

# 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 TOLLS AND DEVELOPERS LIMITED**

### Report on the Financial Statements

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

### Management's Responsibility for the 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 provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.



# V.K.SURANA & CO..

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



**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

- 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 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting; and
- 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, August 25, 2018

# V.K.SURANA & CO..

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

---

**Annexure A to the Independent auditor's report referred to in paragraph 1 of even date to the financial statements of SMS TOLLS AND DEVELOPERS 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 provisions of Clause 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 section 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 and 76 of the act and the companies (acceptance of deposits) rules, 2014 (as amended) during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 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.



## 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

According to the information and explanation given to us, no material undisputed arrears of above statutory dues were outstanding as on 31st March, 2018 for a period of more than six months from the date they become payable.

- b) According to the information and explanation given to us, there are no 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 has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 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 / provided 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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.



**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

---

- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



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

A handwritten signature in black ink, appearing to read "Sudhir Surana".

**CA. Sudhir Surana**  
*Partner*

Membership No. 43414  
Nagpur, August 25, 2018

# V.K.SURANA & CO..

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

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

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

We have audited the internal financial controls over financial reporting of **SMS TOLLS AND DEVELOPERS 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 Board of Director’s 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.

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.



# 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

---

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

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

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

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

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





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

CHARTERED ACCOUNTANTS

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

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

e-mail:info@vksca.com

---

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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

A handwritten signature in black ink, appearing to read "Sudhir Surana".

**CA. Sudhir Surana**  
*Partner*

Membership No. 43414  
Nagpur, August 25, 2018

SMS Tolls and Developers Limited  
Balance Sheet as at 31 March 2018

Particulars	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>Assets</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment		-	-
b) Financial assets			
i) Investments	4	4,99,000	4,99,000
ii) Loans			
c) Deferred tax assets (net)	5	1,10,79,381	1,35,64,285
<b>Total Non-current assets</b>		<b>1,15,78,381</b>	<b>1,40,63,285</b>
<b>2 Current assets</b>			
a) Financial assets			
i) Cash and cash equivalent	6	3,35,618	1,25,096
ii) Loans	7	10,36,405	1,58,65,600
b) Other Current Asset	8	9,48,923	7,50,455
<b>Total current assets</b>		<b>23,20,946</b>	<b>1,67,41,151</b>
<b>Total assets</b>		<b>1,38,99,327</b>	<b>3,08,04,436</b>
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
a) Equity Share Capital	9	5,00,000	5,00,000
b) Other Equity	10	8,46,387	22,32,351
<b>Total equity</b>		<b>13,46,387</b>	<b>27,32,351</b>
<b>2 Non-current liabilities</b>			
<b>3 Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	11	1,22,86,055	2,77,37,265
ii) Other Financial liabilities	12	54,000	52,500
iii) Provisions	13	2,06,711	2,77,320
b) Other Current Liability	14	6,174	5,000
<b>Total Current liabilities</b>		<b>1,25,52,940</b>	<b>2,80,72,085</b>
<b>Total equity and liabilities</b>		<b>1,38,99,327</b>	<b>3,08,04,436</b>

Significant Accounting Policies

3

Notes 4 to 19 form an integral part of the standalone financial statement.

As Per Our report of even date attached

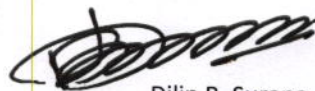
**For V K Surana & Co.**  
Chartered Accountants  
Firm Reg. No.: 110634W



CA. Sudhir Surana  
Partner  
Membership No.- 043414



For and on behalf of the Board of Directors



Dilip B. Surana  
Director  
DIN:00953495



Anand S. Sancheti  
Director  
DIN:00953362

Place : Nagpur

Date: 25th August 2018

SMS Tolls and Developers Limited  
Statement of Profit and Loss for the year ended 31 March 2018

Particulars	Notes	As at	As at
		31 March 2018	31 March 2017
Revenue from operations		-	-
Other income	15	11,51,562	13,65,097
<b>Total income</b>		<b>11,51,562</b>	<b>13,65,097</b>
Expenses			
Other expenses	16	66,751	65,566
<b>Total expense</b>		<b>66,751</b>	<b>65,566</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>10,84,811</b>	<b>12,99,531</b>
Exceptional Items		-	-
<b>Profit/(loss) before tax</b>		<b>10,84,811</b>	<b>12,99,531</b>
Income tax expense			
(1) Current tax		2,06,711	2,77,320
(2) Less : MAT Set Off		(2,06,711)	(2,77,320)
(3) Deferred tax		24,84,904	12,85,070
(4) Income Tax of Earlier Years		(14,130.00)	-
<b>Total tax expense</b>		<b>24,70,774</b>	<b>12,85,070</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>(13,85,964)</b>	<b>14,461</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(13,85,964)</b>	<b>14,461</b>
Earnings per equity share (Face Value of ₹ 10)	17		
a) Basic (in ₹)		(27.72)	0.29
b) Diluted (in ₹)		(27.72)	0.29

Significant Accounting Policies

Notes 4 to 19 form an integral part of the standalone financial statement.

As Per Our report of even date attached

For V K Surana & Co.

Chartered Accountants

Firm Reg. No.: 110634W

CA. Sudhir Surana

Partner

Membership No.- 043414

Place : Nagpur

Date: 25th August 2018



3

For and on behalf of the Board of Directors

Dilip B. Surana  
Director  
DIN:00953495

Anand S. Sancheti  
Director  
DIN:00953362

SMS Tolls and Developers Limited  
Statement of Changes in Equity for the year ended 31 March 2018

A. EQUITY SHARE CAPITAL	
50000/- Equity Shares of Rs 10/- each fully paid up	
As at 1 April 2016	5,00,000.00
Changes in equity share capital	-
As at 31 March 2017	5,00,000.00
Changes in equity share capital	-
As at 31 March 2018	5,00,000.00

B. OTHER EQUITY

Attributable to the equity holders (in Lakhs)			
Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained earnings	FVTOCI reserve	
As at 1 April 2016	22,17,890		22,17,890
Profit for the period	14,461	-	14,461
Other comprehensive income	-	-	-
Total comprehensive income	14,461	-	14,461
Intirim Dividend paid	-	-	-
As at 31 March 2017	22,32,351	-	22,32,351
Profit for the period	(13,85,964)	-	(13,85,964)
Other comprehensive income	-	-	-
Total comprehensive income	(13,85,964)	-	(13,85,964)
Interim Dividend Paid	-	-	-
As at 31 March 2018	8,46,387	-	8,46,387

Significant Accounting Policies 3  
Notes 4 to 19 form an integral part of the standalone financial statement.

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



CA. Sudhir Surana  
Partner  
Membership No.- 043414  
Place : Nagpur  
Date: 25th August 2018

For and on behalf of the Board of Directors

Dilip B. Surana  
Director  
DIN:00953495

Anand S. Sancheti  
Director  
DIN:00953362

SMS Tolls and Developers Limited  
Cash Flow Statement for the year ended 31 March 2018

Particulars	As at March 2018 ₹	31 As at 31 March 2017 ₹
<b>Cash flow from operating activities</b>		
Profit before tax from operating activities	10,84,811	12,99,531
Profit before tax	10,84,811	12,99,531
Non-cash adjustment to reconcile profit before tax to net cash flows		
IT Payable adjustments	2,63,190	
Interest income	11,51,562	13,65,097
Operating profit before working capital changes	(3,29,941)	(65,566)
<b>Movements in working capital :</b>		
Increase/(decrease) in other current liabilities	2,674	(1,09,18,11,884)
Decrease / (increase) in short-term loans and advances	(1,54,51,210)	41,13,883
Decrease / (increase) in other current assets	(1,98,468)	-
Cash generated from /(used in) operations	(1,59,76,945)	(1,08,77,63,567)
Direct taxes paid	2,06,711	2,77,320
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(1,57,70,234)</b>	<b>(1,08,74,86,247)</b>
<b>Cash flow from investing activities</b>		
Proceeds of non-current investments	-	1,09,18,11,884
long-term loans and advances	1,48,29,195	(10,56,842)
Interest received	11,51,562	13,65,097
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>1,59,80,757</b>	<b>1,09,21,20,139</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term borrowings	-	(46,20,000)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>-</b>	<b>(46,20,000)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,10,523	13,892
Cash and cash equivalents at the beginning of the year	1,25,096	1,11,204
<b>Cash and cash equivalents at the end of the year</b>	<b>3,35,618</b>	<b>1,25,096</b>

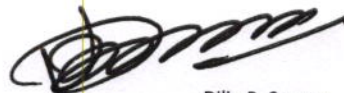
As per our report of even date attached  
For V K Surana & Co.  
Chartered Accountants  
Firm Reg. No.: 110634W


CA. Sudhir Surana  
Partner  
Membership No.- 043414



Place : Nagpur  
Date: 25th August 2018

For and on behalf of the Board of Directors

  
Dilip B. Surana  
Director  
DIN:00953495

  
Anand S. Sancheti  
Director  
DIN:00953362

## **SMS TOLLS & DEVELOPERS LIMITED**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31<sup>ST</sup> MARCH 2018**

#### **1. Corporate Information**

SMS Tolls & Developers Limited is a public Company domiciled in India and incorporated on 06/08/2007 under the provisions of the Companies Act, 1956. The company is established with the object of to carry on the business of collection of tolls and infrastructure management. The company has not started its commercial operation as on 31st March 2018.

#### **2. Key Accounting Estimates and Judgments**

##### **2.1 Basis of preparation of Financial Statements**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### **2.2 Key accounting estimates and judgments**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods Critical accounting estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below

##### **2.3 Current / Non Current Classification**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- I. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- II. the asset is intended for sale or consumption;
- III. the asset/liability is held primarily for the purpose of trading
- IV. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- V. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- VI. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### **3 Significant accounting policies**

#### **a) Revenue**

Interest on loans given is charged on accrual basis at mutually agreed terms and conditions. Dividend Income is recognized when the right to received dividend is established.

#### **b) Foreign Currency Transaction**

##### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of transaction.

##### **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transactions. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rate at the date when such value was determined.

##### **Exchange Differences**

All resulting exchange differences are recognized in the Profit and Loss Account.

#### **c) Provisions, Contingent Liabilities & Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 recognized in the financial statements. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

#### **d) Taxes On Income**

##### **Current Income Tax**



Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### **Deferred Income Tax**

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

### **e) Investments:**

Long Term investments are stated at cost. A provision for diminution in value is made to recognize a decline other than temporary, in the value of long term investments.

Current investments are stated at lower of cost unless otherwise there is permanent diminution in the investment

### **f) Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances including Fixed Deposits & other highly liquid investments with original maturity period up to 3 months, net of outstanding bank overdraft.

### **g) Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

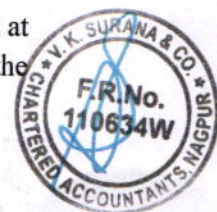
Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### **h) Financial instrument**

#### **Financial Assets**

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

All financial assets are recognized initially at fair value plus, in case of financial assets not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the





financial assets, which are not at fair value through profit and loss are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in statement of profit and loss.

Subsequent measurement

#### **Financial assets at amortized cost**

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

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.

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

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

#### **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.

#### **Financial Liabilities**

Initial recognition and subsequent measurement

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

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

#### **De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender



on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting Financial Liabilities**

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

#### **i) Earnings per share:**

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

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

#### **k) Financial Risk Management:**

The Company Activities expose it to the following Risk:

Market risk,

Credit risk and

Liquidity risk.

#### **Credit Risk:**

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

#### **Trade Receivables:**

Credit risk managed by company's established policy, procedures and control relating to customers credit risk management. Outstanding customer receivables are regularly monitored.

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



**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in interest relates primarily to the company's debt obligations with floating interest rates.

**Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company's principle sources of liquidity are cash and cash equivalents. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. Accordingly, no liquidity risk is perceived. The management acknowledge that, the company has no risk in respect to interest, credit as well as risk.

**k) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclose.



SMS Tolls and Developers Limited  
Notes to financial statements for the year ended 31 March 2018

4 Non-current Investments	31-Mar-18	31-Mar-17
	₹	₹
I Investments in equity instruments (stated at Fair Value through Profit & Loss)		
a Shares in Abhudaya Co-op. Bank Ltd	4,99,000.00	4,99,000
	4,99,000.00	4,99,000

5 Deferred Tax Assets	31-Mar-18	31-Mar-17
	₹	₹
Deferred Tax Assets	1,10,79,381	1,35,64,285
	1,10,79,381	1,35,64,285

i) Movement of Deferred Tax Assets:	31-Mar-18	31-Mar-17
	₹	₹
Opening balance of deferred tax asset	1,35,64,285	1,48,49,356
Charged / Credited to profit or loss	(24,84,904)	(12,85,070)
Closing balance of deferred tax asset	1,10,79,381	1,35,64,285

ii) 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 summarised below :

Tax Expense:	31-Mar-18	31-Mar-17
	₹	₹
Profit Before Tax	10,84,811	12,99,531
Other Comprehensive income before tax	-	-
Total Comprehensive income before tax	10,84,811	12,99,531
Indian Statutory Income Tax rate	25.75%	29.87%
Expected Income Tax Expenses	2,79,339	3,88,170
Tax Effect of adjustments to reconcile expected Income Tax Expenses		
Tax Effect of Tax Holidays	-	-
Tax Effect of Non Deductible expenses	-	-
Tax Effect of Previous year	3,34,629	-
Restatement of earlier years DTA due to change in tax rate	18,70,936	12,85,070
Other Adjustments	(14,130)	-
Total Income Tax expense recognised in Profit & Loss	24,70,774	12,85,070

6 Cash and Cash Equivalents	31-Mar-18	31-Mar-17
	₹	₹
Punjab National Bank, Current A/c	1,73,255	27,903
Abhydaya Co-operative Bank Ltd., Current A/c	68,916	3,746
Cash on hand	93,447	93,447
	3,35,618	1,25,096

7 Loans And Advances	31-Mar-18	31-Mar-17
	₹	₹
To Body Corporate (Unsecured Loans, Considered Good)		
Suntech Infraestate Pvt Ltd	10,36,405	1,58,65,600
	10,36,405	1,58,65,600

Note \* The loan is given to Suntech Infraestate Pvt Ltd at interest Rate 7.5% & payable on demand.

8 Other Current Assets	31-Mar-18	31-Mar-17
	₹	₹
Mat Credit Entitlement	4,84,031	2,77,320
TDS & Advance Tax	4,64,892	4,73,135
	9,48,923	7,50,455



SMS Tolls and Developers Limited  
Notes to financial statements for the year ended 31 March 2018

9 Equity Share capital

a. Authorized :

50,000/- (31/03/2017: 50,000/-) Equity shares of Rs. 10/- each

	31-Mar-18	31-Mar-17
	₹	₹
	5,00,000.00	5,00,000
	5,00,000.00	5,00,000

b. Issued, subscribed and fully paid-up :

50,000/- (31/03/2017: 50,000/-) Equity shares of Rs.10/- each

5,00,000.00 5,00,000

Total

5,00,000.00 5,00,000

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

Equity shares

At the beginning of the period

Issued during the period

Outstanding at the end of the period

	31-Mar-18		31-Mar-17	
	No.	₹	No.	₹
At the beginning of the period	50,000	5,00,000.00	50,000	5,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	50,000	5,00,000.00	50,000	5,00,000

d. Terms/Rights attached to shares

The company has only one class of equity shares having par value of Rs 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 on proportion to the no. of equity shares held by the shareholder at the time of liquidation.

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

Equity shares of Rs. 10/- each fully paid  
SMS Limited (Formerly SMS Infrastructure Ltd.)

	31-Mar-18		31-Mar-17	
	No.	% holding in the class	No.	% holding in the class
	50,000	100.00%	50,000	100.00%

f. Details of Shares Held by Holding Company

SMS Limited  
(Formerly SMS Infrastructure Ltd.)

	31-Mar-18		31-Mar-17	
	No.	₹	No.	₹
	50,000	5,00,000.00	50,000	5,00,000

10 Other Equity

Retained Earnings  
Opening Balance  
Profit for the year  
Closing Balance

	31-Mar-18	31-Mar-17
	₹	₹
Opening Balance	22,32,351	22,17,890
Profit for the year	(13,85,964)	14,461
Closing Balance	8,46,387	22,32,351



SMS Tolls and Developers Limited  
Notes to financial statement for the year ended 31 March 2018

11 Non Current Borrowings

	Non-current portion		Current portion	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	₹	₹	₹	₹
<b>Unsecured Loans</b>				
a Loans and advances from related parties				
SMS Limited (Formerly SMS Infrastructure Ltd.)	-	-	1,22,86,055	2,77,37,265
<b>Net amount</b>	-	-	1,22,86,055	2,77,37,265

Terms of repayment

- 1 Loan from SMS Limited (Formerly SMS Infrastructure Ltd.) is interest free.  
This loan is in nature of short term and repayable on demand.

12 Other Financial Liabilities

	31-Mar-18	31-Mar-17
	₹	₹
Audit Fees (including taxes)	54,000	52,500
	54,000	52,500

13 Provisions

	31-Mar-18	31-Mar-17
	₹	₹
Income Tax Provision	2,06,711	2,77,320
	2,06,711	2,77,320

14 Other Current Liability

	31-Mar-18	31-Mar-17
	₹	₹
TDS payable	5,000	5,000
Badjate Stock and Shares Limited	1,174	-
	6,174	5,000



**SMS Tolls and Developers Limited**  
**Notes to financial statements for the year ended 31 March 2018**

**15 Other Income**

Interest Received  
Interest on IT Refund

31-Mar-18	31-Mar-17
₹	₹
11,51,562	11,84,000
-	1,81,097
<b>11,51,562</b>	<b>13,65,097</b>

**16 Other Expenses**

Legal expenses  
Bank Charges  
Consultancy Charges  
Audit Fees  
Printing & Stationery  
AMC Charges

31-Mar-18	31-Mar-17
₹	₹
4,600	2,400
477	160
-	3,000
60,500	57,500
-	1,375
1,174	1,131
<b>66,751</b>	<b>65,566</b>

**17 Earnings Per Share**

**Particulars**  
Number of Equity Shares of ₹ 10 each fully paid up at the beginning of the year  
Number of Equity Shares of ₹10 each fully paid up at the end of the year  
Weighted Average number of Equity Shares outstanding during the year  
Net Profit/ (Loss) for the Year  
Nominal Value per share  
**Basic Profit per Share**  
**Diluted Profit per Share**

31-Mar-18	31-Mar-17
50,000.00	50,000
50,000.00	50,000
50,000.00	50,000
(13,85,964)	14,461
10.00	10
<b>(27.72)</b>	<b>0.29</b>
<b>(27.72)</b>	<b>0.29</b>



**Note 18:**

**INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24-  
'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2018.**

**a. Holding Company:**

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
SMS Limited	India	100.00%	100.00%

**b. Enterprises Having Significant Influence:**

San Finance Corporation

**c. Entities controlled by Directors/Relatives of Directors: NIL**

**d. Key Managerial Personnel:**

Name of the Director	Designation
Abhay Harakchand Sancheti	Director
Anand Shaktikumar Sancheti	Director
Dilip Bhawarlal Surana	Director
Vinay Hiralal Patel	Director

**List of all Subsidiaries, Associates, Joint Venture of Holding Company are as follows:**

**Subsidiary Companies**

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





8. SMS Water Grace BMW Pvt. Ltd
9. SMS Tolls And Developers Ltd.

17. Maharashtra Enviro Power Ltd.

#### Associates

1. RCCL Infrastructure Ltd.

2. SMS AAMW Tollways Pvt. Ltd.

#### Joint Venture

1. SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
2. . GDCL & SMS Ltd.JV
3. SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)
4. SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)
5. SRRCIPL-SMSL-BEKEM JV
6. SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.

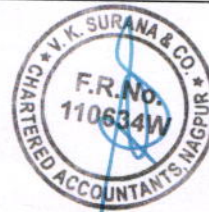
7. SMS Infrastructure Ltd. Shreenath Enterprises J.V.
8. Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
9. GSJ Envo Ltd. In consortium with SMS Infrastructure Ltd.
10. SMSIL KTCO (JV)
11. Bhartia SMSIL (JV)
12. SMSIL-MBPL-BRAPL (JV)
13. SRRCIPL-SMSL (JV)

#### e. Details of related party transactions during the year ended 31st March, 2018

(₹ in Lakhs)

Name of Related Party	Loan / Advance Taken	Loan / Advance Returned	Closing Balance 31/3/2018
Referred in (a)	3.49 (0.60)	158.00 (46.80)	122.86 (277.37)

#### f. Promoters and their relatives having control: NIL



**NOTE 19:-****NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS AS AT 31<sup>st</sup> MARCH 2018****1. Contingent Liabilities:**

PARTICULAR	31st March 2018 (₹)	31st March 2017 (₹)
Counter Indemnities given to banks, in respect of contracts for works in India	NIL	NIL
Claims not acknowledged as debts by the Company	NIL	NIL
Corporate Guarantees to associate company and joint ventures	NIL	NIL

**2. Commitments:**

Commitment for capital expenditure: Rs NIL

Commitment for revenue expenditure: Rs NIL

3. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2018. This information is required to be disclosed under the Micro and Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**4. Auditor's Remuneration:**

Particulars	2017-2018 (Amount in ₹)	2016-2017 (Amount in ₹)
Statutory Audit (including taxes)	59,000.00	57,500.00

**5. Segment Reporting:**

The Company is primarily engaged in the business of construction and infrastructure development which operates in one geographical segment, hence segment reporting under Ind AS 108 is not required.

6. Previous year's figures have been regrouped/ restated wherever necessary in accordance with Ind AS.

As per our report of even date

For V K Surana &amp; Co.

Chartered Accountants

Firm Reg. No.: 110634 W

CA. Sudhir Surana

Partner

Membership No.-043414

Place: Nagpur

Date: 25<sup>th</sup> August 2018

For and on behalf of the Board of Directors

Dilip B. Surana

Director

DIN: 00953495

Anand S. Sancheti

Director

DIN: 00953362