					
Borrowings	96,913.09	-	-	96,913.09	96,913.09
Trade payables	26,618.33	-	-	26,618.33	26,618.33
Other financial liabilities	35,001.44	-	-	35,001.44	35,001.44

**46 Financial Risk Management**

The group's activities expose it to the following risks:

- Credit risk
- Interest risk
- Liquidity risk

**Credit Risk**

Credit Risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables and work in progress) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

**Trade receivables**

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

**Credit risk exposure**

The Group's credit period generally ranges from 30 – 180 days are as below.

	(₹ in lacs)	
<b>Particulars</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Trade receivables	33,331.67	39,153.09
Work in progress	25,874.29	18,546.17
<b>Total</b>	<b>59,205.95</b>	<b>57,699.27</b>

The Group evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple departments.

**Financial instruments and deposits with banks**

Credit risk is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**Interest rate risk**

The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

**Liquidity risk**

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below.

<b>Particulars</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Cash and cash equivalents	2,458.23	387.25
Bank balances	3,310.22	4,298.08
Investments in FDR	6,570.93	9,016.50
<b>Total</b>	<b>12,339.38</b>	<b>13,701.83</b>

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on

<b>Financial liabilities (31 March 2018)</b>	<b>On demand</b>	<b>0-180 days</b>	<b>180 to 365 days</b>	<b>365 days and above</b>	<b>Total</b>
Trade payables	-	-	27,523.12	-	27,523.12
Other financial liabilities	-	-	27,941.61	-	27,941.61
<b>Total financial liabilities</b>	-	-	<b>55,464.73</b>	-	<b>55,464.73</b>

<b>Financial liabilities (31 March 2017)</b>	<b>On demand</b>	<b>0-180 days</b>	<b>180 to 365 days</b>	<b>365 days and above</b>	<b>Total</b>
Trade payables	-	-	26,618.33	-	26,618.33
Other financial liabilities	-	-	28,010.39	-	28,010.39
<b>Total financial liabilities</b>	-	-	<b>54,628.72</b>	-	<b>54,628.72</b>

**Market Risk**

**Foreign exchange rates**

The Company has balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Interest rate**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**47 Interest in other entities**

**i Subsidiaries**

The Group's subsidiaries as at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest held by the group (%)		Ownership interest held by non controlling		Principal activities
			31-Mar	31-Mar	31-Mar	31-Mar	
			2018	2017	2018	2017	
1	SMS Bhatgaon Mines Extension Pvt. Ltd.	India	51.00%	51.00%	49.00%	49.00%	Mining Contractor
2	SMS Envoclean Pvt. Ltd.	India	56.02%	56.02%	43.98%	43.98%	Bio Medical Waste Treatment Service
3	SMS Infolink Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Information Technology
4	SMS Mine Developers Pvt. Ltd.	India	51.00%	51.00%	49.00%	49.00%	Mining Contractor
5	SMS Parking Solutions Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Multi Level Car Parking & Commercial Complex
6	SMS Taxi Cabs Pvt. Ltd.	India	60.00%	60.00%	40.00%	40.00%	Rent A Cab
7	SMS Vidyut Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Hydro Power Plant
8	SMS Water Grace BMW Pvt. Ltd	India	56.03%	56.03%	43.97%	43.97%	Bio Medical Waste Treatment Service
9	SMS Tolls And Developers Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
10	SMS-AABS India Tollways Private Limited	India	51.00%	51.00%	49.00%	49.00%	Toll Activity
11	SMS Waste Management Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Hazardous Waste Treatment Service
12	PT. SMS Minerals International*	Indonesia	80.00%	80.00%	20.00%	20.00%	Trading of Mineral
13	Solar Bhatgaon Extension Mines Pvt. Ltd.	India	51.00%	51.00%	49.00%	49.00%	Mining Contractor
14	Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
15	Patwardhan Infrastructure Pvt. Ltd.	India	100.00%	100.00%	0.00%	0.00%	Toll Activity
16	Maharashtra Enviro Power Ltd.	India	92.08%	92.08%	7.92%	7.92%	Hazardous Waste Treatment Service
17	PT. SMS Mines Indonesia*	Indonesia	100%	100%	0.00%	0.00%	Trading of Mineral
18	SMS Shivnath Infrastructure Private Limited	India	0.00%	51.59%	100.00%	48.41%	Toll Activity

Note:- \* While preparing the consolidated financial statement the unaudited figures are considered. This is because, in these companies the operating revenue is NIL and as per the rules and regulation existing in that country, if the operating revenue is NIL then audit is not required.

The subsidiaries had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

47 Interest in other entities

ii Non-controlling interests (NCI)

(` in lacs)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Non-controlling interests (NCI)	SMS Water Grace		SMS Envoclean Pvt. Ltd.		SMS Taxi Cabs Pvt.	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	01-Apr
	2018	2017	2018	2017	2018	2017
Non-current assets	364.22	419.60	1,238.08	913.52	15,352.83	16,944.43
Current assets	294.12	228.25	511.67	615.68	418.25	2,288.56
Non-current liabilities	215.37	301.93	359.62	484.37	2,771.70	3,638.21
Current liabilities	64.88	87.01	353.52	456.03	13,856.44	13,178.93
<b>Net assets</b>	<b>378.08</b>	<b>258.92</b>	<b>1,036.61</b>	<b>588.80</b>	<b>-857.06</b>	<b>2,415.86</b>
<b>Net assets attributable to NCI</b>	<b>166.24</b>	<b>113.85</b>	<b>455.90</b>	<b>258.96</b>	<b>-342.83</b>	<b>966.34</b>
Revenue	688.48	635.83	1,675.01	1,593.75	1,709.56	3,403.68
<b>Profit for the year</b>	<b>120.85</b>	<b>159.97</b>	<b>432.54</b>	<b>487.33</b>	<b>-3,272.92</b>	<b>-3,063.40</b>
Other comprehensive income	-1.69	-1.33	15.26	0.23	-	-
<b>Total comprehensive income</b>	<b>119.16</b>	<b>158.63</b>	<b>447.81</b>	<b>487.56</b>	<b>-3,272.92</b>	<b>-3,063.40</b>
Profit/(Loss) allocated to NCI	53.14	70.34	190.23	214.33	-1,309.17	-1,225.36
OCI allocated to NCI	-0.74	-0.59	6.71	0.10	-	-
Total comprehensive income allocated to NCI	52.40	69.75	196.95	214.43	-1,309.17	-1,225.36

Non-controlling interests (NCI)	Maharashtra		SMS Bhatgaon Mines		SMS-AABS India	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	01-Apr
	2018	2017	2018	2017	2018	2017
Non-current assets	43,986.08	15,888.70	-	-	18,618.07	20,069.59
Current assets	4,577.83	3,457.54	112.97	113.86	5,889.19	5,571.20
Non-current liabilities	38,928.50	9,982.97	99.26	88.50	5,011.36	7,985.16
Current liabilities	3,327.32	2,082.77	37.18	37.67	9,881.59	11,267.41
<b>Net assets</b>	<b>6,308.09</b>	<b>7,280.50</b>	<b>-23.47</b>	<b>-12.31</b>	<b>9,614.31</b>	<b>6,388.22</b>
<b>Net assets attributable to NCI</b>	<b>499.60</b>	<b>576.62</b>	<b>-11.50</b>	<b>-6.03</b>	<b>4,711.01</b>	<b>3,130.23</b>
Revenue	12,186.76	11,407.71	-	-	18,365.70	15,062.94
<b>Profit for the year</b>	<b>-517.51</b>	<b>3,119.11</b>	<b>-11.17</b>	<b>-9.91</b>	<b>3,732.96</b>	<b>2,376.32</b>
Other comprehensive income	-11.24	-6.30	-	-	-506.87	-0.37
<b>Total comprehensive income</b>	<b>-528.75</b>	<b>3,112.81</b>	<b>-11.17</b>	<b>-9.91</b>	<b>3,226.09</b>	<b>2,375.95</b>
Profit/(Loss) allocated to NCI	-40.99	247.03	-5.47	-4.86	1,829.15	1,164.40
OCI allocated to NCI	-0.89	-0.50	-	-	-248.36	-0.18
Total comprehensive income allocated to NCI	-41.88	246.53	-5.47	-4.86	1,580.78	1,164.22

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

Non-controlling interests (NCI)	Solar Bhatgaon		PT. SMS Minerals		SMS Mine Developers	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	01-Apr
	2018	2017	2018	2017	2018	2017
Non-current assets	-	-	22,18,051.94	80,16,921.53	-	-
Current assets	122.10	122.11	3,130.76	3,195.89	1.50	1.63
Non-current liabilities	13.70	12.20	3,231.50	3,071.79	-	-
Current liabilities	14.41	14.12	2,120.08	2,195.69	1.01	1.12
<b>Net assets</b>	93.99	95.79	-2,198.64	-1,991.42	0.49	0.51
<b>Net assets attributable to NCI</b>	46.06	46.94	-439.73	-398.28	0.24	0.25
Revenue	-	-	0.37	0.02	-	-
<b>Profit for the year</b>	-1.80	-1.62	-265.41	-241.89	-0.02	-0.06
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	-1.80	-1.62	-265.41	-241.89	-0.02	-0.06
Profit/(Loss) allocated to NCI	-0.88	-0.80	-53.08	-48.38	-0.01	-0.03
OCI allocated to NCI	-	-	-	-	-	-
Total comprehensive income allocated to NCI	-0.88	-0.80	-53.08	-48.38	-0.01	-0.03

Non-controlling interests (NCI)	SMS Shivnath	
	31-Mar	31-Mar
	2018	2017
Non-current assets	-	26,652.69
Current assets	-	1,389.59
Non-current liabilities	-	18,173.40
Current liabilities	-	74.56
<b>Net assets</b>	-	9,794.32
<b>Net assets attributable to NCI</b>	-	4,741.43
Revenue	-	4,923.46
<b>Profit for the year</b>	-	464.29
Other comprehensive income	-	10.32
<b>Total comprehensive income</b>	-	474.61
Profit/(Loss) allocated to NCI	-	224.76
OCI allocated to NCI	-	5.00
Total comprehensive income allocated to NCI	-	229.76

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**47 Interest in joint ventures**

iii The Group's joint ventures as at 31 March 2018 are set out below.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at		Principal activities
				31-Mar	31-Mar	
				2018	2017	
1	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	India	70.00%	534.22	511.62	Infrastruture
2	SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)*	India	51.00%	-	-	Infrastruture
3	SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)*	India	51.00%	-	-	Infrastruture
4	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	India	51.00%	145.67	25.00	Infrastruture
5	SMS Infrastructure Ltd. Shreenath Enterprises J.V.	India	36.50%	68.96	30.29	Infrastruture
6	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	India	65.00%	276.37	270.92	Infrastruture
7	GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd. (AOP)	India	70.00%	223.87	213.17	Infrastruture
8	SMSIL KTCO (JV)	India	50.00%	3.25	3.51	Infrastruture
9	Bhartia SMSIL (JV)	India	49.00%	3.06	4.90	Infrastruture
10	SMSIL-MBPL-BRAPL (JV)	India	63.33%	5.45	4.90	Infrastruture
11	GDCL-SMSIL ( J.V. )	India	40.00%		-	Infrastruture
12	SMSL-SRRCIPL ( J V )	India	60.00%	76.02	76.03	Infrastruture
13	SRRCIPL-SMSL-BEKEM JV	India	20.00%	88.03	20.58	Infrastruture
14	SMSIL-WESTCOAST ENGINEERING CORP. (JV)*	India	51.00%	-	-	Infrastruture
15	SMS Infrastructure Ltd.& B. P. Construction Co. Pvt Ltd (JV)*	India	61.00%	-	-	Infrastruture
16	Sanbro Corporation	India	26.00%	-54.06	-53.99	
				<b>1,370.84</b>	<b>1,106.92</b>	

Note:- \* Due to unavailability of financial statement the financial effect of these four Joint ventures are not considered in the consolidated financial statement and balances appearing in the books of accounts of the holding company is considered as investment.

The Jointly controlled entities had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

47 Interest in other entities

iv Table below provide summarised financial information for Joint venture

(` in lacs)

Particulars	SMS & SNT		SMS & DTC		SMS & BCL	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2017	2018	2017	2018	2017
Non-current assets	-	-	14.99			
<b>Current assets</b>						
Cash and cash equivalents	65.63	107.72	148.58	58.79		-
Other assets	1650.54	2,133.56	10,422.25	7,478.17		-
<b>Current assets</b>	<b>1,716.17</b>	<b>2,241.28</b>	<b>10,570.83</b>	<b>7,536.96</b>	-	-
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	5,483.21	5,110.67	-	-
Other liabilities			-			
<b>Non-current liabilities</b>	-	-	<b>5,483.21</b>	<b>5,110.67</b>	-	-
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)			-			
Other liabilities	1,291.00	1,824.48	4,339.43	1,695.41	-	-
<b>Current liabilities</b>	<b>1,291.00</b>	<b>1,824.48</b>	<b>4,339.43</b>	<b>1,695.41</b>	-	-
<b>Net assets</b>	<b>425.18</b>	<b>416.80</b>	<b>763.18</b>	<b>730.88</b>	-	-
<b>Group share of net assets</b>	<b>276.37</b>	<b>270.92</b>	<b>534.22</b>	<b>511.62</b>	-	-
Revenue	243.36	16.53	4,235.40	6,473.19	-	-
Works Direct Expenses	228.92	10.42	3,811.77	5,729.64	-	-
Administrative Expenses	2.28	4.07	3.77	3.38	-	-
Depreciation and amortisation	-	-	-			
Finance cost	-	-	372.78	603.40	-	-
Other Expense	-		-			
<b>Profit/ (Loss) for the year before tax</b>	<b>12.16</b>	<b>2.04</b>	<b>47.07</b>	<b>136.77</b>	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	12.16	2.04	47.07	136.77	-	-
Group share of profit/ (Loss)	7.91	1.33	32.95	95.74	-	-
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	7.91	1.33	32.95	95.74	-	-



SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

- 47 Interest in other entities  
iv Table below provide summarised financial information for Joint venture

Particulars	SMS & AIPPL		SMS & Shreenath		SMS & KTCO	
	31-Mar 2018	31-Mar 2017	31-Mar 2018	31-Mar 2017	31-Mar 2018	31-Mar 2017
Non-current assets	-				5.05	
<b>Current assets</b>						
Cash and cash equivalents	3.58	0.10	7.21	33.06	0.47	0.47
Other assets	850.92	625.48	1,630.96	2,020.30	37.97	43.02
<b>Current assets</b>	<b>854.50</b>	<b>625.58</b>	<b>1,638.17</b>	<b>2,053.36</b>	<b>38.44</b>	<b>43.49</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	-	-	-	-
Other liabilities						
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)						
Other liabilities	568.88	576.56	1,449.24	1,970.38	37.00	36.47
<b>Current liabilities</b>	<b>568.88</b>	<b>576.56</b>	<b>1,449.24</b>	<b>1,970.38</b>	<b>37.00</b>	<b>36.47</b>
<b>Net assets</b>	<b>285.63</b>	<b>49.02</b>	<b>188.93</b>	<b>82.98</b>	<b>6.50</b>	<b>7.02</b>
<b>Group share of net assets</b>	<b>145.67</b>	<b>25.00</b>	<b>68.96</b>	<b>30.29</b>	<b>3.25</b>	<b>3.51</b>
Revenue	0.48	4.61	2,290.70	2,013.36	-	-
Works Direct Expenses	-	9.55	2,220.89	1,964.84	-	-
Administrative Expenses	-	0.42	1.14	4.84	0.52	0.46
Depreciation and amortisation	-		-		-	
Finance cost	-	0.00	0.01	0.01	-	0.01
Other expenses	1.44		4.82		-	
<b>Profit/ (Loss) for the year before tax</b>	<b>(0.97)</b>	<b>(5.36)</b>	<b>63.84</b>	<b>43.67</b>	<b>(0.52)</b>	<b>(0.47)</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-0.97	-5.36	63.84	43.67	-0.52	-0.47
Group share of profit/ (Loss)	-0.49	-2.73	23.30	15.94	-0.26	-0.24
Group share of OCI	-		-	-	-	-
Group share of total comprehensive income	-0.49	-2.73	23.30	15.94	-0.26	-0.24

47 Interest in other entities

iv Table below provide summarised financial information for Joint venture

Particulars	SMS & BIL		SMSIL & GSJ		SMSIL & Bhartiya	
	31-Mar 2018	31-Mar 2017	31-Mar 2018	31-Mar 2017	31-Mar 2018	31-Mar 2017
Non-current assets			9.15	10.54	-	-
<b>Current assets</b>						
Cash and cash equivalents	-	-	15.68	0.91	0.14	0.14
Other assets	-	-	5,370.91	5,168.03	349.86	366.90
<b>Current assets</b>	-	-	<b>5,386.59</b>	<b>5,168.94</b>	<b>350.00</b>	<b>367.04</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	4,975.32	4,580.10	-	-
Other liabilities			-	-		
<b>Non-current liabilities</b>	-	-	<b>4,975.32</b>	<b>4,580.10</b>	-	-
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)						
Other liabilities	-	-	100.61	294.85	343.76	357.43
<b>Current liabilities</b>	-	-	<b>100.61</b>	<b>294.85</b>	<b>343.76</b>	<b>357.43</b>
<b>Net assets</b>	-	-	<b>319.82</b>	<b>304.53</b>	<b>6.24</b>	<b>9.61</b>
<b>Group share of net assets</b>	-	-	<b>223.87</b>	<b>213.17</b>	<b>3.06</b>	<b>4.90</b>
Revenue		-	632.06	1,512.49	648.21	3,392.33
Works Direct Expenses		-	461.59	1,134.85	648.21	3,391.17
Administrative Expenses		-	67.38	144.18	-	2.11
Depreciation and amortisation		-	1.39	1.74	-	-
Finance cost		-	82.31	256.35	0.00	0.00
<b>Profit/ (Loss) for the year before tax</b>	-	-	<b>19.39</b>	<b>(24.63)</b>	<b>(0.00)</b>	<b>(0.95)</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	19.39	-24.63	-0.00	-0.95
Group share of profit/ (Loss)	-	-	13.57	-17.24	-0.00	-0.47
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-	-	13.57	-17.24	-0.00	-0.47

- 47 Interest in other entities  
iv Table below provide summarised financial information for Joint venture

Particulars	SMSIL-MBPL-BRAPL		SMSL-SRRCIPL JV		SRRCIPL-SMS-BEKEM	
	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2017	2018	2017	2018	2017
Non-current assets	57.98		-	-		
<b>Current assets</b>						
Cash and cash equivalents	35.35	27.03	0.04	0.06	0.40	2,441.13
Other assets	1,940.32	3,157.78	923.91	323.70	3,561.31	827.31
<b>Current assets</b>	<b>1,975.67</b>	<b>3,184.81</b>	<b>923.95</b>	<b>323.76</b>	<b>3,561.70</b>	<b>3,268.44</b>
<b>Non-current liabilities</b>						
Financial liabilities (excluding trade payables)	-	-	-	-	-	-
Other liabilities						
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Financial liabilities (excluding trade payables)	-		-			
Other liabilities	2,025.04	3,176.21	797.26	197.05	3,121.54	3,165.56
<b>Current liabilities</b>	<b>2,025.04</b>	<b>3,176.21</b>	<b>797.26</b>	<b>197.05</b>	<b>3,121.54</b>	<b>3,165.56</b>
<b>Net assets</b>	<b>8.60</b>	<b>8.60</b>	<b>126.69</b>	<b>126.71</b>	<b>440.17</b>	<b>102.88</b>
<b>Group share of net assets</b>	<b>5.45</b>	<b>4.90</b>	<b>76.02</b>	<b>76.03</b>	<b>88.03</b>	<b>20.58</b>
Revenue	6,128.46	4,279.77	1,729.56	3,687.75	20,632.23	11,016.71
Works Direct Expenses	6,112.14	4,221.65	1,729.56	3,687.75	20,632.23	11,016.71
Administrative Expenses	16.32	47.12	-	-		-
Depreciation and amortisation		-	0.96	-		-
Finance cost		-	0.02	4.03	0.03	0.15
Other Expenses					10.19	
<b>Profit/ (Loss) for the year before tax</b>	<b>(0.00)</b>	<b>11.00</b>	<b>(0.98)</b>	<b>(4.03)</b>	<b>(10.21)</b>	<b>(0.15)</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-0.00	11.00	-0.98	-4.03	-10.21	-0.15
Group share of profit/ (Loss)	-0.00	6.97	-0.59	-2.42	-2.04	-0.03
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-0.00	6.97	-0.59	-2.42	-2.04	-0.03

47 Interest in other entities

iv Table below provide summarised financial information for Joint venture

Particulars	GDCL-SMSIL JV	
	31-Mar	31-Mar
	2018	2017
Non-current assets		2,416.19
<b>Current assets</b>		
Cash and cash equivalents	1.19	33.07
Other assets	4,132.49	124.10
<b>Current assets</b>	<b>4,133.67</b>	<b>157.18</b>
<b>Non-current liabilities</b>		
Financial liabilities (excluding trade payables)	-	51.79
Other liabilities	4,133.67	-
<b>Non-current liabilities</b>	<b>4,133.67</b>	<b>51.79</b>
<b>Current liabilities</b>		
Financial liabilities (excluding trade payables)	-	
Other liabilities		2,521.58
<b>Current liabilities</b>	<b>-</b>	<b>2,521.58</b>
<b>Net assets</b>	<b>0.00</b>	<b>-0.00</b>
<b>Group share of net assets</b>	<b>0.00</b>	<b>-0.00</b>
Revenue	4,638.44	3,950.93
WORKS DIRECT EXPENSES	4,638.44	3,950.93
ADMINISTRATIVE EXPENSES	-	-
Depreciation and amortisation	-	-
Finance cost	-	-
Other Expenses		
<b>Profit/ (Loss) for the year before tax</b>	<b>-</b>	<b>-</b>
Other comprehensive income	-	-
Total comprehensive income	-	-
Group share of profit/ (Loss)	-	-
Group share of OCI	-	-
Group share of total comprehensive income	-	-

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**47 Interest in other entities**

**v Table below provide summarised financial information for Associates**

(` in lacs)

The Group's associates as at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at		Principal activities
			31-Mar 2018	31-Mar 2017	
RCCL Infrastructure Pvt. Ltd.*	India	34%	-274.35	-255.09	Infrastructure
SMS-AAMW Tollways Pvt. Ltd.	India	26%	-810.09	-718.88	Toll
			<b>-1,084.44</b>	<b>-973.97</b>	

Note:-\* The Associates company had prepared their financial statement in accordance with accounting principles generally accepted in India (Indian GAAP). These financial statements are consolidated based on conversion adjustments.

SMS Limited (Formerly known as SMS Infrastructure Limited)  
Notes to Consolidated financial statements for the year ended 31 March 2018

47 Interest in other entities

(` in lacs)

vi Table below provide summarised financial information for Associates

Particulars	RCCL Infrastructure		SMS-AAMW Tollways Private	
	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2017	2018	2017
Non-current assets	460.32	97.40	8,050.87	8,149.43
<b>Current assets</b>			-	-
Cash and cash equivalents	0.91	4.69	137.63	83.99
Other assets	1.09	1.09	161.46	467.36
<b>Current assets</b>	<b>2.01</b>	<b>5.78</b>	<b>299.09</b>	<b>551.35</b>
<b>Non-current liabilities</b>	<b>372.43</b>	<b>341.24</b>	<b>3,386.97</b>	<b>3,386.97</b>
<b>Current liabilities</b>	<b>901.84</b>	<b>517.26</b>	<b>8,078.73</b>	<b>8,078.74</b>
Revenue	-	20.48	-	61.65
<b>Profit/ (Loss) for the year before tax</b>	<b>-56.63</b>	<b>1,879.82</b>	<b>-0.45</b>	<b>60.92</b>
Other comprehensive income	-	-	-	-
Total comprehensive income	-56.63	1,879.82	-0.45	60.92

## **SMS Limited (Formerly known as SMS Infrastructure Limited)**

### **Notes to Consolidated financial statements for the year ended 31 March 2018**

**48** In respect of Bhatgaon Mines Private limited and Bhatgaon Extension Mines Private Limited (Joint venture of SMS Limited and Solar Industries Limited), the total expenses incurred is Rs. 90.37 crore. Out of which SMS Limited incurred Rs. 34.32 Crore and balance Rs. 56.05 by Solar Industries Limited.

By virtue of Supreme Court decision, mine got deallocated and project was abandoned. Consequently, the Joint venture has raised a claim for deposits and various expenses incurred for the development of mine through Arbitration.

Against this claim Rs. 70.14 crore awarded under the arbitration to the Joint Venture company. However, in this award the cost of land acquisition not considered, against which, Chhattisgarh Mineral Development Corporation Limited has raised the claim an Ministry of Coal.

However, as per the legal advice taken by the company, this cost is recoverable by the Joint Venture company.

**49** Company having various works contract, some are inclusive of taxes, some are exclusive of taxes and some are exempt. But after introduction of GST with effect from 1st July, 2017, exempt contract become taxable. Which result in tax liability on the company against which company filed the claim with the concerned Department. Outcome of this claim is still pending with the Department. But on the basis of opinion taken from the legal advisor, the company made the provision for the GST impact turnover in books of account.

**50** SMS Ltd held 51% shares of SMS Shivnath Infrastructure Pvt Ltd at Rs. 114.83 crore. These shares were sold to TRPL Roadways Private Limited, a subsidiary of Tata Realty and Infrastructure Ltd. at a price of Rs. 123.63 crore. Out of the above said amount, an amount of Rs. 114.61 crore has been received till date.

**51** During the financial year company implemented SAP system in the various functions of the organization. This is the very good initiative taken by the company for the improvement of reporting ability in the various aspect of the organization. After considering the dynamic environment where company is developing, the life of SAP system is considered as 5 years. It is equally depreciation throughout its life.

**52** During the year under review, the Board of Directors declared an interim dividend of ` 1.56/- per equity share (15.60%) on the paid-up equity share capital of the Company amounting to ` 1,60,07,755.92/- (Rupees One Crore Sixty Lac Seven Thousand Seven Hundred Fifty Five and Ninety Two Paise only) and shall be the final dividend for the Financial year 2017-18 and that no further dividend is recommended.

**53 In case of SMS Vidhyut Private Limited Overdue balance of 33 KVA transmissions Line for Hydro Power plant at Right Bank Canal and at Left Bank Canal**

The company is having Hydro power plant at Right bank canal and at Left Bank canal near reservoir on Pench river. The evacuation/ transmission of power from power plant to nearby relay station have to be done through a 33 KVA transmission line. The company has erected this facility for Maharashtra State Electricity Distribution Company Ltd. After completion of this facility the company has to hand over this facility to Maharashtra State Electricity Distribution Company Ltd. The construction work of 33 KVA transmission line for evacuation/ transmission of power from RBC power plant has been completed and handed over to Maharashtra State Electricity Distribution Company Ltd. For this 33 KVA transmission line the company has incurred and claimed expense of Rs 2.30 Cr. As against this claim the Maharashtra State Electricity Distribution Company Ltd has approved a total due of Rs. 1.10 Cr only. Till 31st March 2017 the company has received Rs 0.99 Cr. During the current year 2017-18 the company has no recovery from MSEDCL. The company has taken up the matter with MSEDCL for recovery of balance amount and hopeful of its recovery.

The construction work of 33 KVA transmission line for evacuation/ transmission of power from Left Bank Canal power plant is complete and handed over to MSEDCL. Till 31st Mar 2018 the company has incurred expenditure of Rs 0.50 Cr for this LBC transmission line and management is hopeful of its Recovery.

- 54 In case of RCCL Infrastructure Limited, an Associate of the parent, the auditor has qualified his audit report on the basis of the following issues
- a. In public interest litigation petition, the Hon'ble Rajasthan High Court vide its order dated 09/09/2014, directed to company to deposit entire collection from toll w.e.f 15/09/2015 in the Bank Account in name of PWD in PIL No. 1250/2013. Further the Hon'ble Rajasthan High Court vide its order dated 28/07/2015 ordered that collection of toll on road shall be stopped.  
The Hon'ble Rajasthan High Court vide its order dated 14/07/2017 appointed Hon'ble Mr. Justice Shiv Kumar Sharma (Retd) as a Sole Arbitrator to resolve the dispute between parties. Mr. Justice Shiv Kumar Sharma (Retd) passed an award vide its order dated 18/03/2018 against which state of Rajasthan through PWD Filed an appeal before Special Court (commercial) which is pending for disposal.  
The Associate Company has collected toll of Rs.379419332/- from 5/09/2014 to 19/09/2016. Out of it Rs. 373881340/- has been deposited in the PWD SBBJ Account and balance Rs. 5537992/- was recognised as income in the respective years. During FY 2017-18, the Company has received an amount of Rs. 79277169/- from PWD and shown as Other Current Liabilities i.e not recognised as revenue till the pending proceeding before the court, resulting in to revenue of group including its associate company to the extent of Rs. 26954237/-.
  - b. Liability in respect of Works contract tax, PF and ESI on contract awarded in earlier years for renovation, repairs and maintenance of road has not been ascertained and provided for.
  - c. The Associate company has not ascertained provided liability in respect of ESI, Bonus, Gratuity and Leave Encashment for its employees.



**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

- d The Agricultural Land measuring 0.25 hectare was registered in the name of Company on 10/10/2003 at a cost of Rs.115600/-. The consideration was paid by one of the director. Due to certain disputes/ Land Revenue Act formalities the cost so incurred was not reimbursed to the director and the same was also agreed by him. Accordingly the cost of Land was not accounted for in the books of the Company, and the land was to be registered in personal name of the concerned director who paid the cost of land. On the request of such director, pending transfer of Land in his name, the Associate Company in its EGM held on 27/03/2010 has also agreed to provide negative lien against the borrowing facilities sanctioned to SPC Infrastructure Private Limited aggregating to Rs. 1700.00 lacs in which such director is interested, and also created a charge in favour of bankers. The Associate Company is not liable for any cost in view of undertaking furnished by such director.
- e The company had started toll operation on first reach (0-66.7 KMS) with effect from 21.07.2004, second reach (66.7 KMS to 100.7 KMS) with effect from 8.12.2004 and third reach (100.70 KMS to 122.70 KMS) with effect from 20.08.2005 of Bot road project and drainage at Junjunu Wef 20.08.2008. Concession period for the road under the BOT project was up to 23.12.2017 but it has been reduced up to 19.09.2016 by PWD vide its order dated 06.09.2016.
- 55 a. In Case of Taxicab Pvt Ltd, Balance with State Bank of India, Malad branch- Current Account & Trade receivables & Trade payables are subject to confirmation and reconciliation.
- b. The net-worth of one subsidiary (SMS Taxicabs Pvt. Ltd.), has significantly eroded and turned negative as at the end of the year. The subsidiary has closed its phone a fleet taxi operation and the financial viability of the company greatly depends on its ability to pursue new business ventures and /or strategic business plans. The company has started a DBO subscription scheme in place of existing taxi operations. Considering this launch of DBO subscription scheme in place of phone a fleet taxi operation, the financials for the year have been prepared under going concern assumption as at the end of the year.

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

**For and on behalf of the Board of Directors**

CA Sudhir Surana  
Partner  
Membership No. 043414  
Place : Nagpur  
Date : 27/09/2018

ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

DILIP B. SURANA  
Director  
DIN: 00953495

SUSHANT S. MUKHERJEE  
Chief Financial Officer

SMITA P. AGARKAR  
Company Secretary

**SMS Limited (Formerly known as SMS Infrastructure Limited)**  
**Notes to Consolidated financial statements for the year ended 31 March 2018**

**56 For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below :**

( in lacs)

Name of Entity in the Group	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
<b>Parent company :</b>								
<b>SMS Limited</b>	84.67	56,458.14	87.31	2,820.84	16.39	-98.44	103.50	2,722.40
<b>Subsidiaries : Indian</b>								
SMS Bhatgaon Mines Extension Pvt. Ltd.	-0.04	-23.47	-0.35	-11.17	-	-	-0.42	-11.17
SMS Envoclean Pvt. Ltd.	1.77	1,178.60	15.41	497.75	-2.54	15.27	19.50	513.02
SMS Infolink Pvt. Ltd.	-0.00	-1.18	-0.01	-0.43	-	-	-0.02	-0.43
SMS Mine Developers Pvt. Ltd.	0.00	0.49	-0.00	-0.02	-	-	-0.00	-0.02
SMS Parking Solutions Pvt. Ltd.	7.14	4,757.54	-50.58	-1,634.15	-0.12	0.70	-62.10	-1,633.45
SMS Taxi Cabs Pvt. Ltd.	-1.29	-857.06	-101.30	-3,272.92	-	-	-124.43	-3,272.92
SMS Vidyut Pvt. Ltd.	-1.32	-878.07	-10.64	-343.70	-0.29	1.72	-13.00	-341.98
SMS Water Grace BMW Pvt. Ltd	0.65	435.96	4.42	142.66	0.28	-1.69	5.36	140.97
SMS Tolls And Developers Ltd.	0.02	13.46	-0.43	-13.86	-	-	-0.53	-13.86
SMS-AABS India Tollways Private Limited	14.42	9,614.31	115.54	3,732.96	84.39	-506.87	122.65	3,226.09
SMS Waste Management Pvt. Ltd.	-0.01	-4.30	-0.03	-0.94	-	-	-0.04	-0.94
Solar Bhatgaon Extension Mines Pvt. Ltd.	0.14	93.99	-0.06	-1.80	-	-	-0.07	-1.80
Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	5.37	3,581.12	67.17	2,170.33	-	-	82.51	2,170.33
Patwardhan Infrastructure Pvt. Ltd.	1.55	1,036.52	0.05	1.48	0.01	-0.06	0.05	1.42
Maharashtra Enviro Power Ltd.	11.21	7,473.18	-13.60	-439.33	1.87	-11.24	-17.13	-450.57
<b>Subsidiaries : Foreign</b>								
PT. SMS Minerals International	-3.22	-2,149.76	-8.21	-265.41	-	-	-10.09	-265.41
PT. SMS Mines Indonesia	0.71	471.45	-3.08	-99.52	-	-	-3.78	-99.52
<b>Intercompany Elimination and Adjustments</b>	-24.17	-16,114.30	-	-	-	-	-	-
<b>Associates : Indian (Investment as per Equity method)</b>								
RCCL Infrastructure Limited	-0.14	-91.21	-0.60	-19.25	-	-	-0.73	-19.25
SMS-AAMW Tollways Private Limited	-0.03	-19.25	-2.82	-91.21	-	-	-3.47	-91.21
JVs	2.55	1,701.69	1.81	58.60			2.23	58.60
<b>Total</b>	<b>100.00</b>	<b>66,677.85</b>	<b>100.00</b>	<b>3,230.93</b>	<b>100.00</b>	<b>-600.61</b>	<b>100.00</b>	<b>2,630.32</b>

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

Chartered Accountants  
Firm Registration No. :110634W

**For and on behalf of the Board of Directors**

ANAND S. SANCHETI  
Managing Director  
DIN: 00953362

DILIP B SURANA  
Director  
DIN: 00953495

CA Sudhir Surana  
Partner  
Membership No. 043414  
Place : Nagpur  
Date : 27/09/2018

SUSHANT S. MUKHERJEE  
Chief Financial Officer

SMITA P. AGARKAR  
Company Secretary

## Notice to the 21<sup>st</sup> Annual General Meeting

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NOTICE is hereby given that the Twenty First Annual General Meeting (AGM) of the Members of SMS Limited will be held at Shorter Notice on Friday the 28<sup>th</sup> day of September, 2018 at 12.30 P.M. at IT Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, to transact the following business:-

### ORDINARY BUSINESS:

#### Item no. 1

To receive, consider and adopt :

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March, 2018 along with the reports of the Board of Directors and Auditors thereon.
- b) the Audited Consolidated Financial Statements of the Company for the Financial year ended 31 March, 2018 along with the reports of the Board of Directors and Auditors thereon.

#### Item no. 2

To confirm payment of interim dividend of ` 1.56/- per Equity Shares of ` 10/- paid for the Financial year 2017-18 as Final dividend for Financial year 2017-18.

#### Item no. 3

To appoint a Director in place of Shri Abhay Sancheti (DIN 01654073) who retires by rotation and being eligible, offers himself for re-appointment.

**By Order of the Board**

Place: Nagpur  
Date: 27.09.2018

**For SMS Limited**

**Smita Agarkar**  
**Company Secretary**

NOTE:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY PERSON OR MEMBER.

IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCE OF THE MEETING.

2. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORISED REPRESENTATIVES TO ATTEND THE ANNUAL GENERAL MEETING, PURSUANT TO SECTION 113 OF THE COMPANIES ACT, 2013, ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE AGM.
3. MEMBERS, PROXIES AND AUTHORISED REPRESENTATIVES ARE REQUESTED TO BRING TO THE MEETING, THE ATTENDANCE SLIP ENCLOSED HERewith DULY COMPLETED AND SIGNED FOR ATTENDING THE MEETING.
4. A ROUTE MAP SHOWING THE DIRECTIONS TO REACH THE VENUE OF THE ANNUAL GENERAL MEETING IS GIVEN AT THE END OF THIS NOTICE AS PER THE REQUIREMENT OF THE SECRETARIAL STANDARDS-2 ON 'GENERAL MEETING'.
5. THE REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING, MAINTAINED UNDER SECTION 170 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.
6. THE REGISTER OF CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS ARE INTERESTED, MAINTAINED UNDER SECTION 189 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.
7. IN COMPLIANCE WITH THE PROVISIONS OF SECTION 129(3) OF THE COMPANIES ACT, 2013, (THE ACT) THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY INCLUDE THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ALL ITS SUBSIDIARIES AS DEFINED IN THE ACT FOR CONSIDERATION AND ADOPTION BY THE MEMBERS OF THE COMPANY.
8. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') RELATING TO THE SPECIAL BUSINESS (IF ANY) TO BE TRANSACTED AT THE ENSUING ANNUAL GENERAL MEETING IS ANNEXED HERETO AND FORMS PART OF THIS NOTICE.
9. MEMBERS MAY ALSO NOTE THAT THE NOTICE OF ANNUAL GENERAL MEETING AND THE ANNUAL REPORT 2018 WILL ALSO BE AVAILABLE ON COMPANY'S WEBSITE: [WWW.SMSL.CO.IN](http://WWW.SMSL.CO.IN) FOR DOWNLOAD.
10. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2017-18 IS BEING SENT TO ALL MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY FOR COMMUNICATION PURPOSES UNLESS ANY MEMBER HAS REQUESTED FOR A HARD COPY OF THE SAME. FOR MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESS (IF ANY), PHYSICAL COPIES OF THE ANNUAL REPORT FOR 2017-18 ARE BEING SENT TO THEM IN THE PERMITTED MODE.
11. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND THE EXPLANATORY STATEMENT SHALL BE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY BETWEEN 11.00 AM AND 1 PM ON ALL WORKING DAYS EXCEPT SATURDAYS, UP TO AND INCLUDING THE DATE OF THE ANNUAL GENERAL MEETING OF THE COMPANY.

## Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
-Form No. MGT-11

### SMS Limited

CIN: U45201MH1997PLC107906

Registered Office: IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022

Name of the member (s): \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No : \_\_\_\_\_

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

1. Name.....E-mail  
Id:.....  
Address:..... Signature:..... or failing him
2. Name..... E-mail  
Id:.....  
Address:..... Signature:.....

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 28<sup>th</sup> day of September, 2018 At 12.30 p.m. at "IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote optional see note 2 (Please mention no. of shares)		
		For	Against	Abstain
1.	To receive, consider and adopt :  a) the Audited Financial Statement of the Company for the Financial year ended 31 March, 2018 along with the reports of the Board of Directors and Auditors thereon.  b) the Audited Consolidated Financial Statement of the Company for the Financial year ended 31 March, 2018 along with the reports of the Board of Directors and Auditors thereon.			
2.	To confirm payment of interim dividend on Equity Shares for the Financial year 2017-18 as Final dividend for Financial year 2017-18			
3.	To appoint a Director in place of Shri Abhay Sancheti (DIN 00953495) who retires by rotation and being eligible, offers himself for re-appointment.			

Signed this .....day of.....2018

Affix  
Revenue  
Stamp of not  
less than ` 1

Signature of shareholder(s):

Signature of Proxy holder(s):

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to indicate your preference. If you leave the 'For, Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he may deem appropriate.

# ROUTE MAP TO AGM VENUE

