V. K. SURANA & CO.

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SMS Infolink Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SMS Infolink Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

V.K.SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

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

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

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

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

Management's Responsibilities for Financial Statements

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

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

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

V.K. SURANA & CO. * CHARTERED ACCOUNTANTS, NAGPUR * F.R.No. 110634W

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statement in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company does not have any pending litigations which would impact its financial position.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

Based on our examination of Books of accounts and other relevant records, the company has not paid / provided any remuneration to its directors during the current year. Accordingly, the provisions of section 197(16) of the Act is not applicable during the current year.
The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

V.K. SURANA & CO. ★ CHARTERED ACCOUNTANTS, NAGPUR ★ F.R.No. 110634W

CA. Suresh Galani
Partner
Membership No. 168192
Nagpur, July 25, 2019
UDIN: 19168192AAAAAH8103

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"Annexure A" paragraph 1 under the heading 'Report on Other Legal & Regulatory requirement' of our report of even date to the financial statements of SMS Infolink Private Limited for the year ended March 31, 2019:

i) The Company does not have any fixed Assets. Accordingly, the Paragraph 3(i)(a), 3(i)(b) and 3(i)(c) of the order are not applicable.

ii) The Company does not have any inventory. Accordingly, the Paragraph 3 (ii) of the order are not applicable.

iii) According to the information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the registered maintained u/s 189 of the Companies Act 2013 during the year and accordingly, Paragraph 3(iii)(a) ,3(iii)(b) and 3(iii)(c) of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are no transactions covered under section 185 of the act and the company has not made any investments, granted any loans, and providing guarantees and securities under 186 of the Companies Act, 2013 and accordingly, Paragraph 3(iv) of the order are not applicable.

v) The Company has not accepted deposits within the meaning of section 73 to 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, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

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

vii)

a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods & Services Tax, Duty of Customs, Cess and any other statutory dues applicable to it with the appropriate authorities.
According to the information and explanation given to us, no material undisputed arrears of statutory dues were outstanding as on 31st March, 2019 for a period of more than six months from the date they become payable.

V.K. SURANA & CO. F.R. No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

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

b) According to the information and explanation given to us, there are no disputed dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, value added tax, which have not been deposited on account of any dispute.

viii) The Company does not have any outstanding dues to any financial institution, bank, and government or debenture holders during the year. Accordingly, the provisions of Clause are not applicable to the Company.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans, so the question of application of funds does not arise. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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) According to the information and explanations given by the management, the managerial remuneration has not been paid and hence the provisions of Section 197 read with Schedule V to the Companies Act are not applicable.

xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us transactions with related parties are in compliance with the provisions of section 188 of companies act, 2013 and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, section 177 of the Act is not applicable to the company.

xiv) As per information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the Order is not applicable.

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xv) In our opinion and according to the information and explanations given to us, 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 Companies Act 2013 are not applicable to the company. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

V.K. SURANA & CO. * CHARTERED ACCOUNTANTS, NAGPUR * F.R.No. 110634W

CA. Suresh Galani
Partner
Membership No.168192
Nagpur, July 25, 2019
UDIN:19168192AAAAAH8103

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"Annexure B" referred to in Paragraph (1) of our report of even date to the members of SMS INFOLINK PRIVATE LIMITED on the Accounts for the year ended 31st March 2019.

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 INFOLINK PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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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, 2019, 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

V.K.SURANA & CO. F.R.No. 110634W CHARTERED ACCOUNTANTS, NAGPUR

CA. Suresh Galani
Partner
Membership No. 168192
Nagpur, July 25, 2019
UDIN: 19168192AAAAAH8103

SMS

SMS INFOLINK PRIVATE LIMITED
Balance Sheet as at 31st March 2019

Particulars	Note No.	As at 31 March 2019 ₹ in Hundreds	As at 31 March 2018 ₹ in Hundreds
(I) ASSETS			
1. Current assets			
Financial assets			
Cash and cash equivalent	2	746.01	206.51
Total current assets		746.01	206.51
Total Assets		746.01	206.51
(II) EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	3	1,000.00	1,000.00
(b) Other Equity	4	(2,694.39)	(2,182.89)
Total equity		(1,694.39)	(1,182.89)
2. Liabilites:			
Current liabilities			
(a) **Financial Liabilities**			
(i) Borrowings	5	2,051.00	1,000.00
(b) Other Current Liabilities	6	33.00	33.00
(c) Provisions	7	356.40	356.40
		2,440.40	1,389.40
Total Non-current liabilities		2,440.40	1,389.40
Total Equity and liabilities		746.01	206.51

Significant Accounting Policies 1

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

As per our report of even date

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

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

CA. SURESH GALANI
Partner (M.No.168192)
Nagpur, dated the, 25 JUL 2019
UDIN : 19168192AAAAAH8103

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

HEMANT KUMAR LODHA
Director
DIN : 01654145

AMIT SOMANI
Director
DIN : 00378635

SMS

SMS INFOLINK PRIVATE LIMITED
Statement of Profit and Loss for the year ended on 31st March 2019

	Particulars	Note No	Year ended 31-Mar-19 ₹ in Hundreds	Year ended 31-Mar-18 ₹ in Hundreds
	Income			
I.	Revenue from operations		-	-
II.	Other income		-	-
	Total income (I+II)		-	-
	Expenses			
	Other expenses	8	511.50	426.86
III.	**Total expenses**		511.50	426.86
IV.	**Profit/(loss) before tax**		(511.50)	(426.86)
	Current tax		-	-
	Deferred tax		-	-
V.	**Profit/(Loss) for the year**		(511.50)	(426.86)
VI.	**Other comprehensive income**			
	I. Items That Will Not Be Reclassified To Profit Or Loss		-	-
	Income Tax relating to item that will not be reclassified to Profit or Loss		-	-
	II. Items That Will Be Reclassified To Profit Or Loss		-	-
	Income Tax relating to item that will be reclassified to Profit or Loss		-	-
VII.	**Total comprehensive income for the year**		(511.50)	(426.86)
VIII.	Earnings per equity share of ₹10/- each			
	Basic earning per share	12	(5.11)	(4.27)
	Diluted earning per share		(5.11)	(4.27)

Significant Accounting Policies 1

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

As per our report of even date

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

SGalani

CA. SURESH GALANI
Partner (M.No.168192)
Nagpur, dated the, 25 JUL 2019
UDIN : 19168192AAAAAH8103

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

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

HEMANT KUMAR LODHA
Director
(DIN : 01654145)

AMIT SOMANI
Director
(DIN : 00378635)

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SMS INFOLINK PRIVATE LIMITED
Cash flow statement for the year ended on 31st March 2019

	Year ended 31-Mar-19 ₹ in Hundreds	Year ended 31-Mar-18 ₹ in Hundreds
Cash flow from operating activities		
Profit before tax	(511.50)	(426.86)
Operating profit before working capital changes	(511.50)	(426.86)
Movements in working capital :	-	-
Increase/(Decrease) in Other current and non current liabilities	-	3.00
(Decrease)/Increase in Short Term Provision		(16.10)
Net cash flow from/ (used in) operating activities (A)	(511.50)	(439.96)
Cash flow from investing activities		
Net cash flow from/(used in) investing activities (B)	-	-
Cash flow from financing activities		
Proceeds/(Repayment) from short-term borrowings	1,051.00	-
Net cash flow from/(used in) in financing activities (C)	1,051.00	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	539.50	(439.96)
Cash and cash equivalents at the beginning of the year	206.51	646.47
Cash and cash equivalents at the end of the year	746.01	206.51

Significant Accounting Policies 1.
The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

CA. SURESH GALANI
Partner (M.No.168192)
Nagpur, dated the,
25 JUL 2019
UDIN : 19168192AAAAAH8103

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

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

HEMANT KUMAR LODHA
Director
(DIN : 01654145)

AMIT SOMANI
Director
(DIN : 00378635)

SMS

SMS INFOLINK PRIVATE LIMITED

Statement of Changes in Equity for the year ended on 31st March 2019

	Note No.	₹ in Hundreds
A. Equity Share Capital		
As at 1st April, 2017	3	1,000
Changes in Equity Share Capital		-
As at 31st March, 2018	3	1,000
Changes in Equity Share Capital		-
As at 31st March, 2019	3	1,000

B. Other Equity

Particulars	Retained earnings	Total
Balance as at 1st April, 2017	**(1,756.03)**	**(1,756.03)**
Profit for the year	(426.86)	(426.86)
Balance as at 31st March, 2018	**(2,182.89)**	**(2,182.89)**
Balance as at 1st April, 2018	**(2,182.89)**	**(2,182.89)**
Profit for the year	(511.50)	(511.50)
Balance as at 31st March, 2019	**(2,694.39)**	**(2,694.39)**

Significant Accounting Policies

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

As per our report of even date

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

V.K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

CA. SURESH GALANI
Partner (M.No.168192)
Nagpur, dated the,
25 JUL 2019
UDIN : 1916819AAAAAH8103

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

HEMANT KUMAR LODHA
Director
(DIN : 01654145)

AMIT SOMANI
Director
(DIN : 00378635)

SMS

1) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2019

I) Corporate information :

SMS Infolink Private Limited, ('the company) is a closely held Company domiciled in India and Incorporated on 9th September 2011 under the provisions of companies Act, 1956. The company is in the business of Information Technology but has not commenced any commercial activities till date. It is a wholly owned subsidiary Company of SMS Ltd.

II) Basis of preparation :

(i) Compliance with IND AS

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

The accounting policies are applied consistently to all periods presented in Financial Statements except where a newly issued accounting stantdard is initiallly adopted or arevision to an existing accouting standard requires a change in the accounting policy hitherto inuse

(ii) Historical Cost Conventions

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

iii) Current Versus Non Current Classification

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

iv) Rounding off of Amounts

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

III) Use of Estimates and Judgements :

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

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

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

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

IV] Significant Accounting Policies :

a) Property, Plant & Equipment :

i) Recognition & Measurement

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

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

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

ii) <u>Depreciation Method and residual value :</u>

Depreciation is calculated on a written down value basis over the estimated useful life of the assets as per provided in Part C of schedule II of the company act 2013 or remaining life of the project which ever is less.

For Depreication 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 quanitity of waste disposed during the year.

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition/ disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

As per condition for award of project the majority of assets are required to be handed over to over to concessionor in as it is condition Hence residual value of the asset is considered at 0.20% of Gross Block of Asset.

b) <u>Investment in Properties :-</u>

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

c) <u>Intangible Assets :-</u>

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

d) <u>Inventories :-</u>

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

e) <u>Investment in Subsidiaries, Partnership firm, Joint Ventures and Associates</u>

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

f) <u>Leases :-</u>

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 fulfilment 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 under which company assumes substantially all risks and rewards of ownership are called as Finance leases. . When acquired, such assets are capitalised at fair value or present value of minimum lease payments at the inception of lease whichever is lower.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Lease rental are charged to the statement of Profit & Loss on accrual basis.

g) <u>Cash & Cash Equivalents</u>

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

h) <u>Borrowings :-</u>

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

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i) **Financial Instruments:**

(i) **Financial Assets**

1) **Classification**

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

a Those measured at amortised cost.

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

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

2) **Initial Recognition and measurement**

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

3) **Subsequent Measurement**

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

a **Financial assets at amortized cost**

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

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

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

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

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

4) **Impairment of Financial Assets**

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

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

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

ii) **Equity Instrument And Financial Liabilities**

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

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a) **Equity Instruments**

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

b) **Financial Liabilities**

1 **Initial recognition and Measurement**

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

2 **Subsequent measurement**

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

3 **De-recognition of Financial Liabilities**

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

4 **Offsetting Financial Liabilities**

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

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

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

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

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

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

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

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

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

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

Contingent Assets are not recognized in the financial statements.

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

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l) Revenue Recognition:

Effective April 1, 2018, the Company has applied Ind AS 115 " Revenue From Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Company did not have contracts that were not completed as of April1,2018. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

m) Government Grants :-

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

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

n) Foreign currency Translation :-

i) Functional and presentation currency :-

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

ii) Transactions and balances :-

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

p) Borrowing Costs :-

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

q) Taxes on Income:

i) Current Tax:-

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

ii) Deferred Tax:-

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

r) Employee Benefits :-

i) Short-term obligations :-

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

Leave Encashment

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

ii) Post-employment obligations :-

The Company operates the following post employment schemes:

a Defined benefit plan such as gratuity; and

b Defined contribution plan such as provident fund.

Gratuity obligations

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

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

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

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

Provident Fund

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

s) Segment Reporting :-

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

t) Earnings Per Share:

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

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

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SMS

	As at 31-Mar-19 ₹ in Hundreds	As at 31-Mar-18 ₹ in Hundreds
2) Cash and cash equivalents		
Current		
(A) Balances with banks:		
In current accounts	746.01	206.51
Total :	746.01	206.51
3) Share capital		
Authorized shares Capital		
10,000 (31st March 2018:10,000) Equity shares of ₹ 10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid-up shares		
10,000 (31st March 2018:10,000) Equity shares of ₹ 10/- each	1,000.00	1,000.00
Total Issued, subscribed and fully paid-up share capital	1,000.00	1,000.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31-Mar-19		As at 31-Mar-18	
Equity shares	No.of Shares	₹ in Hundreds	No.of Shares	₹ in Hundreds
At the beginning of the period	10,000	1,000	10,000	1,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	1,000	10,000	1,000

b. Terms/Rights attached to shares

The company has only one class of equity shares having par value of ₹ 10 per share. All equity shares issued rank pari passu in respect of distribution of dividend and repayment of capital. The company declares and pays divided in Indian Rupees.

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 no. of equity shares held by the shareholder at the time of liquidation.

c. Details of shareholders holding more than 5% shares in the company

	As at 31-Mar-19		As at 31-Mar-18	
	No.of Shares	% holding in the class	No.of Shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SMS Limited	10,000	100%	10,000	100%

d. The details Shares held by holding Company

	As at 31-Mar-19		As at 31-Mar-18	
	No.of Shares	% holding in the class	No.of Shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SMS Limited	10,000	100%	10,000	100%

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Notes to financial statements for the year ended on 31st March 2019

	As at 31-Mar-19 ₹ in Hundreds	As at 31-Mar-18 ₹ in Hundreds
4) Other Equity		
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance	(2,182.89)	(1,756.03)
Add: Profit/(loss) for the year	(511.50)	(426.86)
Net surplus / (deficit) in the statement of profit and loss	(2,694.39)	(2,182.89)
5) Current Borrowings		
I. **Unsecured**		
Loan Repayable on Demand from Related Parties :		
SMS Limited	2051.00	1000.00
	2051.00	1000.00

Note:
The unsecured loan from SMS Limited does not have a specific repayment term and is non interest bearing.

	As at 31-Mar-19 ₹ in Hundreds	As at 31-Mar-18 ₹ in Hundreds
6) Other Current Liabilities		
Statutory Dues Payable		
TDS Payable	33.00	33.00
Total :	33.00	33.00
7) Short-Term Provisions		
Provision for audit fees	356.40	356.40
Total :	356.40	356.40
8) Other Expenses		
Payment to Auditor	389.40	398.40
Professional / Consultancy Charges	88.50	11.50
ROC Fees	30.00	15.00
Bank charges & commisson	3.10	1.52
Office and Administrative Expenses	0.50	0.44
Total :	511.50	426.86

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SMS

9. Contingent Liability, Commitment & Contingent Assets	**31-Mar-19**	**31-Mar-18**
	₹ in Hundreds	₹ in Hundreds
a) Claims against the company not acknowledged as debt	-	-
b) Corporate Guarantees & Other Guarantees	-	-
c) Other Money for which the Company is Contingently Liable	-	-
d) Revenue & Capital Commitments	-	-
e) Contingent Assets		

10. Auditors Remuneration (including taxes) :

Audit fee	389.40	398.40
	389.40	398.40

11. Deferred Tax

As explained by management, due to non-virtual certainty of future profits the deferred tax to the extent of the deferred tax asset on unabsorbed depreciation and carry forwarded business losses, has not been recognised.This is in accordance with Accounting Standard IND AS -12.

Opening Deferred Tax Asset/(Liability)	NIL	NIL
Deferred Tax charged/(credited) during the year	NIL	NIL
Closing Deferred Tax Asset/(Liability)	NIL	NIL

12. Earnings Per Share:

₹ in Hundreds

The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit/(loss) after tax	(511.50)	(426.86)
Net profit for calculation of basic EPS	(511.50)	(426.86)
Net profit as above	(511.50)	(427)
Effect of dilution	-	-
Net profit/(loss) for calculation of diluted EPS	(511.50)	(427)
Weighted average no. of equity shares in calculating basic EPS	10,000	10,000
Effect of dilution	-	-
Weighted average no. of equity shares in calculating diluted EPS	10,000	10,000
10,000 (31 March 2018: 10,000) equity shares of ₹ 10/- each		
Earnings per equity share:		
Basic	(5.11)	(4.27)
Diluted	(5.11)	(4.27)

13. Segment Reporting :-

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

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Notes to financial statements for the year ended on 31st March 2019

14. Related Party Transactions

Relationships

(a) **Holding Company**

SMS Limited

(b) **Key Management Personal**

Anand Sancheti - Director
Hemant Lodha - Director
Amit Somani - Director

(c) **Group Entities**

Subsidiary of Holding Co.

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

Associates of Holding Co.

RCCL Infrastructure Ltd.
SMS AAMW Tollways Pvt. Ltd.

Joint Ventures of Holding Co.

SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)
SMS Infrastructure Ltd. & B. P. Construction Co. Pvt Ltd (JV)
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)
KhareTarkunde Infrastructure Pvt. Ltd. A/c Parwana
SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
SMS Infrastructure Ltd. Shreenath Enterprises J.V.
GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd.
SMSIL KTCO (JV)
Bhartiya SMSIL (JV)

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

San Finance Corporation
Sanson Developers
Sanbro Corporation
SMS Envocare Limited

₹ in Hundreds

(Previous Year Figures given in second row in brackets)

Name of Related party Nature of Transactions	Related Parties		
	Holding Company	Key Management Personal	Group Entities
Loan Received during the year	1,000	-	-
	-	(-)	(-)
Loan Repaid during the year		-	-
	(-)	(-)	(-)
Deposits & Advances Received	51	-	
	30	(-)	-
Deposits & Advances Repaid	-	-	
	30	(-)	-
Outstanding Balances inclued in liabilites	2,051	-	-
	1,000	(-)	(-)

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Notes To Financial Statements For The Year Ended 31St March 2019

15. Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1) Fair value of current assets which incudes loans given, cash and cash equivalents, other bank balances and other financial assets approximate their carrying amounts largely due to short term maturities of these instruments.
2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

Level 1:
Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2:
Other techniques for which major inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3:
Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (Unobservable input data).

₹ in Hundreds

Financial Assets & Liabilities as at 31st March, 2019	Current	Total	Fair Value through Profit & Loss	Fair Value through OCI	Carried at amortised Cost	Total Amount
Finacial Assests						-
Loans		-			-	-
Cash & cash Equivalents	746.01	746.01	-	-	746.01	746.01
Total	746.01	746.01	-	-	746.01	746.01
Financial Liabilities						
Borrowings	2,051.00	2,051.00	-	-	2,051.00	2,051.00
Total	2,051.00	2,051.00	-	-	2,051.00	2,051.00

₹ in Hundreds

Financial Assets & Liabilities as at 31st March, 2018	Current	Total	Fair Value through Profit & Loss	Fair Value through OCI	Carried at amortised Cost	Total Amount
Finacial Assests						
Loans		-			-	-
Cash & cash Equivalents	206.51	206.51	-	-	206.51	206.51
Total	206.51	206.51	-	-	206.51	206.51
Financial Liabilities						
Borrowings	1,000.00	1,000.00	-	-	1,000.00	1,000.00
Total	1,000.00	1,000.00	-	-	1,000.00	1,000.00

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SMS INFOLINK PRIVATE LIMITED
Notes to financial statements for the year ended on 31st March 2019

16. Financial Instrument

Financial Risk Management

The Company's principal financial liabilities comprise of short term borrowings. The main purpose of these financial liability is to finance the Company's operations.

The company is exposed to credit risk and liquidity risk, market risk.

The management of these risks is overseen bt the senior management on a regualr basis to reflect changes in market conditions, company's activites and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

a) Credit risk

The Cash & Cash equivalents are held with Banks. Thus the Company consider that its Cash and Cash equivalents have low credit risk.

b) Liquidity risk

The following are the contratual obiligation of Financial liabilities

₹ in Hundreds

2019	Carrying Amount	On Demand	Total
Short Term Borrowing	2,051	2,051	2,051
2018			
Short Term Borrowing	1,000	1,000	1,000

c) Market Risk.

As the borrowing are non interest bearing, the Company is not exposed to Market Risk.

17. Capital Management

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

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

₹ in Hundreds

Particulars	As at 31 March 2019	As at 31 March 2018
Current Borrwings	2,051	1,000
Total Debt	2,051	1,000
Less: cash and cash equivalents (Note 1)	746.01	206.51
Net debt	**1,305**	**1,793**
Equity	**(1,694.39)**	**(1,182.89)**
Total capital	**(1,694.39)**	**(1,182.89)**
Capital and net debt	**(389)**	**611**

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

₹ in Hundreds

	31-Mar-19	31-Mar-18
Tax Expense:		
Profit Before Tax	(511.50)	(426.86)
Other comprehensive income before tax		
Total comprehensive income before tax	-	-
Indian Statutory Income Tax Rate	26.00%	25.75%
Expected Income Tax Expenses	**(132.99)**	**(109.92)**
Tax Effect of adjustments to reconcile		
Tax Effect of setoff of earlier year losses		
Tax Effect of losses not recognised (refer note of deferred tax)	132.99	109.92
Total income tax expense recognised in Profit & Loss	-	-
a) Tax on normal income recognised in profit and loss	-	-
b) Tax on other comprehensive income recognised	-	-
Total tax recognised in profit and loss	-	-

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Notes to financial statements for the year ended on 31st March 2019

19. Party balances are subject to confirmation and the balances shown under trade receivable, trade payable, loans and advances, other current assets & liabilites have approximately the same realiasable value as shown in the financials.

20. Company is not required to spent on CSR Expenditure as the company is not fullfilling any of the following criteria stipulated in provision of section 135 of the company Act 2013 :

a) Net worth Rs. Five hundred crores or more,
b) Turnover of Rs. One thousand crores or more,
c) Net profit of Rs. Five crores or more,
during the any preceeding three finanacial year.

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

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

V. K. SURANA & CO. CHARTERED ACCOUNTANTS, NAGPUR F.R.No. 110634W

CA. SURESH GALANI
Partner (M.No.168192)
Nagpur, dated the,
25 JUL 2019
UDIN : 19168192AAAAAH8103

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

HEMANT KUMAR LODHA
Director
(DIN : 01654145)

AMIT SOMANI
Director
(DIN : 00378635)