

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 Financial Statements

We have audited the accompanying financial statements of **SMS INFOLINK PRIVATE 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 and for the year then ended, and a summary of the significant accounting policies and other explanatory information.

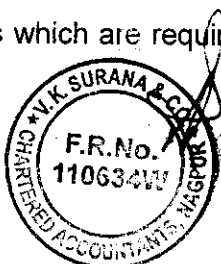
Management's Responsibility for the Financial Statements

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 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 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 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



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provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

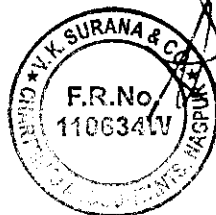
We conducted our audit of financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

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 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 loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



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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 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 does not have any pending litigations which would impact its financial position.
 - (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, July 06, 2018

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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, 2018:

- 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 any deposit from public. Accordingly, paragraph 3(v) of the Order is not applicable.
- 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, 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.



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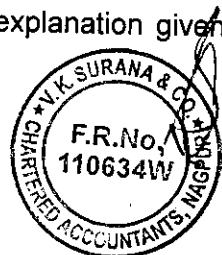
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- According to the information and explanation given to us, no material undisputed arrears of statutory dues were outstanding as on 31st March, 2018 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, there are no disputed dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, value added tax.
- 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.
- xiv) As per information and explanation given to us and based on our examination of the



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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.

- 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



CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, July 06, 2018

“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 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 Infolink Private Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

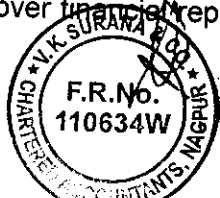
Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our



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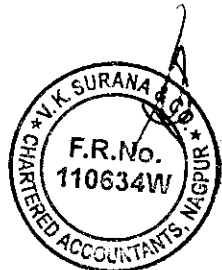
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audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and 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.

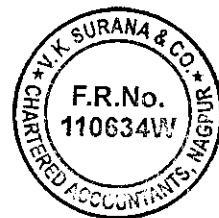
Opinion

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. 043414

Nagpur, July 06, 2018



SMS INFOLINK PRIVATE LIMITED
Balance Sheet as at 31st March 2018

	Notes No.	As at	As at
		31 March 2018	31 March 2017
		₹	₹
ASSETS			
Non-current assets			
(a) Property, plant and equipment		-	-
(c) Investment property		-	-
(d) Financial assets		-	-
(e) Deferred tax assets (net)		-	-
(f) Other Non Current Assets		-	-
Total Non-current assets		-	-
Current assets			
(a) Inventories		-	-
(b) Financial assets			
(i) Cash and cash equivalent	1	20,651	64,647
(c) Other Current Assets		-	-
Total current assets		20,651	64,647
TOTAL ASSETS		20,651	64,647

EQUITY AND LIABILITIES

Equity

(a) Equity Share Capital	2	1,00,000	1,00,000
(b) Other Equity	3	(2,18,289)	(1,75,603)
Total equity		(1,18,289)	(75,603)

Non-current liabilities

(a) Financial Liabilities			
(b) Provisions			
(c) Deferred tax Liability (net)			
Total Non-current liabilities			

Current liabilities

(a) Financial Liabilities			
(i) Borrowings	4	1,00,000	1,00,000
(b) Provisions	5	35,640	37,250
(c) Other Liabilities	6	3,300	3,000
Total Non-current liabilities		1,38,940	1,40,250
Total equity and liabilities		20,651	64,647

Significant Accounting Policies & Additional Information 8

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

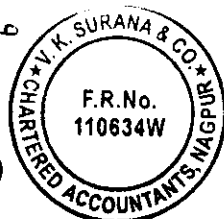
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CA. SUDHIR SURANA

Partner (M.No. 043414)

Nagpur, dated the,

6th July, 2018



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

ANAND SANCHETI

Director

DIN : 00953362

HEMANT LODHA

Director

DIN : 01654145

SMS INFOLINK PRIVATE LIMITED

Statement of Profit and Loss for the year ended on 31st March 2018

	Notes	Year Ended on	Year Ended on
		31 March 2018	31 March 2017
		₹	₹
CONTINUING OPERATIONS			
Income			
Revenue from operations		-	-
Other income		-	-
Total income		-	-
Expenses			
Other expenses	7	42,686	53,216
Total expenses		42,686	53,216
Profit/(loss) before exceptional items and tax from continuing operations		(42,686)	(53,216)
Exceptional items		-	-
Profit/(loss) before tax from continuing operations		(42,686)	(53,216)
Current tax		-	-
Deferred tax		-	-
Income tax expense		-	-
Profit/(Loss) for the year from continuing operations		(42,686)	(53,216)
Other comprehensive income		-	-
Total comprehensive income for the year		(42,686)	(53,216)
Earnings per equity share of ₹10/- each			
Basic earning per share		(4.27)	(5.32)
Diluted earning per share		(4.27)	(5.32)

Significant Accounting Policies & Additional Informartion 8

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

FOR V. K. SURANA & CO

Chartered Accountants

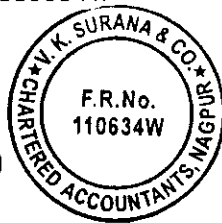
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CA. SUDHIR SURANA

Partner (M.No. 043414)

Nagpur, dated the,


6th July, 2018



For and on behalf of the Board of Directors of

SMS INFOLINK PRIVATE LIMITED


ANAND SANCHETI
Director
(DIN : 00953362)


HEMANT LODHA
Director
(DIN : 01654145)

SMS INFOLINK PRIVATE LIMITED

Cash flow statement for the year ended on 31st March 2018

	31-Mar-18	31-Mar-17
	₹	₹
Cash flow from operating activities		
Profit before tax from continuing operations	(42,686)	(53,216)
<u>Non-cash adjustment to reconcile profit before tax to net cash flows</u>		
Provisions made	(1,610)	5,900
Operating profit before working capital changes	(44,296)	(47,316)
Movements in working capital :		
Increase/(Decrease) in Other current and non current liabilities	300	-
Net cash flow from/ (used in) operating activities (A)	<u>(43,996)</u>	<u>(47,316)</u>
Cash flow from investing activities		
Net cash flow from/(used in) investing activities (B)	<u>-</u>	<u>-</u>
Cash flow from financing activities		
Proceeds/(Repayment) from short-term borrowings	-	1,00,000
Net cash flow from/(used in) in financing activities (C)	<u>-</u>	<u>1,00,000</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(43,996)	52,684
Cash and cash equivalents at the beginning of the year	64,647	11,963
Cash and cash equivalents at the end of the year	<u>20,651</u>	<u>64,647</u>
Components of cash and cash equivalent		
Cash in hand	-	-
With banks- on current account	20,651	64,647
- on deposit account	-	-
Total cash and cash equivalents	<u>20,651</u>	<u>64,647</u>

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

FOR V. K. SURANA & CO

Chartered Accountants

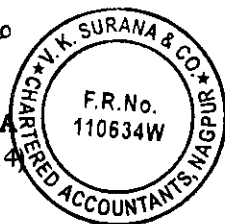
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CA. SUDHIR SURANA

Partner (M.No. 043414)

Nagpur, dated the,

6th July, 2018



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



ANAND SANCHETI

Director

(DIN : 00953362)



HEMANT LODHA

Director

(DIN : 01654145)

SMS INFOLINK PRIVATE LIMITED
Statement Of Changes In Equity for the year ended on 31st March 2018

	₹
A. Equity Share Capital (Refer Note No. 2)	
As at 1st April, 2016	1,00,000
Changes in Equity Share Capital	-
As at 31st March, 2017	1,00,000
Changes in Equity Share Capital	-
As at 31st March, 2018	<u>1,00,000</u>

B. Other Equity (Refer Note No. 3)		
Particulars	Retained earnings	Total
Balance as at 1st April, 2016	(1,22,387)	(1,22,387)
Profit for the year	(53,216)	(53,216)
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(1,75,603)	(1,75,603)
Balance as at 31st March, 2017	(1,75,603)	(1,75,603)
Balance as at 1st April, 2017	(1,75,603)	(1,75,603)
Profit for the year	(42,686)	(42,686)
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(2,18,289)	(2,18,289)
Balance as at 31st March, 2018	(2,18,289)	(2,18,289)

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

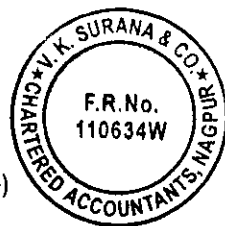
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CA. SUDHIR SURANA

Partner (M.No. 043414)


Nagpur, dated the,

6th July, 2018



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


ANAND SANCHETI
Director
(DIN : 00953362)


HEMANT LODHA
Director
(DIN : 01654145)



SMS INFOLINK PRIVATE LIMITED

Notes to financial statements for the year ended on 31st March 2018

	31-Mar-18	31-Mar-17
	₹	₹
1) Cash and cash equivalents		
Current		
(A) Balances with banks:		
In current accounts	20,651	64,647
Total :	<u>20,651</u>	<u>64,647</u>
2) Share capital		
Authorized shares		
10,000 (31st March 2017:10,000) Equity shares of ₹ 10/- each	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>
Issued, subscribed and fully paid-up shares		
10,000 (31st March 2017:10,000) Equity shares of ₹ 10/- each	1,00,000	1,00,000
Total Issued, subscribed and fully paid-up share capital	<u>1,00,000</u>	<u>1,00,000</u>

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

	31-Mar-18		31-Mar-17	
	No.	₹	No.	₹
Equity shares				
At the beginning of the period	10,000	1,00,000	10,000	1,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>10,000</u>	<u>1,00,000</u>	<u>10,000</u>	<u>1,00,000</u>

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 dividend in Indian Rupees.

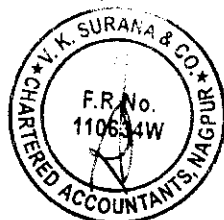
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the no. of equity shares held by the shareholder at the time of liquidation.

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

	31-Mar-18		31-Mar-17	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SMS Limited	10,000	100%	10,000	100%

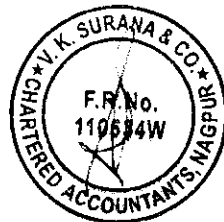
d. The details Shares held by holding Company

	31-Mar-18		31-Mar-17	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10/- each fully paid				
SMS Limited	-	100%	-	100%



SMS INFOLINK PRIVATE LIMITED
Notes to financial statements for the year ended on 31st March 2018

	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	₹	₹
3) Other Equity		
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance	(1,75,603)	(1,22,387)
Add: Profit/(loss) for the year	(42,686)	(53,216)
Net surplus / (deficit) in the statement of profit and loss	<u>(2,18,289)</u>	<u>(1,75,603)</u>
4) Borrowings		
Current		
I. Unsecured		
From related Parties		
SMS Limited	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>
4.1 The company has not defaulted in repayment of any loans on the date of Balance Sheet.		
4.2 The loan accepted from SMS Limited is in the nature of short term which is payable on demand and not interest bearing		
5) Short-Term Provisions		
Other provisions		
Audit fees Payable	35,640	37,250
Total :	<u>35,640</u>	<u>37,250</u>
6) Other Current Liabilities		
Statutory Dues Payable		
TDS Payable	3,300	3,000
Total :	<u>3,300</u>	<u>3,000</u>
7) Other Expenses		
Office and Administrative Expenses	44	1,304
Audit Fees	39,840	34,650
Professional / Consultancy Charges	1,150	12,645
Bank charges & commisson	152	532
ROC Fees	1,500	900
Interest on late payment of taxes	-	135
Legal Expenses	-	300
Stationery & Printing	-	2,750
Total :	<u>42,686</u>	<u>53,216</u>



SMS INFOLINK PRIVATE LIMITED

Notes to financial statements for the year ended on 31st March 2018

8) SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2018

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) Significant Accounting Policies

a) Basis of preparation

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.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) 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.

d) Taxes on Income:

i) Current Tax:-

The income tax expense 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.



SMS INFOLINK PRIVATE LIMITED

Notes to financial statements for the year ended on 31st March 2018

e) Property, Plant and Equipment

Fixed asset are stated at cost of acquisition including interest paid on specific borrowings up to the date of asset is ready for use and improvement thereon / inward freight, duties & taxes and incidental expenses related to acquisition.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss Account.

f) Depreciation:

Depreciation on asset is calculated on Straight Line method at the rates and manner prescribed in schedule II of the Companies Act 2013. On addition / deletion pro-rata depreciation has been provided.

g) Revenue Recognition

Based on principles stated in AS-9 " Revenue Recognition" issued by Institute of Chartered Accountants of India and as per the provision of Companies Act, Company recognizes the revenue including interest on accrual basis except where the receipt of income is uncertain, in which case it is accounted for on receipt basis.

h) Earning 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.

i) Financial Instruments

i) Financial assets

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.

ii) Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include other payables and loans and borrowings. Current loans and borrowing from Group Company is short term in nature and hence not amortized.

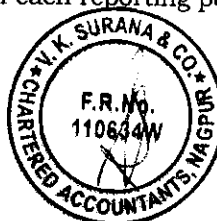
j) Impairment

i) Financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii) Non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



SMS INFOLINK PRIVATE LIMITED**Notes to financial statements for the year ended on 31st March 2018****k) 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:

- i) Fair value of current assets which includes 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.
- ii) 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).

l) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

m) Cash and Cash Equivalent

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



SMS INFOLINK PRIVATE LIMITED
Notes to financial statements for the year ended on 31st March 2018
III) Additional Information

1) <u>Contingent Liability, Commitment & Contingent Assets</u>	31-Mar-18	31-Mar-17
	₹	₹
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		
2) <u>Auditors Remuneration (including taxes) :</u>		
Audit fee	39,840	34,650
	<u>39,840</u>	<u>34,650</u>

3) 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 and deferred tax liability on account of timing difference due to depreciation, 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

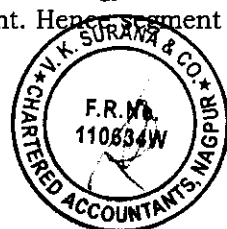
4) Earnings Per Share:

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

Continuing operations

Profit/(loss) after tax	(42,686)	(53,216)
Net profit for calculation of basic EPS	<u>(42,686)</u>	<u>(53,216)</u>
Net profit as above	(42,686)	(53,216)
Effect of dilution	-	-
Net profit/(loss) for calculation of diluted EPS	<u>(42,686)</u>	<u>(53,216)</u>
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 2017: 10,000) equity shares of ₹ 10/- each		
Earnings per equity share:		
Basic	(4.27)	(5.32)
Diluted	(4.27)	(5.32)

- 5) There is no overdue amount payable to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006". Further, the group has not paid any interest to any such enterprises.
- 6) The operation of Company of Information Technology Consultancy is considered as a single segment, which operates in one geographical segment. Hence segment reporting as required under AS 17 is not applicable.



SMS INFOLINK PRIVATE LIMITED
Notes to financial statements for the year ended on 31st March 2018
7) Related Party Transactions

Relationships

(a) Holding Company

SMS Limited

(b) Key Management Personal

Anand Sancheti - Director

Hemant Lodha - Director

(c) Group Entities
Subsidiary of Holding Co.

SMS Envoclean Pvt. Ltd.

SMS Mine Developers Pvt. Ltd.

SMS Parking Solution 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

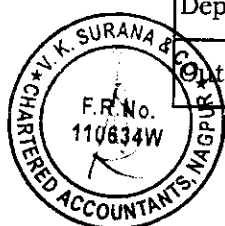
Sanson Developers

Sanbro Corporation

SMS Envocare Limited

(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	(1,00,000)	(-)	(-)
Loan Repaid during the year	(-)	(-)	(-)
Deposits & Advances Received	3,000	-	-
	(-)	(-)	(3,735)
Deposits & Advances Repaid	3,000	-	-
	(-)	(-)	(3,735)
Outstanding Balances included in liabilities	1,00,000	-	-
	(1,00,000)	(-)	(-)



SMS INFOLINK PRIVATE LIMITED
Notes to financial statements for the year ended on 31st March 2018
8) 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 by the senior management on a regular basis to reflect changes in market conditions, company's activities 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 contractual obligation of Financial liabilities

	Carrying Amount	On Demand	Total
2018			
Short Term Borrowing	1,00,000	1,00,000	1,00,000
2017			
Short Term Borrowing	1,00,000	1,00,000	1,00,000

c) Market Risk.

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

9) 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.

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings other than convertible preference shares	1,00,000	1,00,000
Other payables	35,640	40,250
Less: cash and cash equivalents (Note 1)	20,651	64,648
Net debt	1,14,989	75,602
Equity (Note 2)	(1,18,289)	(75,602)
Total capital	(1,18,289)	(75,602)
Capital and net debt	(3,300)	-
Gearing Ratio	0%	0%

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

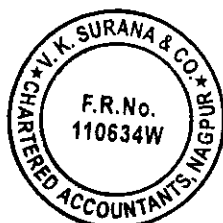
FOR V. K. SURANA & CO

Chartered Accountants

Firm Registration No. :110634W

CA. SUDHIR SURANA

Partner (M.No. 043414)

 Nagpur, dated the,
6th July, 2018


For and on behalf of the Board of Directors of

SMS INFOLINK PRIVATE LIMITED
ANAND SANCHETI

Director

(DIN : 00953362)


HEMANT LODHA

Director

(DIN : 01654145)

