



**Independent Auditor's Report to the members of SMS Infrastructure Limited
Report on the financial statements**

1. We have audited the accompanying financial statements of SMS Infrastructure Limited which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

2. The company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so





C. R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2014
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.
- (c) In case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on other legal and regulatory requirements

7. As required by the Companies (Auditors Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - a. We have 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 appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.; and
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For C. R. Sagdeo & Co.
Chartered Accountants,
Firm Registration No. 108959W

CA. Suman Bose
Partner
Membership No. 045239
Place: Nagpur

Date: 22 SEP 2014





**Annexure to the Independent Auditors' Report
(Referred to in paragraph (7) of our report of even date)**

1. (a) The company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.
- (b) The company has formulated a program of physical verification of all the fixed assets over a phased periodical manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by the management during the year and no material discrepancies were noticed on such verification.
- (c) The company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
2. (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. In respect of loans taken or granted by the company from and to a company covered in the register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us,
 - (a) The company has taken and granted loans, secured or unsecured, from and to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The aggregate amount of such loans given (12 in numbers) is ₹ 28,970.15 lacs and loans taken (2 in numbers) is ₹ 31,233.85 lacs during the year.
 - (b) The rate of interest and other terms and conditions of loans given and taken by the company, are not prejudicial to the interest of the company.
 - (c) The payment of principal and interest in respect of such loans are as per stipulation, if any.





C. R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- 5.(a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public hence this clause does not apply.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they are accurate or complete.
- 9.(a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.





C. R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

- (b) According to the information and explanations given to us and the records of the company examined by us, the liabilities of income tax, sales tax, and service tax as at March 31, 2014 which have not been deposited on account of a dispute pending are as below:

Sr. No.	Name of Statute	Nature of Dues	Amount	Period	Forum
1.	Service Tax	Service Tax	₹ 2,700 lacs	F.Y. 2006 to 2009	Tribunal:- [Customs, Excise & Service Tax Appellate Tribunal, Mumbai]
2.	Service Tax	Service Tax	₹38.05 Lacs	F.Y. 2005 to 2009	Tribunal:- [Customs, Excise & Service Tax Appellate Tribunal,
3.	Service Tax	Service Tax	₹1,155 lacs	F.Y. 2006 to 2010	Service Tax Commissioner:- [The office of The Commissioner Customs & Central Excise & Service Tax]
4.	Customs Act	Penalty	₹40 lacs	F.Y 2010-2011	Tribunal:- [Customs, Excise & Service Tax Appellate Tribunal, Mumbai]

10. The company has no accumulated losses as at March 31, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.





C. R. SAGDEO & CO.
CHARTERED ACCOUNTANTS

15. In our opinion and according to the information and explanations given to us, the terms and conditions on which guarantees have been given by the company for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interests of the company.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. There are no debentures issued by the company, hence no security or charge is required to be created against the same.
20. The company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For C. R. Sagdeo & Co
Chartered Accountants
Firm/Regn. No. 108959W

CA. Suman Bose
Partner
Membership No. 045239

Place: Nagpur

Date: 22 SEP 2014

SMS Infrastructure Limited
Balance Sheet as at 31st March 2014

	Notes	31 March 2014 ₹(lacs)	31 March 2013 ₹(lacs)
Equity and Liabilities			
Shareholder's funds			
Share capital	2	1,013.31	953.71
Reserves and surplus	3	40,657.33	35,033.02
Money received against share warrants			
		41,670.64	35,986.73
Non-current liabilities			
Long-term borrowings	4	24,843.61	24,118.17
Deferred tax liabilities (Net)			94.16
Other long-term liabilities	5	3,108.00	2,279.33
Long-term provisions	6	300.09	223.27
		28,251.69	26,714.93
Current liabilities			
Short-term borrowings	7	29,905.45	30,451.74
Trade payables		1,675.01	1,987.06
Other current liabilities	8	17,654.54	16,207.12
Short-term provisions	6	1,280.06	871.52
		50,515.06	49,517.43
TOTAL		120,437.39	112,219.09
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	18,496.24	20,338.80
Intangible assets	10	36.61	40.37
Capital work-in-progress		32.95	37.08
Intangible assets under development		-	-
Non-current investments	11	16,452.54	14,418.54
Deferred tax assets (net)		94.77	-
Long-term loans and advances	12	10,446.17	7,092.72
Other non-current assets			
		45,559.28	41,927.51
Current assets			
Current investments			
Inventories	13	38,243.87	31,498.78
Trade receivables	14	18,449.67	20,272.47
Cash and cash equivalents	15	6,676.14	6,769.17
Short-term loans and advances	12	11,508.42	11,751.17
Other current assets			
		74,878.11	70,291.58
TOTAL		120,437.39	112,219.09
Summary of significant Accounting Policies	1		

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

As per our report of even date
For C. R. SAGDEO & CO.
Chartered Accountants
Firm Registration No. :108959W

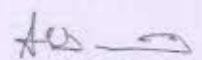


CA. SUMAN BOSE
Partner

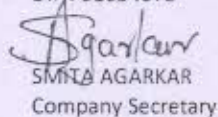


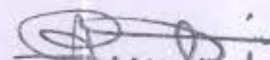
Membership No. 045239
Place : Nagpur
Date : **22 SEP 2014**

**For and on behalf of the Board of Directors of
SMS Infrastructure Limited**

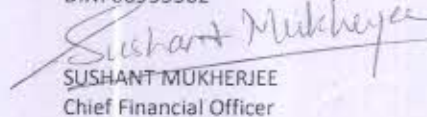


ABHAY H. SANCHETI
Chairman
DIN: 01654073


SMITA AGARKAR
Company Secretary



ANAND S. SANCHETI
Managing Director
DIN: 00953362


SUSHANT MUKHERJEE
Chief Financial Officer

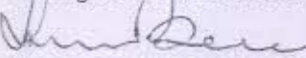
SMS Infrastructure Limited

Statement of Profit and Loss for the period ended 31st March 2014

	Notes	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Continuing operations			
Income			
Revenue from operations (Gross)	16	115,407.81	110,200.93
Less : Excise duty		-	-
I. Revenue from operations (Net)		115,407.81	110,200.93
II. Other income	17	1,997.67	2,427.33
III. Total revenue (I)		117,405.48	112,628.26
IV. Expenses			
Cost of Material Consumed	18	23,397.87	15,920.46
Construction Expenses	19	66,005.49	70,450.32
Employee Benefits Expenses	20	4,727.93	4,267.30
Financial Cost	21	11,843.11	10,004.30
Depreciation and Amortisation expenses	22	3,191.01	3,138.33
Other Expenses	23	2,479.62	2,626.65
Total expenses (II)		111,645.03	106,407.37
Profit before exceptional and extraordinary items and tax (III-IV)			
V. Exceptional Items		5,760.45	6,220.90
VI. Extraordinary Items		-	-
VIII. Profit/ (Loss) before tax		5,760.45	6,220.90
IX. Tax expenses			
(1) Current tax		1,950.00	1,888.74
(2) Deferred tax		(188.93)	(88.21)
Total Tax Expense		1,761.07	1,800.54
X. Profit (Loss) for the period from continuing operations (VII-VIII)		3,999.38	4,420.36
Discontinuing operations			
XI. Profit/(loss) before tax from discontinuing operation		-	-
XII. Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XI-XII)		-	-
XIII. Profit (Loss) for the period (X + XIII)		3,999.38	4,420.36
XV. Earnings per equity share:			
Basic		39.47	46.35
Diluted		39.47	46.35
Summary of significant Accounting Policies	1		

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

As per our report of even date
For **C. R. SAGDEO & CO.**
Chartered Accountants
Firm Registration No. :108959W


CA. SUMAN BOSE
Partner

Membership No. 045239/PUR
Place : Nagpur
Date : **22 SEP 2014**

For and on behalf of the Board of Directors of
SMS Infrastructure Limited


ABHAY H. SANCHETI
Chairman
DIN: 01654073

SMTA AGARKAR
Company Secretary


ANAND S. SANCHETI
Managing Director
DIN: 00953362

SUSHANT MUKHERJEE
Chief Financial Officer

SMS Infrastructure Limited
Cash flow statement for the year ended 31 March 2014

	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)
Cash flow from operating activities		
Profit before tax	5,760.45	6,220.90
Non-cash adjustment to reconcile profit before tax to net cash flows		
Share of (profit)/loss from investment in partnership firm	-	-
Depreciation/amortization on continuing operation	3,191.01	3,138.33
Deferred Tax	(188.93)	(88.21)
Interest expense	11,843.11	10,004.30
Interest income	(1,169.38)	(584.08)
Dividend income from Subsidiary	(113.19)	(590.57)
Dividend income	-	(0.38)
Operating profit before working capital changes	19,323.07	18,100.30
Movements in working capital :		
Increase/(decrease) in trade payables	(312.05)	(925.19)
Increase / (decrease) in long-term provisions	76.81	61.14
Increase / (decrease) in short-term provisions	408.54	(1,086.52)
Increase/(decrease) in other current liabilities	1,447.42	782.04
Increase/ (decrease) in other long-term liabilities	828.67	772.46
Decrease/(increase) in trade receivables	1,822.80	(3,849.08)
Decrease/(increase) in inventories	(6,745.10)	(8,658.47)
Decrease / (increase) in long-term loans and advances	(3,353.46)	4,000.18
Decrease / (increase) in short-term loans and advances	242.75	2,382.75
Cash generated from / (used in) operations	13,739.46	11,579.61
Direct taxes paid (net of refunds)	(2,051.30)	(1,800.54)
Net cash flow from/ (used in) operating activities (A)	11,688.16	9,779.07
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,340.56)	(1,258.98)
Proceeds from sale of fixed assets	-	-
Purchase of non-current investments	(2,034.00)	(2,303.52)
Interest received	1,169.38	584.08
Dividends received from subsidiary company	113.19	590.57
Dividends received	-	0.38
Net cash flow from/ (used in) investing activities (B)	(2,091.99)	(2,387.48)
Cash flow from financing activities		
Proceeds from issuance of share capital	2,086.23	
Proceeds from issuance of preference share capital		
Proceeds from long-term borrowings	725.44	944.49
Proceeds from short-term borrowings	(546.29)	1,896.03
Interest paid	(11,843.11)	(10,004.30)
Dividends paid on equity shares	(111.46)	(572.22)
Proposed Dividend Reversed		
Tax on equity dividend paid		
Net cash flow from/ (used in) in financing activities (C)	(9,689.19)	(7,736.00)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(93.03)	(344.41)
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	6,769.17	7,113.58
Cash and cash equivalents at the end of the year	6,676.14	6,769.17



Components of cash and cash equivalent

Cash on hand	467.59	534.74
Cheques/ drafts on hand		-
With banks- on current account	424.43	1,262.92
-- on deposit account	5,784.12	4,971.51
Total cash and cash equivalents	6,676.14	6,769.17

Summary of significant Accounting Policies (refer to Note 1)

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

As per our report of even date

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

CA. SUMAN BOSE

Partner

Membership No. 045239

Place : Nagpur

Date:

22 SEP 2014



For and on behalf of the Board of Directors of
SMS Infrastructure Limited

ABHAY H. SANCHETI

Chairman

DIN: 01654073

SMITA AGARKAR

Company Secretary

ANAND S. SANCHETI

Managing Director

DIN: 00953362

SUSHANT MUKHERJEE

Chief Financial Officer

SMS Infrastructure Limited

Note 1. Significant Accounting Policies

1. Corporate information

SMS Infrastructure limited, is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of construction and commissioning and Lumpsum Turnkey facilities in various infrastructure projects like Road, Bridges,EPC for power sector, Underground Mining Work etc., for Central/State Governments, other local bodies and Private Sector in the Country.

2. Basis of preparation

The financial statements of the company have been prepared on accrual basis and in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of the Section 133 of the Companies Act,2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs, Government of India and the relevant provisions of the Companies Act, 1956/2013, as applicable. The financial statements have been prepared under the historical cost convention method.

3. Fixed Assets:

Fixed assets are stated at cost of acquisition including attributable interest on qualifying fixed assets & financial cost till the date of acquisition/ installation of the assets, less accumulated depreciation thereon and net of impairment. Where the acquisition of fixed assets is financed through long term foreign currency loans (having a tenor of 12 months or more at the time of their origination) the exchange difference on such loans is added to or subtracted from the cost of such fixed assets.

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.

Direct cost as well as related incidental and identifiable expenses incurred on acquisition of fixed assets that are not yet ready for their intended use or put to use at the Balance Sheet date are stated as Capital Work in Progress.

An Intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its costs can be measured reliably.



4. Depreciation:

- I. **Tangible Assets:** Depreciation has been calculated in accordance with Section 205(2) (b) of the Companies Act 1956 as under:
 - The depreciation is provided from the date the assets are put to use, on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
 - The company provides 100% depreciation on fixed assets with values less than or equal to ₹ 5,000 as per the provisions of Schedule XIV of the Companies Act 1956.
- II. **Intangible Assets:** Intangible assets are stated at cost of acquisition less accumulated amortization and net of impairment.
- III. **Leasehold Land:** Leasehold land is amortized over the period of lease.

5. Investments:

Investments that are readily realizable and are intended to be held for not more than 12 (twelve) months are classified as Current Investments. All other investments are classified as Long Term Investments.

- I. The Long Term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long Term Investments.
- II. Current Investments are valued at lower of cost or fair value.

6. Valuation of Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

- I. The stock of construction material, stores spares and embedded goods and fuel is valued at cost or net realizable value whichever is lower.
- II. Work-in-Progress is valued at the contract rates.

7. Construction Contracts:

- I. The Company follows the percentage completion method, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for, proportionate to the percentage of the actual work done.
- II. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.
- III. Expenditure incurred in respect of additional costs / delays are accounted for the year in which they are incurred. Escalation and other claims, which are not ascertainable /



acknowledged by customers, are not taken into account. Claims generally are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client

8. Revenue Recognition: Revenue from construction contracts is recognized by reference to the percentage of completion of the contract activity.

- I. In case of item rate contracts, on the basis of physical measurement of work actually completed at the balance sheet date.
- II. In case of lump-sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.
- III. Claims are accounted as income in the year of receipt of insurance claim.
- IV. Dividend Income is recognized when the right to receive dividend is established. Interest income is recognized on time proportion basis.

9. Foreign Currency Transactions: Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Gains or Losses resulting from settlement of such transactions are recognized in the Profit and Loss Account.

- I. Foreign branches and foreign sister concerns are classified as integral foreign operations. Assets, Liabilities, Income & Expenditure (both monetary and non-monetary) are translated at the day to day rate during the year.
- II. All resulting exchange differences are recognized in Profit and Loss Account.

10. Employee Benefits:

Liabilities for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006.

- I. **Provident Fund:** Contribution to provident fund and superannuation fund is accounted on accrual basis. In accordance with applicable local laws, eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's basic salary.) The Company has no further obligation beyond this contribution.
- II. **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees on



retirement, death while in employment or on termination of employment in an amount equivalent to 15 completion of days salary payable for each completed year of service. Vesting occurs upon five years of service. The Company accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation.

The actuarial valuation is done as per projected unit credit method.

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

12. Leases: Assets acquired under lease where the Company has substantially all the risks & rewards are classified as financial lease. Such leases are capitalized at the inception at the lower of the fair value and present value of minimum lease payments. Assets taken on finance lease are depreciated over estimated useful life or term of lease whichever is lower.

Assets acquired under the lease where the significant portion of risks and rewards of ownership are retained by the lesser are classified as operating lease. Lease rentals are charged to Profit & Loss Account on accrual basis.

13. Taxes on Income:

- I. **Current Taxation:** Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961.
- II. **Deferred Tax:** Deferred Tax resulting from the timing difference between book profit & taxable profit for the year is accounted, using the tax laws and rates that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only if there is a reasonable certainty that deferred tax asset will be realized in future.

14. Joint Ventures:

- I. Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- II. In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as Investments, Loans & Advances or Current Liabilities.
- III. **Contingent Liability:** It is the policy of the company to disclose separate from its own contingent liability, the contingent liability in joint venture.
- IV. **Capital Commitment:** Any capital commitment of the venture in relation to its interest in joint ventures and its share in the capital commitments that have been incurred jointly with other ventures.



- 15. Impairment of Assets:** The Company assesses at each Balance Sheet date whether there is any indication that an asset, including intangible asset, may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account.
- 16. Earnings per share:** The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, "Earnings Per Share" notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share are computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.
- 17. Provisions, Contingent Liabilities and Contingent Assets:** A provision is recognized when the company has the present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When a company expects any provision to be reimbursed, the reimbursement is recognized as a separate asset only when reimbursement is virtually certain.

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


Contingent Assets are not recognized in the financial statements.

For C. R. Sagdeo & Co.

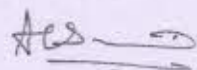
Chartered Accountants

Firm Regn. No. 108959W

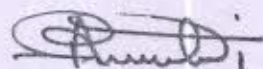

CA. Suman Bose
Partner
Membership No. 045239
Place: Nagpur
Date: 22 SEP 2014



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SMS INFRASTRUCTURE LTD.

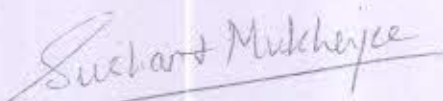

ABHAY H. SANCHETI

Chairman
DIN: 01654073


ANAND S. SANCHETI

Managing Director
DIN: 00953362


SMITA AGARKAR
Company Secretary


SUSHANT MUKHERJEE
Chief Financial Officer

2. Share capital

	31 March 2014	31 March 2013
	₹(lacs)	₹(lacs)
Authorized shares 15,000,000 (31 March 2013: 15,000,000) equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued, subscribed and fully paid-up shares 10133116 (31 March 2013: 9,537,051) equity shares of ₹ 10/- each	1,013.31	953.71
Total issued, subscribed and fully paid-up share capital	1,013.31	953.71

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

	31 March 2014		31 March 2013	
Equity shares	No.	₹(in lacs)	No.	₹(in lacs)
At the beginning of the period	9,537,051	953.71	9,537,051	953.71
Add : Rights Issued During the Year	596,065	59.61	0	-
Issued during the period – Bonus issue	-	-	-	-
Issued during the period – ESOP	-	-	-	-
Outstanding at the end of the period	10,133,116	1,013.31	9,537,051	953.71

b. Terms/Rights attached to shares

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

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

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

	31 March 2014		31 March 2013	
Equity shares of ₹ 10/- each fully paid	No.	% holding in the class	No.	% holding in the class
Shri Abhay Harakchand Sancheti	3,051,869	30.12%	2,872,347	30.12%
Shri Ajay Shaktikumar Sancheti	2,288,876	22.59%	2,154,236	22.59%
Shri Anand Shaktikumar Sancheti	2,288,876	22.59%	2,154,236	22.59%
M/s Femina Industrial Finance Private Limited	1,008,676	9.95%	935,125	9.81%
M/s Femina Share Management Services Private Limited	800,450	7.90%	747,825	7.84%

	Year (Aggregate No. of Shares)				
Equity Shares :	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL



SMS infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

3. Reserves & Surplus

	31 March 2014	31 March 2013
	₹(lacs)	₹(lacs)
Securities Premium Account		
Balance as per the last financial statements	8,133.66	8,133.66
Add: Additions during the year	2,026.62	-
Less: amounts utilized toward issue of fully paid bonus shares	-	-
Closing Balance	10,160.28	8,133.66
Foreign Project Reserve		
Balance as per the last financial statements	5.48	5.48
Add: amount transferred from surplus balance in the statement of profit and loss	-	-
Less : Amount utilised during the year	-	-
Closing Balance	5.48	5.48
General Reserve		
Balance as per the last financial statements	1,011.38	569.35
Add: amount transferred from surplus balance in the statement of profit and loss	99.98	442.04
Less : Amount utilised during the year	-	-
Closing Balance	1,111.37	1,011.38
Surplus/(Deficit) in the statement of Profit and Loss		
Balance as per last financial statements	25,882.50	22,476.40
Add: Provision for Dividend reversed	-	-
Add: Profit for the year	3,999.38	4,420.36
Less: Appropriations	-	-
Transfer General Reserve	99.98	442.04
Interim Dividend Paid	111.46	572.22
Proposed final equity dividend	-	-
Income Tax of earlier years	290.23	-
Tax on proposed equity dividend	-	-
Net surplus in the statement of profit and loss	29,380.20	25,882.50
Total Reserves and Surplus	40,657.33	35,033.02



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

4. Long-Term Borrowings

	Non-Current portion		Current Maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	₹(lacs)	₹(lacs)	₹(lacs)	₹(lacs)
I. Secured				
(A) Term Loans				
(a) From Banks				
(1) Axis Bank Ltd.	16.90	26.34	9.45	11.29
(2) HDFC Bank Ltd.	37.26	1,122.39	50.82	310.72
(3) ICICI Bank Ltd.	242.17	303.41	428.07	353.48
(4) Kotak Mahindra Bank Ltd.	306.18	114.10	277.17	211.26
(b) From other parties				
(1) SREI Equipment Finance Pvt. Ltd.	5,215.31	8,859.24	5,556.72	4,661.07
(2) TATA Capital Ltd.	63.29	64.96	113.96	99.12
(3) TATA Motors Finance Ltd.	-	0.75	0.75	127.72
(4) TATA Capital Financial Services Ltd.	2.52	6.48	3.96	3.55
(5) Volkswagen Finance Private Ltd	-	2.49	2.49	14.12
(6) Toyota Motor Financial Services Ltd.	5.45	-	3.64	-
(B) Mobilisation Advance from bills	11,696.10	11,255.67	-	-
(C) Secured Advance from bills	7,258.44	2,362.35	-	-
Net amount	24,843.61	24,118.17	6,447.04	5,792.34

Note : For Securities please refer individual bank wise notes given



4.1 Additional Information to Secured Long Term Borrowings :

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

4.2 Details of Securities and Terms of Repayments

I. Secured

(A) Term Loans

(a) From Banks

(1) Axis Bank Ltd. - Note No. 4.I.(A) (a) (1)

Secured by first charge by way of hypothecation of specific plant & machineries and heavy vehicles as specified in the schedule as follows.

Outstanding Balance as on 31.03.2014	Rate of interest %	Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
146,077.00	0.11	7/27/2012	4	37,379.00	4 months
2,488,035.00	0.10	3/14/2012	34	84,438.00	2 years and 10 months

(2) HDFC Bank Ltd.- Note No. 4.I.(A) (a) (2)

Secured by first charge by way of hypothecation of specific plant & Machinery as specified in the schedule annexed to the agreement, dated 30.11.2013. The term loan is repayable in 23 monthly installments of ₹ 4,86,035/- each. No. of installments due as on balance sheet date are 23

(3) ICICI Bank Ltd.- Note No. 4.I.(A) (a) (3)

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

Outstanding Balance as on 31.03.2014	Rate of interest %	Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
2,141,268.00	10.94%	12/23/2011	8	279,592.00	8 months
210,247.30	11.72%	12/30/2011	10	22,170.00	10 months
1,235,020.00	10.24%	1/18/2012	10	129,520.00	10 months
153,490.00	12.25%	1/5/2012	9	18,018.00	9 months
137,123.00	12.25%	1/5/2012	9	16,097.00	9 months
8,554,928.50	8.73%	1/31/2012	12	746,462.00	1 year
2,023,476.40	10.76%	10/7/2012	43	58,380.00	3 years 7 months
4,703,206.80	11.12%	8/2/2013	15	338,621.00	1 year 3 months
1,999,785.90	11.12%	8/2/2013	15	143,980.00	1 year 3 months
1,999,785.90	11.12%	8/2/2013	15	143,980.00	1 year 3 months
848,395.80	11.12%	8/2/2013	15	61,083.00	1 year 3 months
5,603,198.10	11.12%	8/2/2013	15	403,419.00	1 year 3 months
1,868,485.10	11.12%	8/2/2013	15	134,527.00	1 year 3 months
1,346,658.40	11.12%	8/2/2013	15	96,957.00	1 year 3 months
932,558.20	11.12%	8/2/2013	15	67,142.00	1 year 3 months
986,427.30	11.12%	8/2/2013	15	71,021.00	1 year 3 months
6,059,961.00	11.12%	8/2/2013	15	436,304.00	1 year 3 months
397,263.00	11.12%	8/2/2013	15	28,602.00	1 year 3 months
522,160.40	11.03%	8/21/2013	29	20,633.00	2 years 5 months
810,083.50	10.45%	9/21/2013	30	30,855.00	2 years 6 months
835,106.20	10.45%	9/30/2013	31	30,855.00	2 years 7 months
427,927.80	12.25%	10/31/2013	29	17,124.00	2 years 5 months
1,184,462.60	11.12%	10/1/2013	29	46,765.00	2 years 5 months
2,887,574.40	11.12%	10/1/2013	29	114,007.00	2 years 5 months
646,915.70	11.45%	11/1/2013	31	24,204.00	2 years 7 months
646,731.30	11.45%	11/1/2013	31	24,139.00	2 years 7 months
646,915.70	11.45%	11/1/2013	31	24,204.00	2 years 7 months
1,705,659.60	11.45%	11/1/2013	31	63,656.00	2 years 7 months
1,705,659.60	11.45%	11/1/2013	31	63,656.00	2 years 7 months
6,877,434.60	11.26%	1/4/2014	33	243,317.00	2 years 9 months
803,607.00	11.01%	2/6/2014	35	26,953.00	2 years 11 months
5,600,850.00	11.16%	3/20/2014	37	188,205.00	3 years 1 months
521,620.00	10.35%	9/30/2013	30	19,914.00	2 years 6 months



(4) Kotak Mahindra Bank Ltd.- Note No. 4.I.(A) (a) (4)

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

Outstanding Balance as on 31.03.2014	Rate of interest %		Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
488,801.00	11.45%	Fixed	8/29/2011	4	125,255.00	4 months
1,375,516.00	10.06%		9/13/2011	5	282,304.00	5 months
4,468,822.00	11.50%		12/22/2012	33	246,543.00	2 years 9 months
5,770,855.00	11.25%		12/22/2012	33	318,184.00	2 years 9 months
46,231,366.00	11.00%		6/6/2013	26	2,013,029.00	2 year and 2 months

(b) From Others**(1) SREI Equipment Finance Pvt. Ltd.- Note No. 4.I.(A) (b) (1)**

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

Outstanding Balance as on 31.03.2014	Rate of interest %		Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
28,098,516.00	16.00%	Fixed	11/28/2011	9	3,726,310.00	9 months
28,098,518.00	16.00%		11/29/2011	9	3,726,310.00	9 months
15,703,039.00	16.00%		12/15/2011	9	1,863,155.00	9 months
17,335,059.00	16.00%		2/15/2012	10	1,863,155.00	10 months
100,778,826.13	15.00%		10/30/2013	18	6,287,000.00	1 Years 6 Months
90,437,762.68	15.06%		11/15/2013	25	4,318,635.00	2 Years 1 Month
91,832,399.62	15.06%		11/15/2013	25	4,385,264.00	2 Years 1 Month
19,505,964.29	15.06%		11/15/2013	25	931,440.00	2 Years 1 Month
44,800,755.52	15.06%		11/15/2013	25	2,139,370.00	2 Years 1 Month
27,057,755.02	15.06%		11/15/2013	25	1,292,105.00	2 Years 1 Month
90,036,682.04	15.06%		11/15/2013	25	4,299,510.00	2 Years 1 Month
92,342,212.61	15.06%		11/15/2013	25	4,409,600.00	2 Years 1 Month
92,005,330.67	15.06%		11/15/2013	25	4,393,280.00	2 Years 1 Month
118,991,850.35	15.06%		11/15/2013	25	5,681,980.00	2 Years 1 Month
91,887,972.23	15.06%		11/15/2013	25	4,387,870.00	2 Years 1 Month
128,290,879.49	15.06%		11/15/2013	25	6,126,270.00	2 Years 1 Month

(2) TATA Capital Ltd. - Note No. 4.I.(A) (b) (2)

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

Outstanding Balance as on 31.03.2014	Rate of interest %		Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
47,268.00	10.75%	Fixed	5/28/2011	2	24,138.00	2 months
115,730.00	11.65%		8/19/2011	5	23,960.00	5 months
647,659.00	11.00%		9/28/2011	6	112,015.00	6 months
1,515,029.00	11.20%		12/17/2011	9	177,300.00	9 months
3,807,879.00	11.75%		12/19/2011	8	497,511.00	8 months
358,150.00	11.00%		10/15/2012	19	20,625.00	1 year 7 months
11,233,016.00	12.08%		5/28/2013	26	510,054.00	2 year 2 months

(3) TATA Motors Finance Ltd. - Note No. 4.I.(A) (b) (3)

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

Outstanding Balance as on 31.03.2014	Rate of interest %		Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
75,164.00	8.99%	Fixed	5/4/2011	1	75,744.00	1 month



(4) TATA Capital Financial Services Ltd. - Note No. 4.i.(A) (b) (4)

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

Outstanding Balance as on 31.03.2014	Rate of interest %		Date of Agreement/Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
647,753.00	11%	Fixed	10/15/2012	19	37,320.00	1 year 7 months

(5) Volkswagen Finance Private Ltd.- Note No. 4.i.(A) (b) (5)

Secured by first charge by way of hypothecation of specific Vehicle as specified in the schedule annexed to the agreement, dated 02.06.2011. The term loan is repayable in 36 monthly installments of ₹ 1,26,882/- each. No. of installments due as on Balance Sheet date are 2 numbers

(6) Toyota Financial Services India Ltd.- Note No. 4.i.(A) (b) (6)

Secured by first charge by way of hypothecation of specific Vehicle as specified in the schedule annexed to the agreement, dated 02.08.2013. The term loan is repayable in 36 monthly installments of ₹ 36,889/- each. No. of installments due as on Balance Sheet date are 28 numbers

(B & C) Mobilisation advance & Secured Advance

Secured against Bank Guarantees issued by Banks on various dates as under

Bank Name	Particulars	B.G. (₹ in lacs)
Andhra Bank	Various Bank Guarantees issued by the bank	622,441,954.00
Bank of India	Various Bank Guarantees issued by the bank	340,152,938.00
Canara Bank	Various Bank Guarantees issued by the bank	403,368,125.00
Punjab National Bank	Various Bank Guarantees issued by the bank	345,669,379.00
State Bank of India	Various Bank Guarantees issued by the bank	521,556,802.00
Grand Total		2,233,189,198.00

4.3 The company has not defaulted in repayment of any loans as on the date of Balance Sheet.



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

5. Other long-term liabilities

	<u>31 March 2014</u>	<u>31 March 2013</u>
	<u>₹(lacs)</u>	<u>₹(lacs)</u>
Security Deposits		
Security deposits from sub contractor	3,108.00	2,279.33
	<u>3,108.00</u>	<u>2,279.33</u>



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

6. Provisions

	Long-Term		Short-Term	
	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Provision for employee benefits				
Provision for Gratuity	300.09	223.27	-	-
	<u>300.09</u>	<u>223.27</u>		
Other provisions				
Expenses Payable	-	-	1,273.42	866.26
Wealth Tax Provision	-	-	6.64	5.26
	<u>-</u>	<u>-</u>	<u>1,280.06</u>	<u>871.52</u>
Total	<u>300.09</u>	<u>223.27</u>	<u>1,280.06</u>	<u>871.52</u>



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

7. Short-term borrowings

	31 March 2014	31 March 2013
	₹(lacs)	₹(lacs)
Loan Payable on Demand		
(A) Cash credit from banks (secured)	28,404.78	29,451.74
(B) Corporate Loan - Bank of India (Secured)	1,000.00	1,000.00
(C) Adhoc Loan - Andhra Bank (Secured)	500.68	-
Total	29,905.45	30,451.74

1. Note 7 (A) - Cash Credits from Banks

Secured by way of

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

b) Personal guarantees of Directors to the extent of ₹ 110200.00 lacs for fund base and non fund base limits.

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

d) The cash credit is repayable on demand and is carries interest within the range of 12.20% to 14.75% p.a.

2. Note 7 (B) - Corporate Loan

Secured by way of

a) Properties as mentioned in the sanction letter dated 02.07.2013 and FDR to the extent of ₹ 221.60 lacs. The interest is chargeable @ 13.20% p.a.

b) Personal guarantees of Directors to the extent of ₹ 1000.00 lacs

3. The company has not defaulted in utilisation of the credit facility as on the date of Balance Sheet.

3. Note 7 (C) - Adhoc Loan

Secured by way of

a) Primary security on stock comprising of raw material, WIP, consumable stores & spare parts both present and future as mentioned in the annexure to the coposite agreement dated 12/03/2014. The interest is charged @ 16.25% p.a

b) The company has not defaulted in utilisation of the credit facility as on the date of Balance Sheet.



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

8. Other Current Liabilities

	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)
1) Trade payables	1,675.01	1,987.06
1) Other Current Liabilities		
i) Current maturities of long-term borrowings	6,447.04	5,792.34
ii) Others		
a) Other Deposits from sub-contractors	10,308.65	9,592.10
b) Service tax payable	341.43	165.30
c) ESIC Payable	0.44	1.43
d) Profession Tax Payable	3.23	12.00
e) Provident Fund Payable	28.39	31.53
f) Salary and Consultancy Payable	81.84	141.41
g) TDS payable	431.64	442.26
h) WCST Payable	11.88	28.76
	<u>17,654.54</u>	<u>16,207.12</u>
Total	<u>17,654.54</u>	<u>16,207.12</u>

Note 8 (1) - Trade Payables

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



₹ in lacs

9. Tangible asset

	Leasehold		Plant & Machinery	Office		Furniture &		Total
	Land	Land & Building		Equipments	Computers	Fixture	Vehicle	
Cost or valuation								
At 1st April 2012	0.71	3,925.99	28,173.54	398.86	788.48	243.57	1,508.03	35,039.18
Additions	0.15	148.46	1,123.07	44.51	90.78	28.08	69.33	1,504.36
Disposals	-	669.16		3.69	0.40	0.46	78.50	752.21
Interhead adjustment	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-
Borrowing cost	-	-	-	-	-	-	-	-
At 31st March 2013	0.86	4,074.45	28,627.44	439.68	878.85	271.19	1,498.86	35,791.33
At 1st April 2013	0.86	4,074.45	28,627.44	439.68	878.85	271.19	1,498.86	35,791.33
Additions	-	182.67	985.67	44.68	40.15	21.30	152.02	1,426.50
Disposals	-	-	68.41	7.43	2.13	2.58	110.90	191.46
Interhead adjustment	(0.15)	0.15	(2.58)	1.90	0.05	0.62	-	(0.00)
At 31st March 2014	0.71	4,257.28	29,542.12	478.83	916.93	290.53	1,539.97	37,026.37

	Leasehold		Plant & Machinery	Office		Furniture &		Total
	Land	Land & Building		Equipments	Computers	Fixture	Vehicle	
Depreciation								
At 1st April 2012	0.15	151.86	11,439.43	80.82	642.05	65.96	560.75	12,941.02
Charge for the year	0.15	34.44	2,861.91	22.16	54.74	27.22	127.60	3,128.22
Disposals	-	-	563.50	1.31	0.28	0.46	51.17	616.71
Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-
At 31st March 2013	0.30	186.30	13,737.84	101.67	696.52	92.73	637.17	15,452.53
At 1st April 2013	0.30	186.30	13,737.84	101.67	696.52	92.73	637.17	15,452.53
Charge for the year	0.15	37.78	2,906.79	24.75	48.69	28.98	124.00	3,171.13
Disposals	-	-	39.82	1.86	1.73	0.97	49.15	93.53
At 31st March 2014	0.45	224.08	16,604.82	124.57	743.47	120.73	712.02	18,530.13

Impairment loss

At 1st April 2012

At 31 March 2013

Charge for the year

At 31st March 2014

Net Block

At 31st March 2013

At 31st March 2014



SMS Infrastructure Limited

Notes to Financial statements for the year ended 31 March 2014

₹ in lacs

10. Intangible Asset

	Goodwill	Brands/ Trademarks	Patent and IPR	Technical Knowhow	Computer Software	Total
Gross block						
At 1st April 2012	-	-	-	-	-	-
Purchase	-	-	-	-	54.73	54.73
Internal development	-	-	-	-	-	-
At 31st March 2013	-	-	-	-	54.73	54.73
At 1st April 2013	-	-	-	-	54.73	-
Purchase	-	-	-	-	16.12	16.12
Acquisitions through amalgamation	-	-	-	-	-	-
At 31st March 2014	-	-	-	-	70.84	70.84
Amortization						
At 1st April 2012	-	-	-	-	-	-
Charge for the year	-	-	-	-	14.35	14.35
At 31st March 2013	-	-	-	-	14.35	14.35
at 1st April 2013	-	-	-	-	14.35	-
Charge for the year	-	-	-	-	19.88	19.88
At 31st March 2014	-	-	-	-	34.24	34.24
Net Block						
At 31st March 2013	-	-	-	-	40.37	40.37
At 31st March 2014	-	-	-	-	36.61	36.61



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

11. Non-current Investments

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
I. Trade investments (valued at cost unless stated otherwise)		
(a) Investment in Subsidiaries (Unquoted)	13,190.75	12,033.92
(b) Investment in Associates (Unquoted)	468.12	468.12
(c) Investment in Joint Ventures	2,723.32	1,847.16
(A)	16,382.19	14,349.19
II. Non-trade investments (valued at cost unless stated otherwise)		
(a) Investment in Equity instruments (Unquoted)	69.24	69.24
(b) Investment in Government Securities (National Savings Certificate)	1.10	0.10
(B)	70.34	69.34
Total (A+ B)	16,452.54	14,418.54



Details of Non Current Investments (valued at cost unless otherwise specified)

31 March 2014
Unquoted
₹ (lacs)

31 March 2013
Unquoted
₹ (lacs)

I Trade Investments

A Investment in Equity Instruments

a In Subsidiary -

1 Companies in India

(i) SMS Anamklean Greentech Pvt. Ltd.
9,000 Equity shares of ₹ 10 each fully paid 0.90

(ii) SMS Watergrace Mediawaste Pvt. Ltd.
5,100 Equity shares of ₹ 10 each fully paid 0.51

(iii) SMS Bhatgaon Mines Extension Pvt. Ltd.
5,10,000 Equity shares of ₹ 10 each fully paid 51.00 51.00

(iv) SMS Envoclean Pvt. Ltd.
23,64,558 Equity shares of ₹ 10 each fully paid 112.60 112.60

(v) SMS Infolink Pvt. Ltd.
10,000 Equity shares of ₹ 10 each fully paid 1.00 1.00

(vi) SMS Mine Developers Pvt. Ltd.
5,100 Equity shares of ₹ 10 each fully paid 0.51 0.51

(vii) SMS Parking Solution Pvt. Ltd.
1,19,29,676 Equity shares of ₹ 10 each fully paid 6,511.10 5,352.98

(viii) SMS Taxicabs Pvt. Ltd.
87,45,000 Equity shares of ₹ 10 each fully paid 1,747.00 1,747.00

(ix) SMS Vidhut Pvt. Ltd.
20,00,000 Equity shares of ₹ 10 each fully paid 797.00 796.98

(x) SMS Watergrace BMW Pvt. Ltd.
15,29,500 Equity shares of ₹ 10 each fully paid 152.95 152.95

(xi) Solar Bhatgaon Extension Mines Pvt. Ltd.
5,10,000 Equity shares of ₹ 10 each fully paid 51.00 51.00

(xii) SMS Tolls And Developers Ltd.
50,000 Equity shares of ₹ 10 each fully paid 5.00 4.90

(xiii) Patwardhan Infrastructure Pvt. Ltd.
49,214 Equity shares of ₹ 100 each fully paid 60.54 60.54

(xiv) Maharashtra Enviro Power Ltd.
37,83,401 Equity shares of ₹ 10 each fully paid 3,000.20 3,000.20

(xvi) Ayodhya Gorakhpur SMS Tolls Private Limited
10,000 Equity shares of ₹ 10 each fully paid 1.00 1.00

(xvii) SMS Shivnath Infrastructure Pvt. Ltd.
62,79,322 Equity shares of ₹ 10 each fully paid 565.14 565.14

2 Companies outside India

Pt. SMS Minerals International
3,20,000 Equity shares of USD 1 each fully paid 134.71 134.71

13,190.75 12,033.92

b Investment in Associates

1 Companies in India

RCCL Infrastructure Pvt. Ltd.
15,65,200 Equity shares of ₹ 10 each fully paid 467.86 467.86

SMS-AAMW Tollways Pvt. Ltd.
2,600 Equity shares of ₹ 10 each fully paid 0.26 0.26

468.12 468.12



c. Investment in Joint Ventures

Name of the Venture	Name of Venture Partner/s	Share of Interest	31-Mar-14	31-Mar-13
			₹ (lacs)	₹ (lacs)
SMS Infrastructure Ltd. & West Coast Engg. (J.V.)	West Coast Engineering Corp.	SMS Infrastructure Ltd. 51% West Coast Engg. Corp. 49%	-	33.34
Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. (JV)	S.N.Thakkar Construction Pvt. Ltd.	SMS Infrastructure Ltd. 65% S N Thakkar Construction Pvt. Ltd. 35%	229.96	203.68
SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V)	D.Thakkar Construction Pvt. Ltd.	SMS Infrastructure Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	210.63	159.69
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)	Brahamaputra Infrastructure Pvt Ltd (JV)	SMS Infrastructure Ltd.51% Brahamaputra Infrastructure Pvt. Ltd. 49%	17.51	14.88
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V)	Brahamaputra Infrastructure Pvt Ltd (JV)	SMS Infrastructure Ltd.51% Brahamaputra Infrastructure Pvt. Ltd. 49%	11.70	11.91
SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd.	Aarti Infra-Projects Pvt. Ltd.	SMS Infrastructure Ltd.51% AIPPL. 49%	55.23	55.35
Khare Tarkunde Infrastructure Pvt. Ltd. A/c Parwana (JV)	Khare Tarkunde Infrastructure Pvt. Ltd.	SMS Infrastructure Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	2,012.93	1283.38
SMS Infrastructure Ltd. & Shree Nath. Enterprises (J.V)	M/s. Shreenath Enterprises	SMS Infrastructure Ltd.36.50% Shreenath Enterprises 63.50%	65.80	23.92
SMSIL-KTCCO (JV)	Khare Tarkunde Infrastructure Pvt. Ltd.	SMS Infrastructure Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	1.12	0.18
EKS (JV)	Nayee Deesha Communications Pvt. Ltd. & Karukrit Advertising Pvt. Ltd.	SMS Infrastructure Ltd.33.33%,Nayee Deesha Communications Pvt. Ltd. 33.33% & Karukrit Advertising Pvt. Ltd.33.33%	-	3.63
GSJ ENVO LTD. IN CONSORTIUM WITH SMSIL	GSJ ENVO. LTD. & SMS INFRASTRUCTURE LTD.	SMS Infrastructure Ltd. 70 % & GSJ Envo Ltd. 30 %	118.44	57.21
			2,723.32	1,847.17

ii Non-Trade Investments (Valued at Cost unless stated otherwise)

A Investment in Equity Instruments	31 March 2014	31 March 2013
	Unquoted ₹ (lacs)	Unquoted ₹ (lacs)
(i) Khamgaon Urban Co-Operative Bank Ltd. 100 Equity shares of ₹ 10 each fully paid	0.01	0.01
(ii) Nandura Urban Co-Operative Bank Ltd. 43 Equity shares of ₹ 100 each fully paid	0.04	0.04
(iii) Malkapur Urban Co-Operative Bank Ltd. 1,000 Equity shares of ₹ 100 each fully paid	1.00	1.00
(iv) Soundwave Creations Pvt. Ltd. 5,88,000 Equity shares of ₹ 10 each fully paid	68.19	68.19
	69.24	69.24



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

12. Loans and advances

	Non-Current Portion		Current Portion	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
(A)	-	-	-	-
Security deposit				
Secured, considered good	7,807.78	6,173.74	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	7,807.78	6,173.74	-	-
Provision for doubtful security deposit	-	-	-	-
(B)	7,807.78	6,173.74	-	-
Loan and advances to related parties				
Unsecured, considered good	-	-	-	-
(C)	-	-	-	-
Advances recoverable in cash or kind				
Secured considered good	2,638.39	918.98	-	-
Unsecured considered good	-	-	-	-
Doubtful	-	-	-	-
	2,638.39	918.98	-	-
Provision for doubtful advances	-	-	-	-
(D)	2,638.39	918.98	-	-
Other loans and advances				
Secured, considered good				
Advance income-tax (net of provision)	-	-	1,275.18	1,854.56
VAT Receivable	-	-	3,832.07	2,637.39
Service Tax Receivable	-	-	374.81	718.29
Prepaid expenses	-	-	534.71	343.46
Loans to employees	-	-	95.74	101.04
Retention Money	-	-	2,842.71	3,698.08
Withheld Amount	-	-	1,207.71	494.30
Earnest Money Deposits	-	-	1,345.50	1,904.05
(E)	-	-	11,508.42	11,751.17
Total (A+ B + C + D + E)	10,446.17	7,092.72	11,508.42	11,751.17



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

13. Inventories

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Materials and Work-in-progress	38,243.87	31,498.78
	<u>38,243.87</u>	<u>31,498.78</u>



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

14. Trade receivables and other assets

	Non-current portion		Current portion	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	5,179.57	7,474.52
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	-	-	5,179.57	7,474.52
Provision for doubtful receivables	-	-	-	-
(A)	-	-	5,179.57	7,474.52
Other receivables				
Secured, considered good (less than 6 months)	-	-	13,270.09	12,797.95
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	-	-	13,270.09	12,797.95
Provision for doubtful receivables	-	-	-	-
(B)	-	-	13,270.09	12,797.95
Total (A + B)	-	-	18,449.67	20,272.47



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

15. Cash and bank balances

	Non-Current Portion		Current Portion	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
Cash and cash equivalents				
(A) Balances with banks:				
In current accounts	-	-	424.43	1,262.92
FDR with original maturity of less than three months	-	-	-	-
Cash on hand	-	-	467.59	534.74
Total (A)	-	-	892.02	1,797.66
(B) Other bank balances				
FDR with original maturity for more than 12 months	-	-	5,784.12	4,971.51
FDR with original maturity for more than 3 months but less than 12 months	-	-	-	-
Total (B)	-	-	5,784.12	4,971.51
Total (A+B)	-	-	6,676.14	6,769.17



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

16. Revenue from operations

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Revenue from operations		
Worked Bill	113,487.65	108,700.40
Trading Income	1,920.16	1,500.53
Revenue from operations (gross)	115,407.81	110,200.93
Less: Excise duty	-	-
Revenue from operations (net)	115,407.81	110,200.93



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

17. Other income

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Interest income on		
Bank deposits	481.01	430.79
Others	688.36	153.29
Dividend income on		
Investment in subsidiaries	113.19	590.57
Long-term investments	-	0.38
Share of profit in Joint Ventures	166.62	124.07
Others	503.05	1,128.24
Profit on sale of fixed assets	45.43	-
Total	1,997.67	2,427.33



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

18. Material Consumed

	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)
Opening Material & WIP	31,498.78	22,840.31
Material Purchase	30,142.96	24,578.93
Closing Material & WIP	(38,243.87)	(31,498.78)
Total	23,397.87	15,920.46

19. Construction Expenses

	31 March 2014	31 March 2013
	₹ (lacs)	₹ (lacs)
Work Expenses	59,610.18	63,202.09
Transporting Charges	894.25	994.09
Sales Tax & VAT	1,169.08	1,431.34
Hire Charges	649.90	678.24
Royalty	471.95	703.29
R.T.O Taxes	40.42	41.09
Service Tax	2,471.34	1,952.40
Repairs and maintenance	171.49	879.40
Insurance	376.15	438.90
Exchange Variation	135.82	110.40
Prior period Expenses	14.92	19.08
Total	66,005.49	70,450.32



SMS Infrastructure Limited
Notes to financial statements for the year ended 31 March 2014

20. Employee Benefit Expense

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Salaries, wages and bonus	4,497.05	4,070.78
Contribution to provident and other funds	137.66	121.99
Gratuity expenses	84.01	62.98
Staff welfare expenses	9.21	11.55
Total	4,727.93	4,267.30

21. Finance Costs

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Interest	11,724.49	9,896.27
Bank charges & commission	118.62	108.02
Total	11,843.11	10,004.30

22. Depreciation and Amortization Expenses

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Depreciation of tangible assets	3,183.37	3,128.22
Amortization of intangible assets	7.65	10.11
	3,191.01	3,138.33
Less: Recoupment from revaluation reserve	-	-
Total	3,191.01	3,138.33

23. Other Expenses

	31 March 2014 ₹ (lacs)	31 March 2013 ₹ (lacs)
Power and fuel	306.27	201.93
Rent	60.67	52.20
Rates and taxes	22.14	133.71
Profession Tax	0.05	0.03
Advertising and sales promotion	21.28	18.65
Books & periodicals	1.05	1.43
Membership & Subscription	3.94	4.29
Office expenses	350.10	402.48
Security charges	328.34	346.53
Donation	24.31	21.36
Tender expenses	33.75	35.58
Travelling and conveyance	351.23	470.46
Communication costs	137.09	141.55
Printing and stationery	63.50	83.77
Legal and professional fees	671.83	620.46
Payment to Internal Auditors	45.00	42.00
Payment to Statutory Auditors	22.00	22.00
Repairs to Building	29.30	16.67
Corporate Social Responsibility	1.13	0.69
Wealth Tax	6.64	5.26
Loss on sale of fixed assets	-	5.60
Total	2,479.62	2,626.65



SMS Infrastructure Limited
Notes to financial statements for the year ended 31 March 2014
Additional Information (Note 24)
A) Contingent Liabilities

	31-Mar-14 ₹ (lacs)	31-Mar-13 ₹ (lacs)
Contingent Liability		
a) Claims against the company not acknowledged as debts		
Service Tax	3,902.57	3,902.57
Custom Duty	40.00	40.00
b) Corporate Guarantees to associate companies and joint venture	35,401.60	36,761.12
c) Bills of exchange discounted with banks	9,220.87	5,363.39
d) Counter Indemnities given to Banks in respect of Contracts		
	<u>48,565.05</u>	<u>46,067.08</u>

Advances from contractees of ₹ 22331.89 lacs (12-13 ₹ 17432.67 lacs) have been guaranteed by the Company's Bankers. Commitment for capital expenditure is ₹ NIL (P.Y. ₹ NIL).

B) Payment to Auditors

	31-Mar-14 ₹ (lacs)	31-Mar-13 ₹ (lacs)
As Auditor:		
Audit fee	16.00	16.00
Tax audit fee	4.00	4.00
In other capacity:		
Other services (certification fees)	2.00	2.00
	<u>22.00</u>	<u>22.00</u>

C) The Income-Tax assessments of the Company have been completed upto the accounting year ended 31st March 2011.

D) Construction Contract Disclosure

	31-Mar-14 ₹ (lacs)	31-Mar-13 ₹ (lacs)
Contract Revenue	96,005.75	91,725.97
Contract Costs incurred	86,109.69	85,681.66
Recognised profits/Losses	9,896.06	6,044.30
Advances received	15,952.49	11,258.24
Retention money/SD/Withheld	7,807.78	6,173.74
Gross amount due from customer for contract work	18,449.67	20,272.47

E) Segment Reporting

a. The company's primary business segments comprises of Civil Construction and Toll Collection Activity. The business segments have been identified in line with Accounting Standard 17 on Segment Reporting.

b. Segment Revenue Results & Other Information

Particulars	Continuing Operation		Total operations ₹ (lacs)
	Civil Construction ₹ (lacs)	Toll Activity ₹ (lacs)	
Revenue			
External sales	96,005.75	19,402.06	115,407.81
Inter segment sales			
Total revenue	96,005.75	19,402.06	115,407.81
Results			
Segment results	11,102.97	(5,342.52)	5,760.45
Unallocated expenses			
Operating profit	11,102.97	(5,342.52)	5,760.45
Other Income	1,997.67		1,997.67
Depreciation/Amortisation	3,177.44	13.57	3,191.01
Profit before tax	9,896.06	(5,328.95)	4,567.11
Income taxes	3,678.98	(1,728.98)	1,950.00
Net profit	6,217.08	(3,599.97)	2,617.11
As at 31 March 2014			
Segment assets	118,736.91	1,700.48	120,437.39
Unallocated assets			
Total assets	118,736.91	1,700.48	120,437.39
Segment liabilities	120,122.97	314.42	120,437.39
Unallocated liabilities			
Total liabilities	120,122.97	314.42	120,437.39
Capital Expenditure	1,426.50		1,426.50



SMS Infrastructure Limited

Notes to financial statements for the year ended 31 March 2014

Additional Information (Note 24)

F) Employees Benefit

A. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss Account under employee benefits expense, Contribution to provident fund and other funds in note 2.17 for the year are as under:

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Employer's contribution to Regional Provident Fund Commis	84.54	76.18
Employer's contribution to Family Pension-Fund	52.67	45.01

B. Defined Benefit Plan

i. Membership Data

Number of Members	1,424.00	1,659.00
Average age	34.99	33.11
Average Monthly Salary	8,316.97	6,327.43
Average Past Service	6.89	3.40

ii. Valuation Method

Projected Unit Credit Method	Projected Unit Credit Method
---------------------------------	---------------------------------

iii. Actuarial Assumptions

Mortality Rate	LIC(1994-96) ultimate	LIC(1994-96) ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount Rate	8% P. A.	8% P. A.
Salary Escalation	5%	7%

iv. Result of Valuation

PV of Past Service Benefit	257.28	184.60
Current Service Cost	39.87	46.32
Total Service Gratuity	1,941.41	1,711.87
Accrued Gratuity	396.30	218.67
LCSA	1,526.74	1,489.86
LC Premium	2.62	3.09
Service Tax @ 12.36%	0.32	0.32

v. Recommended Contribution Rate

Initial Contribution	257.28	11.06
Additional Contribution for Existing fund	0.00	173.54
Current Service Cost	39.87	46.32

VI Total Amount Payable

300.08	223.27
--------	--------



G) Related Party Disclosures as required in terms of "Accounting Standard [AS] 18 are given below:

1. Relationships (Related Party relationships are as identified by the Company and relied upon by the auditors)

a Subsidiary Companies

- 1 SMS Bhatgaon Mines Extension Pvt. Ltd.
- 2 SMS Envoclean Pvt. Ltd.
- 3 SMS infolink Pvt. Ltd.
- 4 SMS Mine Developers Pvt. Ltd.
- 5 SMS Parking Solution Pvt. Ltd.
- 6 SMS Taxicabs Pvt. Ltd.
- 7 SMS Vidyut Pvt. Ltd.
- 8 SMS Water Grace BMW Pvt. Ltd.
- 9 Solar Bhatgaon Extension Mines Pvt. Ltd.
- 10 SMS Tolls And Developers Ltd.
- 11 Patwardhan Infrastructure Pvt. Ltd.
- 12 Maharashtra Enviro Power Ltd.
- 13 PT. SMS Minerals International
- 14 Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.
- 15 SMS Shivnath Infrastructure Pvt. Ltd.

b Associates

- 16 RCCL Infrastructure Ltd.
- 17 SMS AAMW Tollways Pvt. Ltd.

c Key Management Personnel

- 18 Abhay H. Sancheti - Chairman
- 19 Ajay S. Sancheti - Non Executive Director & Vice Chairman
- 20 Anand S. Sancheti - Managing Director
- 21 Anil H. Sancheti - Director
- 22 Dilip B Surana - Director

d Other Related Parties

- 23 SMS Infrastructure PTE Ltd.
- 24 M/s Sanbro Corporation
- 25 Rishik Motors (India) Pvt. Ltd.
- 26 SMS Envocare Ltd.
- 27 Atul Multi Objective Organisation
- 28 SMS Multiobjective Organisation
- 29 Valencia Construction Pvt. Ltd.
- 30 Veetrag Homes Private Ltd.
- 31 Veetrag Developers Private Ltd.
- 32 San Commercials Private Ltd.
- 33 SMS Waluj CETP Pvt. Ltd.
- 34 Butibori CETP Pvt. Ltd.
- 35 M/s San Finance Corporation
- 36 Akshay A. Sancheti
- 37 Param A. Sancheti

e Joint Venture

- 38 Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV
- 39 SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV
- 40 SMS Infrastructure Ltd. & B. P. Construction Co. Pvt Ltd (JV)
- 41 SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)
- 42 SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)
- 43 KhareTarkunde Infrastructure Pvt. Ltd. A/c Parwana
- 44 SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.
- 45 SMS Infrastructure Ltd. Shreenath Enterprises J.V.
- 46 SMSIL KTCO (JV)
- 47 Bhartiya SMSIL (JV)
- 48 Gsj Envo Ltd. In Consortium With SMSIL



SMS Infrastructure Limited
Notes to financial statements for the year ended 31 March 2014
Additional Information (Note 24)
G) Related Party Disclosures

2. Transaction carried out with related parties referred to above:

Nature of Transaction	Related Parties				₹ in lacs
	Referred in (1a) above	Referred in (1b) above	Referred in (1c) above	Referred in (1d) above	Referred in (1e) above
Investments	2,658.25	-	-	(0.98)	185.29
	(1,526.00)	-	-	-	(978.52)
Interest Received	182.34	-	-	-	-
	(145.14)	-	-	-	-
Interest Paid	982.68	-	-	977.58	1,357.57
	-	-	-	(1,312.43)	(1,027.43)
Purchase	-	-	-	-	-
	-	-	-	-	-
Sale	-	-	-	-	781.05
	-	-	-	-	-
Managerial Remuneration	-	-	593.24	-	-
	-	-	(688.97)	-	-
Services Given	1,813.39	-	-	-	-
	(3,406.74)	(13.01)	-	-	-
Services Taken	-	-	-	11.22	-
	-	-	-	-	-
Salary	-	-	-	6.47	-
	-	-	-	(3.75)	-
Rent	-	-	56.40	-	-
	-	-	(56.00)	-	-
Work Bill	10,017.10	11,714.61	-	-	11,511.71
	(9,252.40)	(10,651.93)	-	-	(13,148.63)
Loan Granted/Repaid	12,979.27	10,150.34	-	28,905.38	7,687.04
	(11,591.05)	(13,615.13)	-	(30,742.22)	(2,397.88)
Loan Taken/Recovered	6,454.57	10,050.00	-	34,993.76	6,507.33
	(14,198.84)	(13,665.13)	-	(26,725.62)	(1,347.43)
Advances Received/ Recovered	2.26	-	-	6.04	7,853.76
	(1,333.54)	-	-	(3,684.44)	(0.42)
Advances Given/ Repaid	11.34	-	-	5.49	2,585.76
	(322.56)	-	-	(34.49)	(0.01)
Outstanding balances included in Current Assets and Liabilities	8,515.64	2,994.76	-	(9,604.01)	(5,768.38)
	(3,023.83)	(2,887.82)	-	(-2042.99)	(491.89)

Note : Figures in brackets pertains to previous year



	31-Mar-14 (₹ Lacs)	31-Mar-13 (₹ Lacs)
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Continuing operations		
Profit/(loss) after tax	3,999.38	4,420.36
Less : dividends on convertible preference shares & tax thereon		
Net profit for calculation of basic EPS	<u>3,999.38</u>	<u>4,420.36</u>
Net profit as above	3,999.38	4,420.36
Add : dividends on convertible preference shares & tax thereon		
Add : interest on bonds convertible into equity shares (net of tax)		
Net profit/(loss) for calculation of diluted EPS	<u>3,999.38</u>	<u>4,420.36</u>
Weighted average number of equity shares in calculating basic EPS	10,133,116.00	9,537,051
Effect of dilution:		
Convertible preference shares		
Convertible bonds		
Stock options granted under ESOP		
Weighted average number of equity shares in calculating diluted EPS	<u>10,133,116.00</u>	<u>9,537,051</u>
9537051 (31 March 2012: 9537051) equity shares of ₹ 10/- each		
Earnings per equity share:		
Basic	39.47	46.35
Diluted	39.47	46.35

I) Deferred Tax

Deferred Tax Assets & Liabilities as on 31st March 2014 are as under:

Major components of Deferred Tax Assets and Liabilities arising on account of timing differences.	2013-2014		2012-2013	
	Assets	Liabilities	Assets	Liabilities
	(₹ Lacs)	(₹ Lacs)	(₹ Lacs)	(₹ Lacs)
a) Depreciation	164.01	0.00	68.37	0.00
b) Others	24.92	0.00	19.84	0.00
	<u>188.93</u>	<u>0.00</u>	<u>88.21</u>	<u>0.00</u>

J) Accounting for Joint Ventures

a) Contracts Executed by Joint Venture: No Joint Venture contracts were executed in accordance with the accounting policy mentioned in Note 22 clause 14 (I) of Significant Accounting Policies.

b) Contracts executed by the Joint Ventures are accounted under completed contract method. For details of Joint Venture partner and company's interest in Joint Venture, refer to Note 10 on details of non-current investments point no I (d).

c) In respect of Joint Ventures, the company along with other JV members is jointly and severally responsible for performance of the contracts.

K) Value of Imports calculated on C.I.F Basis

	31-Mar-14 ₹ (lacs)	31-Mar-13 ₹ (lacs)
Components and spare parts	809.93	2,852.10
Capital goods	-	778.78
	<u>809.93</u>	<u>3,630.87</u>

L) Details of Material Consumed under broad heads

ITEM NAME	UNIT	31-Mar-14 QUANTITY	AMOUNT ₹ (lacs)
Bitumen	MT	1,789.97	1,770.85
Cable	MTR.	567,409.02	4,615.18
Cement	Bags	497,729.50	1,299.62
Structural Steel	MT	2,655.05	1,088.70
Transformer	NOS.	479.00	1,774.20



SMS Infrastructure Limited
Notes to financial statements for the year ended 31 March 2014
Additional Information (Note 24)
M) Expenditure in Foreign Currency

	31-Mar-14 ₹ (lacs)	31-Mar-13 ₹ (lacs)
Professional fees	-	-
Interest	-	-
Travelling and conveyance	10.33	19.52
	10.33	19.52

N) Earnings in Foreign Currency
Year of remittance

	31-Mar-14 ₹ (lacs)	31-Mar-13 ₹ (lacs)
Export of FOB Value	-	-
Professional & Consultation Fees	671.50	2,231.86
Interest	182.34	145.14
Manpower Fees	1,135.28	1,168.21
Contract Earnings	35.35	601.64
	2,024.47	4,146.85

o) Previous year's figures

Previous year's figures have been regrouped/recast wherever necessary

As per our report of even date
For C. R. SAGDEO & CO.
Chartered Accountants
Firm Registration No. :108959W




CA. SUMAN BOSE
Partner
Membership No. 045239
Place : Nagpur
Date : 22 SEP 2014

For and on behalf of the Board of Directors of
SMS Infrastructure Limited



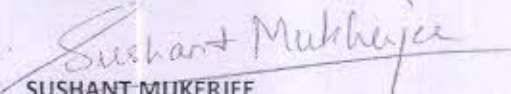
ABHAY H. SANCHETI
Chairman
DIN: 01654073



SMITA AGARKAR
Company Secretary



ANAND S. SANCHETI
Managing Director
DIN: 00953362



SUSHANT MUKERJEE
Chief Financial Officer