

Company Overview

A LEGACY OF EXCELLENCE

SINCE 1963

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

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

SMS

Group Overview

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

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

Order Book: Order book of INR 3924.57 crore as on 31st March, 2017 majority of which is O&M & Toll (28%), road & bridge, airports & railways (21%), mining (19%), Electrical (16%), irrigation & pipeline (6%) and environment (6%).

BOT Presence/ Investment Portfolio: Owns one BOT Road project, hydro power plant, parking solutions and small investments in waste/water treatment plants. Also has investments in mining and taxicabs business.

Resources: Manpower of full time 1814 employees and 684 Job work labour force and net asset block of ` 144.32 Crore on March 17.

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

Key Clients:

National Highways Authority of India



IRCON International Limited



RITES Limited



Vidarbha Patbandhare Vikas Maha Mandal

Career highlights and top moments:

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

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

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

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

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

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

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

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

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

2016- ILC Power Brand Awards 2016.

Consistent Growth Strong Order Book.

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

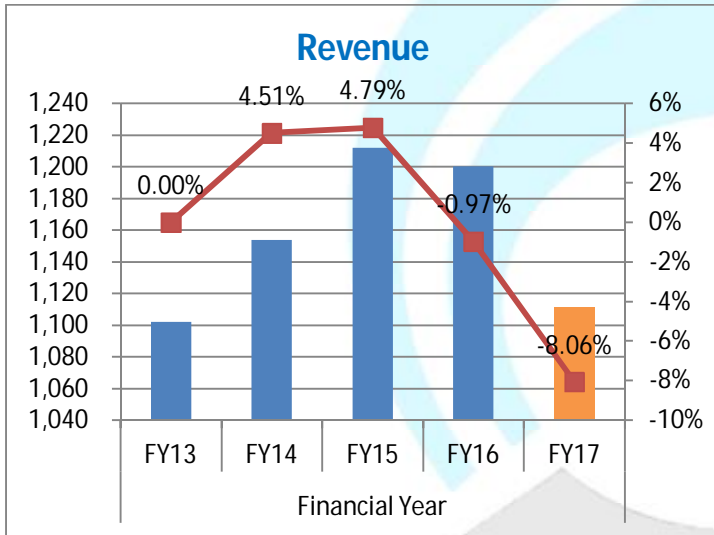
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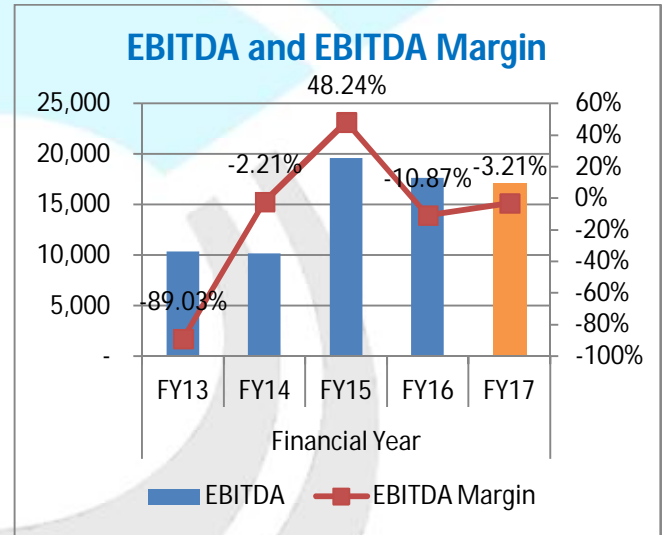
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Key Performance Indicators (Standalone)

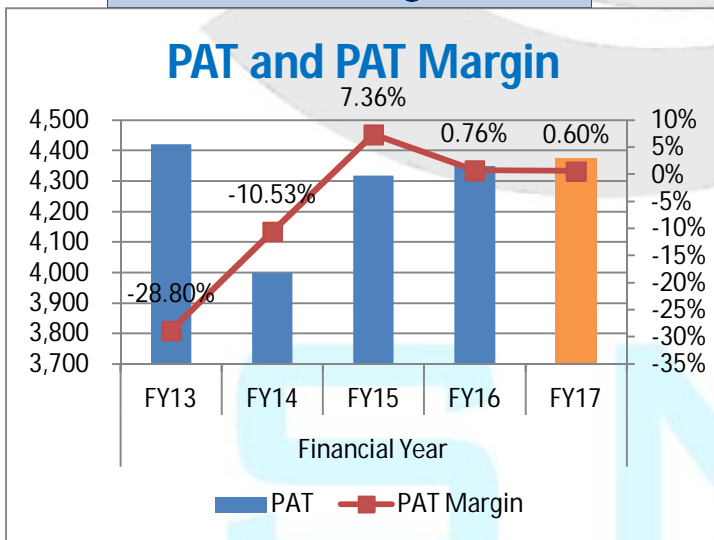
Increase/ Decrease in Revenue YOY



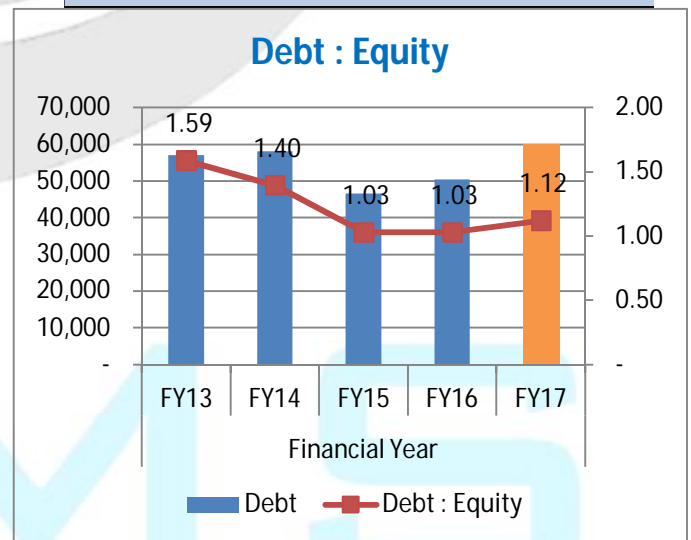
Increase/ Decrease in EBITDA Margin



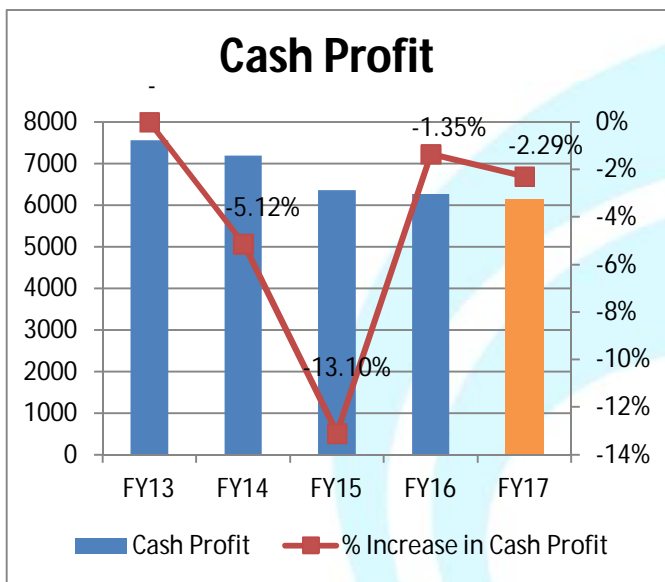
Increase/ Decrease in PAT Margin



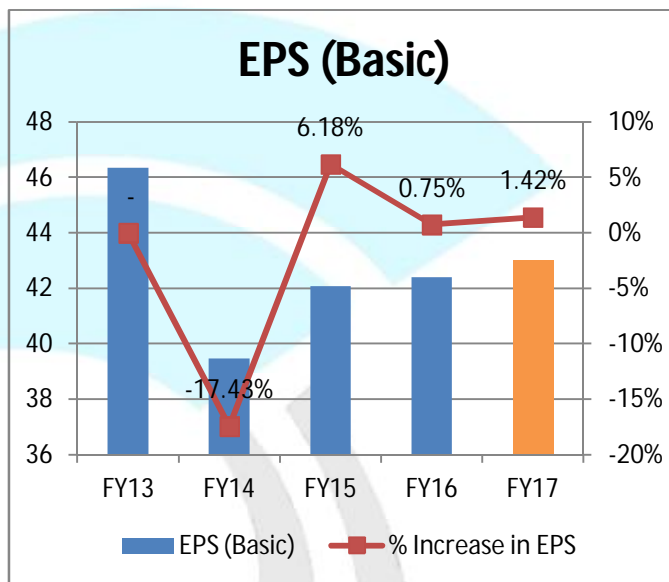
Increase/ Decrease in Debt



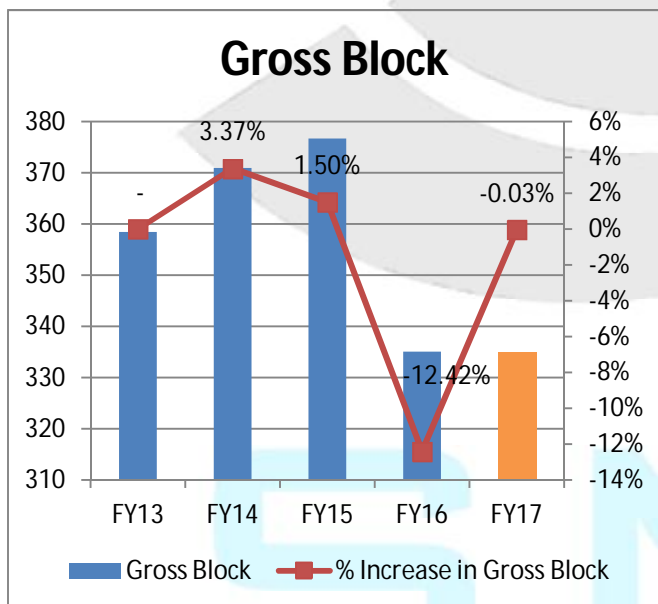
Increase/ Decrease in Cash Profit



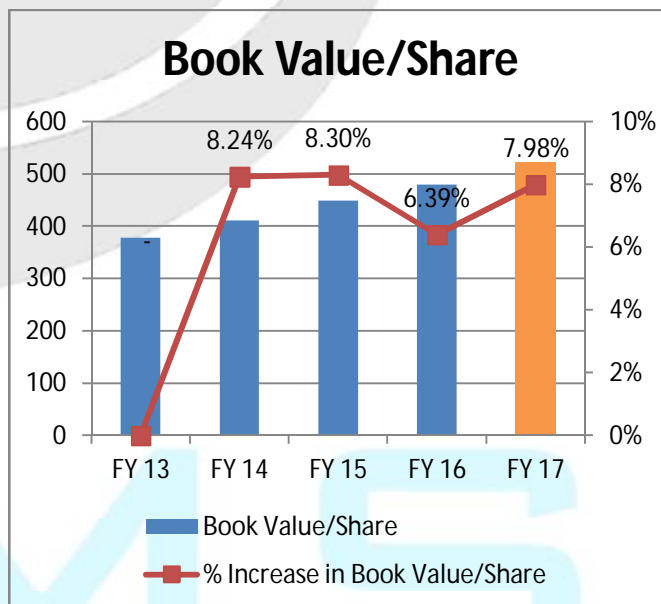
Increase/ Decrease in EPS (Basic)



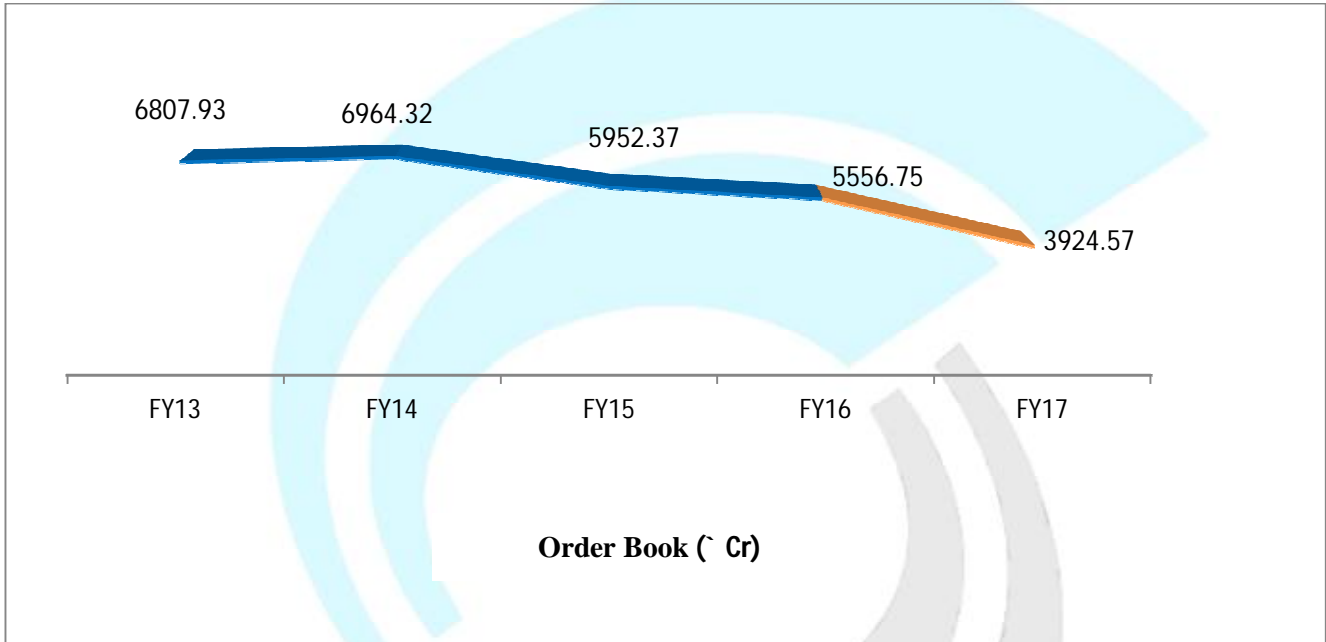
Increase/ Decrease in Gross Block



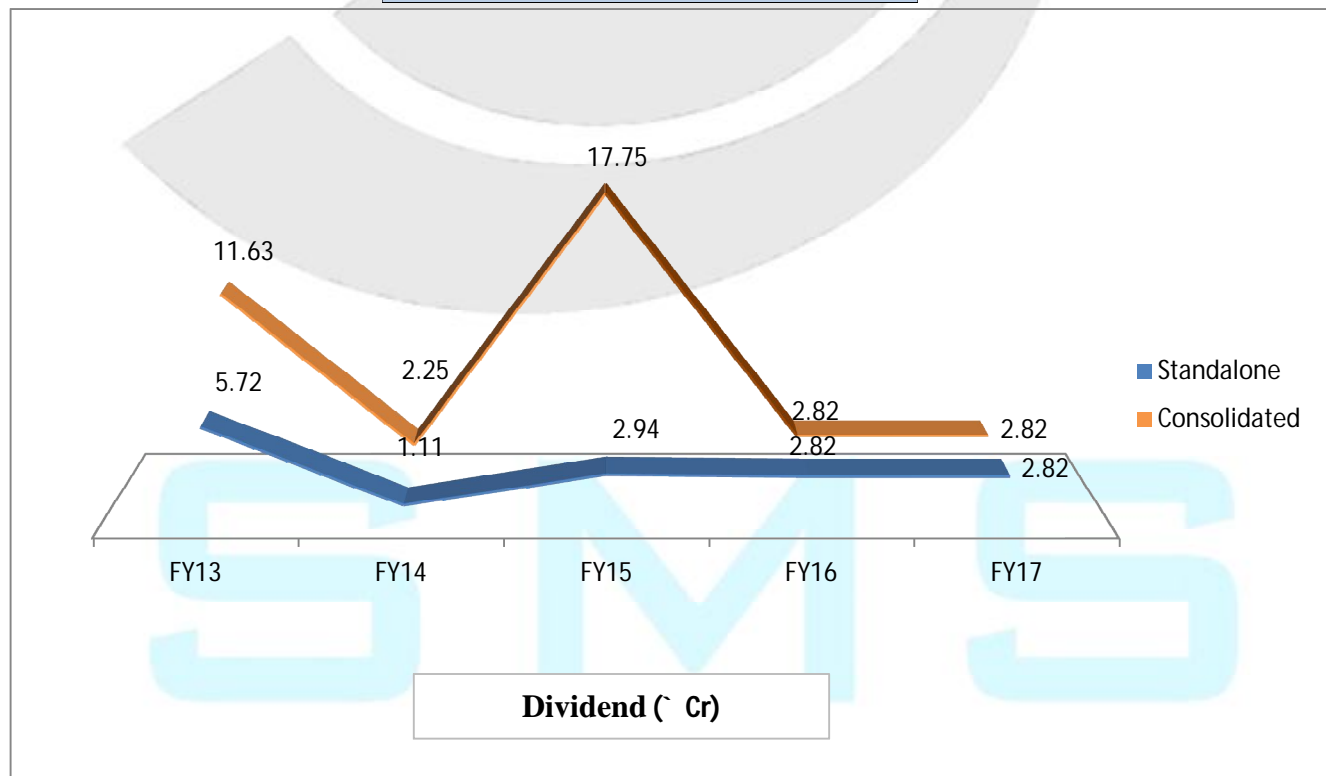
Increase/ Decrease in Book Value



Order Book Position



Dividend

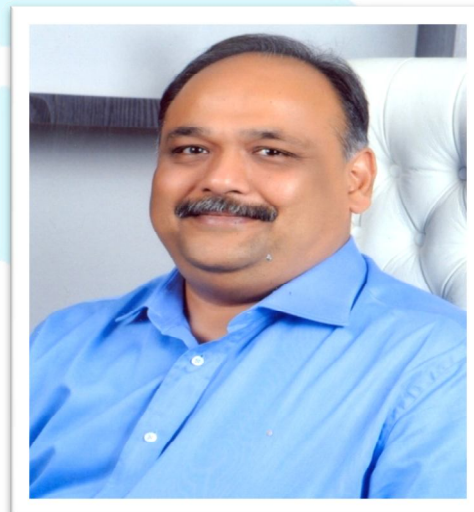


SMSL

Board of Directors



Abhay Sancheti
Chairman



Ajay Sancheti
Vice-Chairman



Anand Sancheti
Managing Director



Dilip Surana
Whole Time Director



Renu Challu
Independent Director



Ramendra Gupta
Independent Director



Ajay Lakhotia
Independent Director

Company Information

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

Board & Committees – The Board of Directors

Abhay Sancheti
Chairman of the Board

Ajay Sancheti
Director

Anand Sancheti
Managing Director

Dilip Surana
Whole Time Director

Renu Challu
Independent Director

Ramendra Gupta
Independent Director

Ajay Lakhotia
Independent Director

Akshay Sancheti
Alternate Director

Board Committees: Executive Committee

Abhay Sancheti
Chairman

Anand Sancheti
Managing Director

Dilip Surana
Whole Time Director

Audit Committee

Ajay Lakhotia
Chairman Audit

Ramendra Gupta
Member

Anand Sancheti
Member

SMS Limited. Corporate Social Responsibility Committee

Abhay Sancheti
Chairman

Ajay Lakhotia
Member

Ramendra Gupta
Member

Nomination & Remuneration Committee

Renu Challu
Member

Ramendra Gupta
Member

Ajay Lakhotia
Member

Risk Management Committee

Abhay Sancheti
Chairman of Risk Management Committee

Anand Sancheti
Member

Dilip Surana
Member

Share Transfer Committee

Abhay Sancheti
Member

Anand Sancheti
Member

Ajay Lakhotia
Member

SMS Limited.

Key Management Team

Rajiv Charde

Vice President - Roads, Irrigation

Kasarneni Rao

Vice President – Mining

Dattatraya Kinage

Associate Vice President - Roads O&M, Tolls

Dhananjay Joshi

Deputy General Manager Electrical.

Sushant Mukherjee

Chief Financial Officer

Smita Agarkar

Company Secretary



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BOARDS' REPORT

To The Members of SMS Limited (Formerly SMS Infrastructure Limited)

The Board of Directors hereby submits the Twentieth Annual Report of the business and operations of the Company ('the Company' or 'SMS LIMITED'), along with the audited financial statements, for the financial year ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL HIGHLIGHTS:

(₹ In Crore)

Particulars	Standalone		Consolidated	
	2016-17	2015-2016	2016-17	2015-2016
Gross Income	1111.01	1200.52	1846.99	1779.19
Profit Before Interest and Depreciation	171.14	176.62	482.14	518.37
Finance Charges	90.31	94.64	177.35	163.70
Gross Profit	223.38	228.91	572.15	565.30
Provision for Depreciation	17.56	19.23	235.84	224.80
Profit Before Tax	63.26	61.02	49.74	121.98
Provision for Tax	19.83	18.50	12.25	5.22
Profit After Tax	43.77	43.50	37.49	116.76
Balance of Profit brought forward	363.69	322.18	389.50	315.39
Balance available for appropriation	406.34	363.69	398.72	389.50
Dividend on Equity Shares	2.82	2.82	2.82	2.82
Tax on Dividend	NIL	NIL	1.03	1.03
Transfer to General Reserve*	NIL	NIL	NIL	NIL
Reserves and Surplus	417.51	374.86	409.89	400.67

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

A. Standalone

On standalone basis, the Company posted a turnover of ` 1111.01 crore revenue for the year ended 31st March, 2017 as against ` 1200.52 in 2015-16. Gross Profit for the financial year 2016-17 is ` 223.38 crore as compared to ` 228.91 crore for previous financial year 2015-16. After deducting financial charges of ` 90.31 crore, providing a sum of ` 17.56 crore towards depreciation and ` 19.83 crore for income tax, the operations resulted in a net profit of ` 43.77 crore as against ` 43.50 crore in 2015 -16.

B. Consolidated

During the year under review, Company achieved a consolidated turnover of ` 1846.99 crore as against ` 1779.19 crore in the previous fiscal. The Company has earned a consolidated gross profit of ` 572.15 crore before interest and depreciation as against ` 565.30 crore in the previous year. After deducting financial charges of ` 177.35 crore, providing for depreciation of ` 235.84 crore and provision for tax of ` 12.25 crore, the operations resulted in a net profit of ` 37.49 crore as against ` 116.76 crore in the previous year.

2. THE STATE OF THE COMPANY'S AFFAIRS:

The Company is engaged in providing infrastructural services with diversification into all the major sectors of infrastructure including Mining, Railways, Irrigation, Highways Construction, Power, Environment, Urban and Rural Development. There is no change in the nature of business during the year and the Company continues to be engaged in the said sectors of infrastructure. The Order Book position as on March 31, 2017 stood at ` 3924.57 crore.

3. SHARE CAPITAL:

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

4. DIVIDEND:

During the year under review, the Board of Directors declared an interim dividend of ` 2.75/- per equity share (27.50%) on the paid-up equity share capital of the Company amounting to ` 2,82,18,800.50/- (Rupees Two Crore Eighty Two Lac Eighteen Thousand Eight Hundred and Fifty Paise only) and shall be the final dividend for the Financial year 2016-17 and that no further dividend is recommended.

5. AMOUNT CARRIED TO RESERVE:

No amount has been carried to any reserve. However, out of profit of ₹ 4376.53 lac appropriating ₹ 282.19 lac paid as interim dividend balance profit of ₹ 40634.08 lac has been retained as 'Surplus' in the Statement of Profit & Loss allowing the impact of INDS AS on leave provision.

6. OVERVIEW OF SUBSIDIARIES, ASSOCIATES & JOINT VENTURE

As on 31st March, 2017 the Company has 18 subsidiaries 2 Associate and 14 Joint Ventures.

During the year the Company has two new joint venture namely:

1. SMSL-SRRCIPL (JV)
2. SRRCIPL-SMSL-BEKEM (JV)

Excepting the above none became or ceased to be the subsidiary, associate or Joint Venture of the Company.

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company has been prepared.

The highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report is given in Annexure IV

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

SUBSIDIARIES:

Performance and financial positions of subsidiaries:

i. SMS-AABS India Tollways Private Limited:

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

Net Revenue from operations during the year stood at ` 15062.94/- lac and the Net Profit at ` 2376.32/- lac as against ` 4011.23 lac/- in the preceding year.

ii SMS Water Grace BMW Private Limited:

On 22nd May, 2017, SMS Limited acquired 15,01,563 equity shares of ` 10/- each amounting ` 1,50,15,630/- (Rupees One Crore Fifty Lac Fifteen Thousand Six Hundred Thirty Only) thereby subscribing the Right Issue offered by SMS Water Grace BMW Private Limited (Subsidiary Company). The Board vide its meeting dated 22nd March, 2017 approved the investment in said company not exceeding ` 2,00,00,000/- (Rupees Two Crore only). However the shareholding percent in the said subsidiary remains unchanged i.e 56.03%.

Net Revenue from operations during the year stood at ` 633.26/- lac and the Net Profit at ` 158.25/- lac as against ` 79.34/- lac in the preceding year

iii SMS Vidhyut Private Limited:

On 12th May, 2016 SMS Vidhyut Private Limited became the Wholly Owned Subsidiary of the Company. The Board vide its meeting dated 5th March, 2016 approved an total investment of ` 2,03,00,000/- in SMS Vidhyut Private Limited however the financial investment by acquiring 19,50,000 equity shares of ` 10/- through Right issue in aggregate were made on 28th April, 2016 and 12th May, 2016.

Net Revenue from operations during the year stood at ` 221.37 lac/- and the Net Loss at ` 1344.25 lac/- as against ` 350.80 lac/- in the preceding year.

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

iv SMS Shivnath Infrastructure Private Limited:

The Board vide its meeting dated 29th March, 2016 approved to repurchase of 25% shares of SMS Shivnath Infrastructure Private Limited summing to 59,04,222 no's of Class A and 49 no's of Class B shares from its wholly owned subsidiary SMS Tolls and Developers Limited at an aggregate value of ` 109.18 crore.

However on 28th July, 2016, SMS Limited acquired 5904222 no's of class A equity shares of ` 56,32,62,800/- (Rupees Fifty Six Crore Thirty Two Lac Sixty Two Thousand Eight Hundred only) and 49 no's of class B equity shares of ` 52,85,49,084/- (Rupees Fifty Two Crore Eighty Five Lac Forty Nine Thousand Eighty Four only) including all rights in Class B shares through transfer from its wholly owned subsidiary SMS Tolls and Developers Limited, resulting an increase in the shareholding percentage to 51.59% in SMS Shivnath Infrastructure Private Limited.

On 29th September, 2016 the Board vide its meeting approved to disinvest the entire shareholding of 12183544 bearing 51.59 % of total holding of class A Shares and 49 class B shares of the said subsidiary to Highway Concessions One Private Limited (Formerly known as Piramal Roads Infra Pvt. Ltd.) and it ceases to be the subsidiary of the Company w.e.f. 25th April, 2017.

Net Revenue from operations during the year stood at ` 4796.30/- lac and the Net profit at ` 464.29/- lac as against ` 5385.38/- lac in the preceding year.

v SMS Tolls And Developers Limited:

On 28th July, 2016, SMS Limited acquired 5904222 no's of class A equity shares of ` 56,32,62,800/- (Rupees Fifty Six Crore Thirty Two Lac Sixty Two Thousand Eight Hundred only) and 49 no's of class B equity shares of ` 52,85,49,084/- (Rupees Fifty Two Crore Eighty Five Lac Forty Nine Thousand Eighty Four only) including all rights in Class B shares from SMS Tolls and Developers Limited (Wholly Owned Subsidiary of the Company) held as investment in SMS Shivnath Infrastructure Pvt. Ltd.

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

The Company is yet to start its commercial operation. However revenue from other income ` 13.65/- lac and the net profit at ` 2.92/- lac as against ` (0.39)/- lac in the preceding year.

vi Patwardhan Infrastructure Private Limited:

Patwardhan Infrastructure Private Limited, has completed BOT Agreement and transferred its right of collection of toll to Government of Maharashtra on 19.11.2014 as such that said subsidiary has no operation as on 31/03/2017 and during the F.Y. 2016-17 its business continues to be reported as discontinued operation and the process of amalgamating the subsidiary with the Company is under process.

During the year under review there were no activity. However revenue from other income ` 12.56/- lac and the net profit at ` 8.35/- lac as against ` (3.31)/- lac in the preceding year.

vii Ayodhya-Gorakhpur SMS Tolls Private Limited:

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

On 26th November, 2016 Ayodhya-Gorakhpur SMS Tolls Private Limited (100% subsidiary Company) issued 1,59,90,000 Equity Shares of ` 10/- as bonus shares to the Company pursuant to section 63 of the Companies Act, 2013 resulting an increase in the share capital of said subsidiary.

Revenue from operations during the year stood at ` 14696.07/- Lac and the Net Profit at ` 541.45/- Lac as against ` 468.73/- Lac in the preceding year.

viii SMS Envoclean Private Limited:

The Company is engaged in providing Bio-Medical Waste Management and disposal services having an expertise solution on the

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

subject with latest ecofriendly technologies. Net Revenue from operations during the year stood at ` 1536.52/- lac and the Net Profit at ` 486.80/- lac as against ` 378.67/- lac in the preceding year.

ix Solar Bhatgaon Extension Mines Private Limited:

The Company is engaged in the business of Development, Mining and Marketing of coal from Shankarpur (Bhatgaon) coal block in sarguja district in joint venture with Chhattisgarh Mineral Development Corporation. All expenditure incurred so far has been treated as pre-operative expenditure, to be amortized equally in the first ten year of commercial operation.

x SMS Bhatgaon Mines Extension Private Limited:

The Company is engaged in the business of Development, Mining and Marketing of coal from Shankarpur (Bhatgaon) coal block in sarguja district in joint venture with Chhattisgarh Mineral Development Corporation. All expenditure incurred so far has been treated as pre-operative expenditure, to be amortized equally in the first ten year of commercial operation.

xi Maharashtra Enviro Power Limited (MEPL):

MEPL is engaged in providing services to Industries for effective management of Effluent and Hazardous waste having an expertise solution on the subject with latest ecofriendly technologies. Net Revenue from operations during the year stood at ` 10205.07/- lac and the Net Profit at ` 2748.66/- lac as against ` 1988.93/- lac in the preceding year.

xii SMS Parking Solutions Power Limited:

The Company is an SPV formed exclusively to Develop Multilevel car parking cum commercial complex at Delhi, and has been assigned the composite Public Private Partnership (PPP) project by Municipal Corporation of Delhi (MCD). The Company began its commercial operations of multilevel car parking and leasing commercial Space from 09th May 2014.

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

Net Revenue from operations during the year stood at ` 836.57/- lac and the Net Loss at ` 1897.81/- lac as against ` 1669.53/- lac in the preceding year.

xiii SMS Mines Developers Private Limited:

The Company is formed with an object to carry mining activity. However the Company is yet to take up business activity.

xiv SMS Taxicabs Private Limited:

The Company is operating its phone Fleet Taxi Service in MMRDA area since February, 2012 under the brand name "TABcab". The Company is passing through the most challenging phase due to unhealthy competition from illegal service provider in Mumbai. In spite of tough financial condition and underutilization of its fleet, TABcab has been retaining its presence. During the year under review the company's total fleet strength remained to be 2800 cabs.

Net Revenue from operations during the year stood at ` 33982.83/- lac and the Net Loss at ` 3063.40/- lac as against ` 1954.03/- lac in the preceding year.

xv Pt. SMS Minerals International:

The Company deals in Coal export & import & trading including import of coal equipment processing having single project at D/A, Simpang Sitiung IV Batas, Kacamatan Sungai, Rumbai, Kabupaten, Dharmasraya, West Sumatera, Indonesia.

Revenue from other income for the Financial Year 01.01.2016 to 31.12.2016 stood at ` 0.01 /- lac and the Net Loss at ` 213.39/- lac as against ` 383.28/- lac in the preceding year.

xvi Pt. SMS Mines Indonesia:

The Company deals in wholesales trading (export and import) and trade of solid fuels, among others, including the trade of coal, coal-intensive (bricket) and allied business activities.

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

xvii SMS Infolink Private Limited

The Company is in the business of Information Technology and is yet to start its commercial operation. However the Net profit stood at ` (0.53)/- lac as against ` (0.36)/- lac in the preceding year.

xviii SMS Waste Management Private Limited:

The Company is in the business of providing Common effluent treatment plant including operation & maintenance of common effluent treatment plant, to collect treatment process and dispose off any type of waste material. However The Company is yet to commenced its business activity. However the Net loss stood at ` 0.38/- lac as against ` 0.39/- lac in the preceding year.

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

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

ASSOCIATES:

i RCCL Infrastructure Limited:

Revenue from operations during the year stood at ` 14,80,798/- and the Net Loss at ` 18,79,81,801/- as against ` 13,00,30,746/- in the preceding year

ii SMS-AAMW Tollways Private Limited:

Revenue from other income during the year stood at ` 61,65,384/- and the Net Loss at ` 7,74,34,604/- as against ` 6,51,50,191/- in the preceding year.

JOINT VENTURES:

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

Value of work done during the year stood at ` 15,40,786 and the Net Profit at ` 1,41,027.65/- as against ` 16,20,166.04/- in the preceding year.

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

Value of work done during the year stood at ` 58,16,89,980 and the Net Profit at ` 91,55,208.66/- as against ` 12,870,123.34/- in the preceding year.

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

Gross Receipt (GRBC Div Bramhapuri) during the year stood at ` 23,63,75,949/- and the Net Profit transferred to partners capital account at ` 43,67,397.75/-.

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

During the year under review there were no activity in JV due to completion of project work. However Income tax assessment is under process by Income Tax Authorities/-

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

During the year under review there were no activity in JV due to completion of project work. However Income tax assessment is under process by Income Tax Authorities-.

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

During the year under review there were no activity in JV. However receipt from other income i.e interest on VAT refund stood at ` 4,61,486/- and the Net Loss at ` 5,34,326/-.

vii SMSIL-KTCO(JV):

During the year under review there were no activity in JV. And there is no receipt from other income and the Net profit stood at ` (46,609.93)/- as against ` 20,456.12/- in the preceding year.

viii GSJ ENVO Ltd. In Consortium with SMSIL:

During the year under the JV in receipt of work bill value of ` 39,50,92,825/- and sub-contract expenses of ` 39,50,92,825/-.

ix BHARTIA SMSIL (JV):

During the year under the JV in receipt of bill value of ` 33,91,16,491/- and the Net Profit at ` (1,30,585)/-

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

Value of work done during the year stood at ` 14,84,18,948.17/- and the Net Profit at ` (24,63,430.99)/- as against ` 12,78,386.07/- in the preceding year.

xi SMSIL-MBPL-BRAPL (JV):

Value of work done during the year stood at ` 42,79,76,887/- and the Net Profit at ` 7,60,421/-.

xii SMSL-SRRCIPL:

During the year under the JV in receipt of gross bill value of ` 36,87,74,853/- and the Net Loss at ` 4,02,880/-

xiii SRRCIPL-SMSL-BEKEM:

During the year under the JV in receipt of gross bill value of ` 110,16,71,119/- and the Net Loss at ` 14,730/-

8. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued there under and applicable Accounting Standards. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate companies and Joint Ventures.

Further a statement containing the salient features of the financial statements of the subsidiary Companies/Associate Companies/Joint Ventures is attached in Form AOC-1 as Annexure IV forming part of the consolidated Financial statements.

9. DEPOSIT:

The Company did not hold any public deposits at the beginning of the year nor has it accepted any deposits during the year under review.

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

There has been no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year and the date of this report.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements or transactions with related parties referred to in sub-section (1) of section 188 required to be disclosed in the Form AOC-2 is attached as Annexure -V.

12. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of Energy:

i. Steps taken / impact on conservation of energy:

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

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

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

iii. Capital investment on energy conservation equipments:

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

(B) Technology Absorption:

No technology was absorbed or imported and no expenditure is incurred on Research and Development

Foreign Exchange Earnings and Outgo:

During the Financial Year 2016-2017 total foreign currency outflow is ` NIL and the earnings in foreign currency during this period is ` 140.17/- lac.

13. RISK MANAGEMENT POLICY:

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

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Shri Ajay Kumar Lakhotia (DIN: 00634602), Smt. Renu Challu (DIN: 00157204) and Shri Ramendra Gupta (DIN: 00306663) are Independent Directors of the Company. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 (6) of the Companies Act, 2013.

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

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Dilip Surana, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment.

Shri Dilip Surana, Director was re-appointed for a further period of five years with effect from 24th May, 2017. Shri Dilip Surana was appointment as Managing Director Ayodhya Ghorakhpur SMS Toll Private Limited w.e.f. 09.01.2017 the Wholly Owned Subsidiary of the Company.

Shri Paramveer Sancheti, Additional Director resigned from the Board w.e.f from September 21, 2016. Shri Akshay Sancheti was appointed as an Alternate Director of the Company w.e.f 29th September, 2016 to Shri Abhay Sancheti,






































Director and that he shall vacate his office as and when the original Director Shri Abhay Sancheti, returns to India.

Shri Anand Sancheti, Managing Director, Shri Sushant Mukherjee, Chief Financial Officer and Smt. Smita Agarkar, Company Secretary are the Key Managerial Personnel ("KMP") of the Company.

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors met Four times during the financial year 2016-17; on June 27, 2016, September 29, 2016, December 19, 2016 and March 22, 2017. Annual General Meeting for FY 2015-16 was held on September 30, 2016. The details of the meetings of Board of Directors are given in Table 1 held during FY 2016-17.

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

Name of the Directors	*Attendance at last AGM held on September 30, 2016	No. of Board Meeting held and attended				% of attendance including video conferencing
		1	2	3	4	
Abhay Sancheti						0%
Ajay Sancheti						25%
Anand Sancheti						100%
Dilip Surana						75%
Renu Challu						100%
Ramendra Gupta						100%
Ajay Kumar Lakhotia						100%
Akshay Sancheti		NA	NA			50%




























 Attendance in person or Through Video Conferencing

 Absent (Nil)

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

16. BOARD COMMITTEE:

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

Board and Committee Composition as on March 31, 2017							
Name	Board	Executive Committee	Audit Committee	CSR Committee	Nomination & Remuneration Committee	Risk Management Committee	Share Transfer Committee
Abhay Sancheti							
Ajay Sancheti							
Anand Sancheti							
Dilip Surana							
Renu Challu							
Ramendra Gupta							
Ajay Kumar Lakhota							
Akshay Sancheti							



Chairman



Member

A. Executive Committee:

The Committee comprises of Shri Abhay Sancheti, Shri Anand Sancheti and Shri Dilip Surana. Shri Abhay Sancheti is the Chairman of the Committee. During FY 2016-17, forty two Meetings of the Executive Committee were held. The composition of the Executive Committee and the attendance of its Members at its Meetings held during FY 2016-17 is, detailed in Table 2:

Table 2: Details of the Executive Committee

Name of the Member	Nature of Membership	Category	No. of Meeting held	No. of Meeting Attended	% of Attendance
Abhay Sancheti	Chairman	Whole Time Director	42	0	00.00
Anand Sancheti	Member	Managing Director	42	42	100.00%
Dilip Surana	Member	Whole Time Director	42	42	100.00%

B. CORPORATE SOCIAL RESPONSIBILITY:

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

The Committee was reconstituted by the Board on 29th September, 2016 with the appointment of Shri Anand Sancheti as committee member.

The disclosures required to be given pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure 'III' - 'Annual Report on CSR activities forming part of this Board Report'.











The CSR Policy was adopted by the Board and the same has been put up on the Company's website.


During FY 2016-17, the Company issued cheque of ` 21,00,000/- (Rupees Twenty One Lac only) towards "C M Relief fund Govt of Maharashtra" in Nagpur region, in state of Maharashtra.

The CSR expenditure required to spent is ` 1,19,91,000/- (Rupees One Crore Nineteen Lac Nineteen Thousand Ninety One Thousand only) in projects covered under the CSR Policy and the Company vide its CSR and Board Meeting dated 29th September, 2016 had decided to contribute ` 1,50,00,000/- (Rupees One Crore Fifty Lac only). However as the hospital project in which the Company had proposed to donate medical equipments got delayed that CSR expenditure on medical equipments will be considered upon completion of the aforesaid hospital project

During FY 2016-17, three Meetings of the Corporate Social Responsibility Committee were held on June 27, 2016, September 29, 2016 and March 22, 2017. The composition of the Corporate Social Responsibility Committee and the attendance of its Members at its Meetings held during FY 2016-17 is, detailed in Table 3:

Table 3: Details of the CSR Committee:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended			% of Attendance
			1	2	3	
Abhay Sancheti	Chairman	Whole Time Director				0.00%
Ramendra Gupta	Member	Independent Director				100.00%
Ajay Kumar Lakhotia	Member	Independent Director				100.00%
Anand Sancheti	Member	Managing Director	NA	NA		33.33%

 Attendance in person or Through Video Conferencing

 Absent (Nil)













B. AUDIT COMMITTEE:

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

During FY 2016-17, four meetings of the Audit Committee were held on June 27, 2016, September 29, 2016, December 19, 2016, and March 22, 2017. The composition of the Audit Committee and the attendance at its Meetings is, given Table 4:

The Board has accepted all recommendations made by the Audit Committee during the year.

Table 4: Details of the Audit Committee Meeting:

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



Attendance in person or Through Video Conferencing



Absent (Nil)













C. NOMINATION AND REMUNERATION COMMITTEE:

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

Four Committee meetings were held during the financial year i.e. on 27th June, 2016, September 29, 2016, December 19, 2016 and March 22, 2017.

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

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

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



Attendance in person or Through Video Conferencing



Absent (Nil)

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




D. RISK MANAGEMENT COMMITTEE:


The Company has a Risk Management Committee has been constituted which is in conformity with the provisions of Companies Act, 2013 and The Committee comprises of 3 Members i.e. Shri Abhay Sancheti, Chairman and Shri Anand Sancheti, Managing Director, Shri Dilip Surana, Whole Time Director as members of the Committee. This Committee has been delegated with the authority by the Board to review and monitor the implementation of the risk management policy of the Company and to assist the Board in the matter of Risk Management.


One Committee meetings was held during the financial year i.e. on March 22, 2017.

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

Table 6: Details of the Risk Management Committee Meeting:

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

 Attendance in person or Through Video Conferencing

 Absent (Nil)




E. SHARE TRANSFER COMMITTEE:

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

One Committee meetings was held during the financial year i.e. on February 17, 2017.

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

Table 7: Details of the Share Transfer Committee Meeting:

Name of the Member	Nature of Membership	Category	No. of Meeting held & attended	% of Attendance
			1	
Abhay Sancheti	Chairman	Whole Time Director		0%
Anand Sancheti	Member	Managing Director		100%
Ajay Kumar Lakhota	Member	Independent Director		100%



Attendance in person or Through Video Conferencing



Absent (Nil)

17. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Board of Directors to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts for the financial year 2016-17, the applicable accounting Standards have been followed and there are no material departures;
- b. The Directors had selected such accounting policies and applied them consistently – excepting to the extent and as stated in clause 7 of 'Significant Accounting Policies' being Note 19A to the Financial Statement and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. INDIAN ACCOUNTING STANDARDS (IND AS)-IFRS CONVERGED

The Central Government in consultation with the National Advisory Committee on Accounting Standards (NACAS) under section 133 read with

section 469 of the Companies Act, 2013 has notified the Indian Accounting Standards ('Ind AS') vide G.S.R. 111(E) dated 16th February, 2015. The Company has adopted the aforesaid standards, as stated in the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. 1st April, 2015 and thereafter. The aforesaid Rule have been further amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 on 30th March, 2016. In view of this notification/Amendment, the Company has prepared the Financial Statement (both Standalone and Consolidated) for the year ended 31st March, 2017 as per Ind AS, as amended.

The Company has shared re-stated Ind AS Profit and Loss Statement while publishing the Financial Result.

19. EXTRACT OF ANNUAL RETURN:

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

20. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

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

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

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

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

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

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

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

21. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Company has in all material respects, adequate internal financial control with reference to financial statements commensurate with the nature of its business, size and complexity of its operations. Internal financial control systems comprising of policies and procedures are designed to ensure liability of financial reporting. These controls also ensure accuracy and completeness of the accounting records and the financial statements.

22. VIGIL MECHANISM:

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

The vigil mechanism policy is available on the website of the Company at www.smsl.co.in.

23. HUMAN RESOURCE DEVELOPMENT:

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities.

SMS's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

SMS GROUP GRATUITY SCHEME

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

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

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

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

The Internal Complaints Committee Consist of Following Members:

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

During the year 2016-17, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.

Ms. Lekha Jalan has resigned from the Company w.e.f. 12th July, 2016.

25. AUDITORS

The Companies Act, 2013 ('the Act') was notified effective April 1, 2014, Section 139 of the Act lays down the criteria for appointment and

mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/S C.R. Sagdeo & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 108959W) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 20th Annual General Meeting.

Accordingly considering the mandatory provisions applicable for the rotation for Auditor under the Companies Act, 2013 and Rules made thereunder, the Board of Directors on the recommendation of the Audit Committee proposes appointment of M/s V. K. Surana & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 110634W) as the Statutory Auditors, of the Company to hold office for a period of Five years from the conclusion of the 20th Annual General Meeting of the Company held for the Financial Year 2016-17 till the conclusion of the 25th Annual General Meeting to be held for the Financial Year 2021-22 subject to ratification at every subsequent Annual General Meeting of the Company.

Certificate(s) from M/s V. K. Surana & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 110634W) expressing their willingness and confirming their eligibility to be appointed as the Statutory Auditors and their appointment if made, at the ensuing Annual General Meeting would be in accordance with the conditions laid down under the Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received by the Company.

M/s V. K. Surana & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 110634W) shall also be appointed in some of the subsidiaries of the Company as the Statutory Auditors if it is in line with the provisions of the Companies Act, 2013

26. AUDITORS REPORT:

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

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

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

28. SECRETARIAL AUDIT:

Secretarial Audit for the financial year 2016-17 was conducted by M Shahnawaz & Associates, Practising Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial audit report is attached to this report as Annexure –II. There are no qualifications observations or remarks made by the Secretarial Auditor in her report.

29. COST AUDIT:

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. M/s. D. Rajarao & Co., Cost Accountants, Nagpur conducted the Cost Audit for F.Y. 2015-16. The Board, on recommendation of Audit Committee Company has appointed M/s. D. Rajarao & Co., Cost Accountants, Nagpur, to conduct cost audit of the Company for the financial Year 2017-18 at a remuneration of ₹ 5,25,000/-. A proposal for ratification of remuneration of the Cost Auditor for financial year 2017-18 is placed before the Shareholders.

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The provisions of Section 186 of the Act pertaining to granting of loans, giving of guarantees or providing security in connection with the loan to any persons or bodies corporate are not applicable to the company as the company is engaged in the business of providing infrastructural facilities. Details of investments made which are covered under the provisions of Section 186 of the Act are given in the Financial Statements.

31. DOCUMENTS PLACED ON THE WEBSITE (www.smsl.co.in):

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

- Corporate Social Responsibility Policy as per 135 (4) (a)
- Details of Vigil Mechanism for directors & employees to report genuine concerns as per proviso 177(10).

- Terms & Conditions of Appointment of independent directors as per Schedule IV to the act.

32. ACKNOWLEDGEMENTS:

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

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

FOR AND ON BEHALF OF THE BOARD

Anand Sancheti

Dilip Surana

Dated: 28th September, 2017
Place: Nagpur

Managing Director
DIN: 00953362

Director
DIN: 09534694

S M S

ANNEXURE INDEX

Annexure number	Details of annexure
I	Annual Return Extracts in MGT 9
II	Secretarial Audit Report.
III	Annual Report on Corporate Social Responsibility
IV	AOC 1 - Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures
V	AOC 2 – Related Party Transactions disclosure
VI	Particulars of Employees Pursuant to Section 134 (3) (q) of The Companies Act, 2013 Read with Rule 5 (1) of The Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

Annexure-I to the Boards' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

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

I REGISTRATION AND OTHER DETAILS:

i.	CIN	U45201MH1997PLC107906
ii.	Registration Date	8 th May, 1997
iii.	Name of the Company	SMS LIMITED [Formerly SMS Infrastructure Limited]
iv.	Category of the Company Sub-Category of the Company	Company Limited By Shares Non-Govt Company
v.	Address of the Registered office and contact details	IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur- 440022
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Engineering Procurement Contract	410/421/422 & 429	76.35
2	Toll	63031	22.54

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

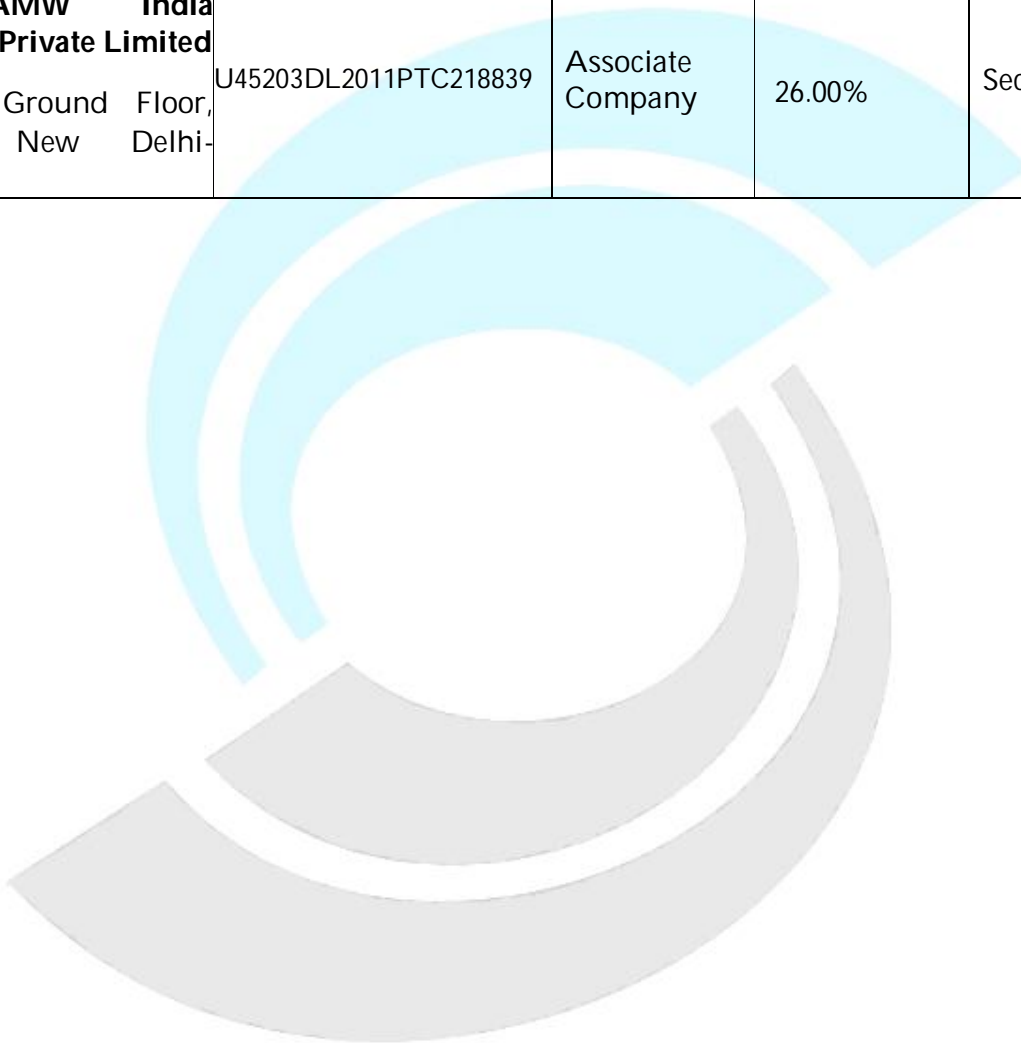
Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
1.	* SMS Shivnath Infrastructure Pvt. Ltd. Toll Plaza, Durg ByPass, NH - 6, Near Dhamdha Naka, Durg, Chhattisgarh-491001	U45203CT1997PTC012220	Subsidiary Company	51.59%	Sec 2(87)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

* Subsidiary pursuant to section 2(87)(ii). Transferred entire shares holding w.e.f. 25.04.2017 in said to M/s TRPL Roadways Private Ltd who consequently changed its name to 'Durg Shivnath Expressways Private Limited.'

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

SI. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
12.	SMS Infolink Private Limited 20, IT Park, Parsodi Nagpur- 440022	U72900MH2011PTC221718	Subsidiary Company	100.00%	Sec 2(87)
13.	SMS Taxicabs Private Limited 151, 15th floor, Mittal court B wing, Opp. Vidhan Bhavan, Nariman point Mumbai-440021	U60230MH2011PTC220163	Subsidiary Company	60%	Sec 2(87)
14.	Ayodhya Gorakhpur SMS Tolls Pvt. Ltd. 20, IT Park, Parsodi Nagpur- 440022	U63000MH2013PTC240214	Subsidiary Company	100.00%	Sec 2(87)
15.	SMS Waste Management Private Limited IT Park, 20 S.T.P.I. Gayatri Nagar, Parsodi, Nagpur- 440022	U90001MH2014PTC260149	Subsidiary Company	100.00%	Sec 2(87)
16.	SMS-AABS India Tollways Pvt. Ltd. 3/3, South Tukoganj, Near Gokuldas Hospital Indore - 452001	U45200MP2014PTC032929	Subsidiary Company	51.00%	Sec 2(87)
17.	Pt. SMS Minerals International Gedung Surya 6 th Floor/604, JL. M.H. Thamrin no. 9 Gondangdia, Menteng. Central Jakarta. Raya	Not Applicable	Subsidiary Company	80.00%	Sec 2(87)
18.	Pt. SMS Mines Indonesia Gedung CityLofts Sudirman Lt. 28 unit 9, Jl. KH. Mas Mansyur No. 121, RT. 013/RW.011, Kel. Karet Tengsin, Kec. Tanah Abang Jakarta Pusat	Not Applicable	Subsidiary Company	100.00%	Sec 2(87)

19.	RCCL Infrastructure Limited C-74, Ambabari, Jaipur-302012	U45203RJ2002PLC018003	Associate Company	34.00%	Sec 2(6)
20.	SMS - AAMW India Tollways Private Limited K-17AB, Ground Floor, Kalkaji, New Delhi-110091	U45203DL2011PTC218839	Associate Company	26.00%	Sec 2(6)



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

i) Category-wise Share Holding

Sl. No.	Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Particulars		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters										
	1	Indian									
		a) Individual/HUF	0	72,35,674	72,35,674	70.51%	0	80,37,008	80,37,008	78.32%	7.81%
		b) Central Govt	0	0	0	0	0	0	0	0	0
		c) State Govt (s)	0	0	0	0	0	0	0	0	0
		d) Bodies Corp.	0	22,24,374	22,24,374	21.68%	0	22,24,374	22,24,374	21.68%	0
		e) Banks / FI	0	0	0	0	0	0	0	0	0
		f) Any Other	0	8,01,334	8,01,334	7.81%	0	0	0	0%	-7.81%
		Sub-total(A)(1):-	0	10261382	10261382	100%	0	10261382	10261382	100%	
	2	Foreign									
		a) NRIs –	0	0	0	0	0	0	0	0	0

		Individuals									
	b)	Other – Individuals	0	0	0	0	0	0	0	0	0
	c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
	d)	Banks / FI	0	0	0	0	0	0	0	0	0
	e)	Any Other	0	0	0	0	0	0	0	0	0
		Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
		Total Shareholding of Promoter [(A)= (A)(1) +(A)(2)]	0	10261382	10261382	100%	0	10261382	10261382	100%	
B.		Public Shareholding									
	1	Institutions	0	0	0	0	0	0	0	0	0
	a)	Mutual Funds	0	0	0	0	0	0	0	0	0
	b)	Banks / FI	0	0	0	0	0	0	0	0	0
	c)	Central Govt	0	0	0	0	0	0	0	0	0
	d)	State Govt(s)	0	0	0	0	0	0	0	0	0
	e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f)	Insurance Companies	0	0	0	0	0	0	0	0	0
	g)	FIs	0	0	0	0	0	0	0	0	0
	h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

	i)	Others	0	0	0	0	0	0	0	0	0
		Sub-total(B)(1):-	0	0	0	0	0	0	0	0	0
2		Non-Institutions									
	a)	Bodies Corp.									
		i) Indian	0	0	0	0	0	0	0	0	0
		ii) Overseas	0	0	0	0	0	0	0	0	0
	b)	Individual Shareholders									
		i) holding nominal shares capital upto ` 1 lakh	0	0	0	0	0	0	0	0	0
		ii) holding nominal shares capital in excess of ` 1 lakh	0	0	0	0	0	0	0	0	0
	c)	Others	0	0	0	0	0	0	0	0	0
		Sub-total(B)(2):-	0	0	0	0	0	0	0	0	0
		Total Public Shareholding [(B)=(B)(1)+(B)(2)]	0	0	0	0	0	0	0	0	0
C.		Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)			0	102,61,382	102,61,382	100.00 %	0	102,61,382	102,61,382	100.00 %	0

ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Abhay Sancheti	28,94,162	28.20%	N.A.	32,14,696	31.33%	N.A.	3.13%
2.	Ajay Sancheti	21,70,597	21.15%	36.86%	24,10,997	23.50%	33.18	2.35%
3.	Anand Sancheti	21,70,597	21.15%	N.A.	24,10,997	23.50%	N.A.	2.35%
4.	Bharti Sancheti	106	00.00%	N.A.	106	00.00%	N.A.	NIL
5.	Savita Sancheti	106	00.00%	N.A.	106	00.00%	N.A.	NIL
6.	Shruti Sancheti	106	00.00%	N.A.	106	00.00%	N.A.	NIL
7.	Anand Shaktikumar Sancheti (Partner- San Finance Corporation)	4,87,172	4.75%	N.A.	0	0%	N.A.	-4.75%
8.	Femina Share Management Services Private Limited	8,34,184	8.12%	N.A.	8,34,184	8.12%	N.A.	NIL

9.	Femina Industrial Finance Private Limited	10,46,131	10.19%	N.A.	10,46,131	10.19%	N.A.	NIL
10.	Best Power Plus Private Limited	3,44,059	3.35%	N.A.	3,44,059	3.35%	N.A.	NIL
11.	Abhay Harakchand Sancheti (Partner- San Finance Corporation)	1,79,522	1.75%	N.A.	0	0%	N.A.	-1.75%
12.	Ajay Shaktikumar Sancheti (Partner- San Finance Corporation)	1,34,640	1.31%	N.A.	0	0%	N.A.	-1.31%

iii) Change in Promoters' Shareholding:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Abhay Sancheti	28,94,162	28.20%	102,61,382	100%
2.	Ajay Sancheti	21,70,597	21.15%		
3.	Anand Sancheti	21,70,597	21.15%		
4.	Bharti Sancheti	106	00.00%		
5.	Savita Sancheti	106	00.00%		
6.	Shruti Sancheti	106	00.00%		
7.	Anand Shaktikumar Sancheti (Partner- San Finance Corporation)	4,87,172	4.75%		
8.	Femina Share Management Services Private Limited	8,34,184	8.12%		
9.	Femina Industrial Finance Private Limited	10,46,131	10.19%		
10.	Best Power Plus Private Limited	3,44,059	3.35%		
11.	Abhay Harakchand Sancheti (Partner- San Finance Corporation)	1,79,522	1.75%		
12.	Ajay Shaktikumar Sancheti (Partner- San Finance Corporation)	1,34,640	1.31%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): A. During the year Share holding of Promoters Increase due to transfer on 17/02/2017				

	1.	Abhay Sancheti	32,14,696	31.33%	8036690	78.33%
	2.	Ajay Sancheti	24,10,997	23.50%		
	3.	Anand Sancheti	24,10,997	23.50%		
B. During the year Share holding of Promoters Decrease due to transfer on 17/02/2017						
	1.	Anand Shaktikumar Sancheti (Partner- San Finance Corporation)	0	0%	0	0%
	2.	Abhay Harakchand Sancheti (Partner- San Finance Corporation)	0	0%		
	3.	Ajay Shaktikumar Sancheti (Partner- San Finance Corporation)	0	0%		
At the end of the year			102,61,382	100%	102,61,382	100%

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

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

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

S. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Directors and Key Managerial Personnel					
	At the beginning of the year					
	1.	Abhay Sancheti	28,94,162	28.20%	72,35,356	70.5%
	2.	Ajay Sancheti	21,70,597	21.15%		
	3.	Anand Sancheti	21,70,597	21.15%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease:					
	During the year Share holding of Promoters Increase due to transfer on 17/02/2017					
	1.	Abhay Sancheti	32,14,696	31.33%	8036690	78.33%
	2.	Ajay Sancheti	24,10,997	23.50%		
	3.	Anand Sancheti	24,10,997	23.50%		
	At the end of the year					
	1.	Abhay Sancheti	32,14,696	31.33%	8036690	78.33%
	2.	Ajay Sancheti	24,10,997	23.50%		
	3.	Anand Sancheti	24,10,997	23.50%		

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V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	₹ in Lac			
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹ 7656.74	₹ 415.49	Nil	₹ 8,072.23
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	₹ 7656.74	₹ 415.49	Nil	₹ 8,072.23
Change in Indebtedness during the financial year				
• Addition	₹ 7,271.32	-	Nil	₹ 7,271.32
• Reduction	-	₹ 415.49	Nil	₹ 415.49
Net Change	₹ 7,271.32	₹ 415.49	Nil	₹ 6855.83
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 14,928.06	Nil	Nil	₹ 14,928.06
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	₹ 14,928.06	Nil	Nil	₹ 14,928.06

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI N o.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (`)
		Abhay Sancheti (WTD)	Anand Sancheti (MD)	Dilip Surana (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	` 1,29,02,400	` 96,76,800	` 1,15,20,000	` 3,40,99,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----	----
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	----	----	----	----
2	Stock Option	----	----	----	----
3	Sweat Equity	----	----	----	----
4	Commission	----	----	----	----
	- as % of profit	----	----	----	----
	- others, specify...	---	----	----	----
5	Others, please specify	----	----	----	----
	Total (A)	` 1,29,02,400	` 96,76,800	` 1,15,20,000	` 3,40,99,200
	Ceiling as per the Act				` 6,52,38,176

B. Remuneration to other directors:

SI No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1	Independent Directors	Ajay Lakhotia	Renu Challu	Ramendra Gupta	
	Fee for attending Board / Committee Meetings	₹ 4,00,000	₹ 4,00,000	₹ 4,00,000	₹ 12,00,000
	Commission	----	----	----	----
	Others, please specify	----	----	----	----
	Total (1)	₹ 4,00,000	₹ 4,00,000	₹ 4,00,000	₹ 12,00,000
2	Other Non-Executive Directors	Ajay Sancheti	----	----	----
	Fee for attending board committee meetings	----	----	----	----
	Commission	----	----	----	----
	Others, please specify	----	----	----	----
	Total (2)	----	----	----	----
	Total (B)=(1+2)	₹ 4,00,000	₹ 4,00,000	₹ 4,00,000	₹ 12,00,000
	Total Managerial Remuneration	----	----	----	----
	Overall Ceiling as per the Act				₹ 65,23,818

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (CFO)	Company Secretary (CS)	Total Amount (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 17,09,100	₹ 7,42,884	₹ 24,51,984
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	83,053	37,116	1,20,169
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----	----
2	Stock Option	----	----	----
3	Sweat Equity	----	----	----
4	Commission			
	- as % of profit	----	----	----
	others, specify...	----	----	----
5	Others, please specify	----	----	----
	Total	₹ 17,92,153	₹ 7,80,000	₹ 25,72,153

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‘Annexure II’

To,
The Members,
SMS Limited
(Formerly known as SMS Infrastructure Limited)
CIN – U45201MH1997PLC107906
It Park, 20 S.T.P.I., Gayatri Nagar,
Parsodi, Nagpur,
Maharashtra – 440022, India

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

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

For M Shahnawaz & Associates
Practicing Company Secretary

CS Md. Shahnawaz
(Proprietor)
ACS No. 21427
C P No: 15076

Nagpur, September 28, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SMS Limited
(Formerly known as SMS Infrastructure Limited)
CIN – U45201MH1997PLC107906
It Park, 20 S.T.P.I., Gayatri Nagar,
Parsodi, Nagpur,
Maharashtra – 440022, India

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017, according to the provisions of:

- (i) The Companies Act, 1956, as applicable, and Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

- i. The Employee's Compensation Act, 1923
- ii. The Trade Unions Act, 1926
- iii. The Industrial Employment (Standing Orders) Act, 1946
- iv. The Industrial Disputes Act, 1947
- v. The Payment of Wages Act, 1936
- vi. The Minimum Wages Act, 1948
- vii. The Employee's Provident Fund & Miscellaneous Provisions Act, 1952
- viii. The Employee's State Insurance Act, 1948
- ix. The Payment of Bonus Act, 1965
- x. The Payment of Gratuity Act, 1972
- xi. The Contract Labour (Regulation & Abolition) Act, 1970
- xii. The Maternity Benefit Act, 1961
- xiii. The Child Labour (Prohibition & Regulation) Act, 1986
- xiv. The Bombay Shop & Establishment Act, 1948
- xv. The Maharashtra Labour Welfare Fund
- xvi. The Equal Remuneration Act, 1976
- xvii. The Professional Tax under Income Tax Act
- xviii. The Factories Act, 1948
- xix. The Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948
- xx. The Mines Act, 1952
- xxi. The Coal Mines Regulation, 1957
- xxii. The Metalliferous Mines Regulation Act, 1961
- xxiii. The Coal Mines Pension Scheme, 1998
- xxiv. The Electricity Act, 2003
- xxv. The Apprentices Act, 1961
- xxvi. The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1956
- xxvii. The Indian Contract Act, 1872
- xxviii. The Indian Boilers Act, 1923

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

- a. The Company is contesting in Labour Court against the cases filed by two ladies and one ex-employee for re-instatement of their services under Industrial Dispute Act, 1947.
- b. The Company is contesting two cases under 7Q & 14B in Appellate Tribunal, Delhi and another at PF Commissioner R-II, Nagpur under Employee's Provident Fund & Miscellaneous Provisions Act 1952.

**For M Shahnawaz & Associates
Practicing Company Secretary**

CS Md. Shahnawaz
(Proprietor)
ACS No. 21427
C P No: 15076

Nagpur, September 28, 2017

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

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ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES

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

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

(Web link http://www.smsl.co.in/SMS_Group_CSR_Policy.pdf).

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

2. **COMPOSITION OF CSR COMMITTEE**

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

(*) The Board at its meeting held on 29.09.2016 has appointed Shri Anand Sancheti as a Member of the CSR Committee.

3. FINANCIAL DETAILS:

Particulars	Amount (In Lac)
Average Net Profit of the Company for last three Financial years	₹ 5,954.85
Prescribed CSR Expenditure (2% of average net profit as computed above)	₹ 119.10
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year	₹ 150.00
*Amount Unspent if any	₹ 150.00

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1.	Promoting Health Care i.e. (Medical Equipments to "Rotary Foundation (India) & "C M Relief fund Govt of Maharashtra"	Health Care	Maharashtra region, Nagpur, District	Rupees One Crore Fifty Lac only	NIL	NIL	NIL

the Company has issued a cheque of ` 21,00,000/- (Rupees Twenty One Lac only) towards "C M Relief fund Govt. of Maharashtra a Charitable Trust, registered under Bombay Public Trust Act 1860, established in 1996 with the sole aim of providing immediate relief to the people in distress in the State of Maharashtra as well as in the country and .

* In terms of Section 135 of the Companies Act, 2013, the Company required to spend ` 1,19,10,000/- into CSR activity, being two percent (2%) of the average net profit of the Company made during the three immediately preceding financial years. However the Board vide its meeting dated 29th September, 2016 has decided to contribute an amount up to ` 1,50,00,000/- instead, in the field health care i.e on Medical Equipments and thereby donating the said amount to "Rotary Foundation (India).

REASON FOR NOT SPENDING THE AMOUNT PRESCRIBED IN CSR ACTIVITIES

During the year under review, the Company was unable to spend the CSR expenditure due to delay in the hospital project in which it has proposed to donate medical equipments.

CSR RESPONSIBILITIES

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

Anand Sancheti

Dilip Surana

Managing Director
& Member CSR Committee

Director

ANNEXURE - IV

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read
With Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial
Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

SL. NO.	1	2	3	4	5	6
Name of the Subsidiary	SMS Bhatgaon Mines Extension Pvt. Ltd.	SMS Envoclean Pvt. Ltd.	SMS Infolink Pvt. Ltd.	SMS Mine Developers Pvt. Ltd.	SMS Parking Solutions Pvt. Ltd.	SMS Taxi Cabs Pvt. Ltd.
The date since when Subsidiary was acquired	12/09/2008	16/11/2009	09/09/2011	10/11/2008	12/02/2008	26/07/2011
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR
Share capital (Paid Up)	1,00,00,000	42,210,000	1,00,000	1,00,000	119,296,760	145,750,000
Reserves & surplus	(1,12,30,538.25)	1,67,20,716	(1,75,603)	(49,300.66)	22,96,79,636.12	(852,836,608)
Total assets	1,13,86,194.28	152,920,093.39	64,647	162,699.34	2,05,08,06,640.88	1,923,299,394
Total Liabilities	1,26,16,732.53	93,989,378.4	1,40,250	112,000	1,70,18,30,244.76	16,81,713,651
Investments	NIL	NIL	NIL	NIL	NIL	5,00,000
Turnover	NIL	153,652,312	NIL	NIL	8,36,57,388.00	33,92,83,329
Profit before taxation	(9,91,004.30)	49,052,122.09	(53,216)	(5931.93)	(20,56,49,248.10)	(438,793,825)

Provision for taxation	NIL	` 1,00,01,164	NIL	NIL	NIL	NIL
Profit after taxation	` (9,91,004.30)	` 48,680,216.14	` (53,216)	` (5931.93)	` (18,97,79,806.10)	` (306,339,864)
Proposed Dividend	NIL	5,06,52,000	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	51%	56.02%	100%	51.00%	100%	60%

SL. NO.	7	8	9	10	11	12
Name of the Subsidiary	SMS Vidhyut Pvt. Ltd.	SMS Water Grace BMW Pvt. Ltd.	Solar Bhatgaon Extension Mines Pvt. Ltd.	SMS Tolls And Developers Pvt. Ltd.	Patwardhan Infrastructure Pvt. Ltd.	Maharashtra Enviro Power Ltd.
The date since when Subsidiary was acquired	28/03/ 2007	25/11/2009	12/09/2008	09/09/2009	31/03/2006	23/02/2007
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017
Reporting currency and Exchange rate as on the last date of The relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR
Share capital (Paid Up)	` 39,500,000*	` 10,46,91,680	` 100,00,000	` 5,00,000	` 49,22,000	` 4,51,98,527
Reserves & surplus	` (9,87,95,272)	` (788,00,457.48)	` (4,21,188.97)	` 25,09,670.91	` 9,80,42,791.69	` 78,33,020
Total assets	` 61,24,81,936	` 64,784,590.22	` 1,22,10,821.68	` 3,08,04,436.04	` 10,39,15,057.68	` 1,90,42,67,065
Total Liabilities	` 67,17,77,208	` 38,893,367.39	` 26,32,010.65	` 2,77,94,765	` 4,04,836.00	` 12,15,254,469.94
Investments	` 78,81,955	NIL	NIL	` 4,99,000.00	` 25,45,430.00	` 27,47,69,069
Turnover	` 221,37,115	` 63,325,744	NIL	NIL	NIL	` 10,20,506,959

Profit before taxation	₹ (19,44,78,388)	₹ 23109283.91	₹ (1,62,285.41)	₹ 12,99,531.07	₹ 11,90,944.32	₹ 22,81,08,292
Provision for taxation	NIL	NIL	NIL	₹ (2,77,319.93)	NIL	₹ 49,268,415
Profit after taxation	₹ (13,44,25,307)	₹ 15,824,578.91	₹ (1,62,285.41)	₹ 2,91,780.81	₹ 8,35,108.32	₹ 27,48,66,413
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	56.03%	51%	100%	100%	92.07%

* Paid up Share Capital consist of 20,000,000 Equity Capital @ of ₹ 10/- each and 19,50,000 Preference shares @ of ₹ 10/- each

SL. NO.	13	14	15	16	17	18
Name of the Subsidiary	Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	SMS Shivnath Infrastructure Pvt. Ltd.	SMS Waste Management Pvt. Ltd.	SMS-AABS India Tollways Pvt. Ltd.	PT. SMS Minerals International	PT. SMS Mines Indonesia
The date since when Subsidiary was acquired	06/02/2013	21/08/2006	15/12/2014	17/07/2014	04/10/2006	08/10/2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/04/2016 To 31/03/2017	01/01/2016 To 31/12/2016	01/01/2016 To 31/12/2016
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR
Share capital (Paid Up)	₹ 16,00,00,000	₹ 236,169,390	₹ 1,00,000	₹ 1,00,000	₹ 1,85,17,865.86	₹ 6,01,90,112.73
Reserves & surplus	₹ 3,36,593	₹ 74,32,62,212.80	₹ (4,35,686.25)	₹ 638722481.73	₹ (20,83,19,928.11)	NIL

Total assets	` 7,02,12,55,932	2,80,42,27,620	` 72,763.75	` 1,84,62,36,343	` 11,46,22,351.30	6,01,90,112.73
Total Liabilities	6,86,09,19,339	1,82,47,96,018	` 4,08,450	` 1,84,62,36,343	` 56,12,89,259.30	NIL
Investments	NIL	` 9,26,43,696	NIL	NIL	NIL	NIL
Turnover	` 1,46,96,07,403	47,96,30,405.00	NIL	` 149,27,17,548.88	NIL	NIL
Profit before taxation	` 6,57,92,758	` 7,98,13,288.95	` (38,212.25)	36,59,93,321.85	` (2,13,15,148.73)	NIL
Provision for taxation	` 1,16,48,182	` 1,81,88,942.76	NIL	` 8,24,99,188.56	NIL	NIL
Profit after taxation	` 5,41,44,576	` 4,64,28,818.19	` (38,212.25)	` 23,76,31,900.29	` (2,13,38,946.99)	NIL
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Extent of shareholding (in Percentage)%	100%	#51.59%	100%	51%	80%	100%

*Bracket indicates Negative Figures. # Increase in Shareholding percentage due to purchase of shares of SMS Shivnath Infrastructure Pvt. Ltd. from SMS Toll and Developers Limited held as investment w.e.f. 28.07.2016

(Note: The following information shall be furnished at the end of the statement :)

1. Names of subsidiaries which are yet to commence operations:

SMS Infolink Pvt. Ltd. , SMS Mine Developers Pvt. Ltd., SMS Waste Management Pvt. Ltd., SMS Tolls and Developers Ltd. and PT. SMS Mines Indonesia

2. Names of subsidiaries which have been liquidated or sold during the year.-None

S M S

Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act,
2013 related to Associate Companies and Joint Ventures**

ASSOCIATES

SL. NO.		1	2
Name of Associates/ Joint Ventures		RCCL Infrastructure Ltd.	SMS AAMW Tollways Pvt. Ltd.
Latest audited Balance Sheet Date		2016 - 2017	2016 - 2017
Date on which the Associate or Joint Venture was associated or acquired		31/03/2004	09/05/2011
Shares of Associate/ Joint Ventures held by the company on the year end	No.	15,65,200	2,600
	Amount of Investment in Associates/ Joint Venture	₹ 1,56,52,000	₹ 26,000
	Extend of Holding (in Percentage)%	34%	26%
Description of how there is significant influence		Significant influence due to 34% of Share Capital	Significant influence due to 26% of Share Capital
Reason why the associate/ joint venture is not consolidated		consolidated	consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ (2,56,80,504.98/-)	₹ (7,18,87,988.38/-)
Profit / Loss for the year	i) Considered in Consolidation	₹ (18,79,81,801)	₹ (7,74,34,604)
	ii) Not Considered in Consolidation	-	-

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

JOINT VENTURES

SL. NO.		1	2	3	4
Name of Associates/ Joint Ventures		Shaktikumar M. Sancheti Ltd & S.N. Thakkar Construction Pvt .Ltd. (JV)	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd .(JV)	SMS Infrastructure Ltd.& Brahamaputra Infrastructure Ltd (JV)	SMS Infrastructure Ltd.& Brahamaputra Consortium Ltd (JV)
Latest audited Balance Sheet Date		2016 - 2017	2016 - 2017	2016 - 2017	2016 - 2017
Date on which the Associate or Joint Venture was associated or acquired		14/11/2005	04/12/2008	29/02/2012	16/10/2008
Shares of Associate/Joint Ventures held by the company on the year end	No.	-	-	-	-
	Amount of Investment in Associates/Joint Venture	₹ 266,29,158.48	₹ 5,13,20,700.10	₹ 17,34,289	₹ 11,58,966
	Extend of Holding (in Percentage)%	70%	70%	51%	51%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/joint venture is not consolidated		Consolidated	Consolidated	No activity in JV due to Completion of project work	No activity in JV due to Completion of project work
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 266,29,158.47	₹ 5,13,20,700.16	NIL	NIL
Profit / Loss for the year	i) Considered in Consolidation	₹ 91,667.98	₹ 64,08,646.06	NIL	NIL
	ii) Not Considered in Consolidation	-	-	-	-

SL. NO.		5	6	7	8
Name of Associates/ Joint Ventures		SMS Infrastructure Ltd.-Aarti infra-Projects Pvt. Ltd(JV)	SMS Infrastructure Ltd. Shreenath Enterprises (JV)	SMSIL KTCO(JV)	GSJ Envo Ltd in Consortium with SMS Infrastructure Ltd.
Latest audited Balance Sheet Date		2016 - 2017	2016 - 2017	2016 - 2017	2016 - 2017
Date on which the Associate or Joint Venture was associated or acquired		24/07/2010	08/06/2009	06/03/2008	10/07/2012
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-	-
	Amount of Investment in Associates/Joint Venture	` 52,55,387.00	` 27,11,553.36	` 3,50,835.57	` 2,73,99,302.98
	Extend of Holding (in Percentage)%	51%	36.50%	50%	70%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/ joint venture is not consolidated		Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		` 52,55,387.00	` 27,11,553.36	` 3,50,835.57	` 2,73,99,302.98
Profit / Loss for the year	i) Considered in Consolidation	` (272507)	` 15,94,100.17	` (23,304.97)	` (17,24,401.69)
	ii) Not Considered in Consolidation	-	-	-	-

SL. NO.		9	10	11
Name of Associates/ Joint Ventures		Bhartiya SMSIL	Gannon Dunkerley & Co. Ltd. and SMS Infrastructure Ltd (JV)	SMSIL-MBPL-BRAPL (JV)
Latest audited Balance Sheet Date		2016 - 2017	2016 - 2017	2016 - 2017
Date on which the Associate or Joint Venture was associated or acquired		07/06/2012	03/09/2015	10/05/2016
Shares of Associate/Joint Ventures held by the company on the year end.	No.	-	-	-
	Amount of Investment in Associates /Joint Venture	₹ 2,34,177.35	NIL	₹ 5,33,439.97
	Extend of Holding (in Percentage)%	49%	40%	63.33%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/ joint venture is not consolidated		Consolidated	-	-
Networth attributable to Shareholding as per latest audited Balance Sheet		₹ 2,34,177.62	₹ 0	₹ 5,33,439.97
Profit / Loss for the year	i) Considered Consolidation	₹ (63,986.65)	₹ 0	₹ 4,33,439.97
	ii) Not Considered in Consolidation	-	-	-

SL. NO.		12	13
Name of Associates/ Joint Ventures		SMSL-SRRCIPL	SRRCIPL-SMSL-BEKEM
Latest audited Balance Sheet Date		2016 – 2017	2016 - 2017
Date on which the Associate or Joint Venture was associated or acquired		23/01/2016	11/11/2016
Shares of Associate/ Joint Ventures held by the company on the year end.	No.	-	-
	Amount of Investment in Associates/ Joint Venture	NIL	NIL
	Extend of Holding (in Percentage)%	60%	20%
Description of how there is significant influence		Joint control over the economic activity of the entity	Joint control over the economic activity of the entity
Reason why the associate/ joint venture is not consolidated		Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet		` (241728)	` (2,946)
Profit / Loss for the year	i) Considered Consolidation	ii) ` (241728)	` (2,946)
	ii) Not Considered in Consolidation	-	-

1. Names of associates or joint ventures which are yet to commence operations. :

SRRCIPL-SMSL-BEKEM formed on 11.11.2016, Gannon Dunkerley & Co. Ltd. formed on 28.12.2016, SMSL-SRRCIPL formed on 22.01.2016 and SMS Infrastructure. Ltd (JV) & SMSIL-MBPL-BRAPL (JV) formed 17.02.2016

2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP SURANA
Director
DIN: 00953495

Place: Nagpur
Dated: 28/09/2017

SMITA AGARKAR
Company Secretary

SUSHANT MUKHERJEE
Chief Financial Officer

S M S

ANNEXURE - V

FORM NO. AOC 2

Particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at Arm's length basis – Not Applicable.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
A	B	C	D	E	F	
1.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Period within 4 months from the date of issue of purchase order & installation completion period: 4 months	Purchase Order for supply of required material for Construction of MEE Boiler Shed and Work order with for Construction of MEE Boiler Shed at Ranjangaon Pune at the total Contract Value of ` 23,25,000/- (approved via Audit Committee meeting) taxes additional as applicable. 20% advance applicable to be adjusted against future bills and quantity escalation clause of 10% +/- tolerance in Quantity and no rate escalation and other terms & condition as per work order. <i>Actual Contract Value:</i> ` 17,03,372/- for Purchase Order & ` 6,28,227/- for work order	27.06.2016	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
2.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Period within 4 months from the date of issue of purchase order & installation completion period: 4 months	Purchase Order for supply of required material for Construction of Stabilization shed and Work order for Construction of Stabilization shed at Ranjangaon Pune at the total Contract Value of ` 76,31,000/- (approved via Audit Committee meeting) taxes additional as applicable, advance against Delivery and quantity escalation clause of 10% +/- tolerance in Quantity and no rate escalation and other terms & condition as per work order. <i>Actual Contract Value:</i> ` 54,82,481/- for Purchase Order & ` 21,71,924/- for work order]	27.06.2016 (Approved by Audit Committee)	NIL
3.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Period within 4 months from the date of issue of purchase order & installation completion period: 4 months	Purchase Order for supply of material and Work order for providing services for Construction of Special Treatment Shed at Ranjangaon Pune at the total Contract Value of ` 47,52,000/- (approved via Audit Committee meeting) taxes additional as applicable. advance against delivery and quantity escalation clause of 10% +/- tolerance in Quantity and no rate escalation and other terms & condition as per work order <i>Actual Contract Value:</i> ` 34,31,174/- for Purchase Order & ` 13,23,278/- for work order	27.06.2016 (Approved by Audit Committee)	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
4.	SMS Envoclean Private Limited Subsidiary Company	Availing property on Lease	For the period of 36 months i.e. from 01.07.2016 to 30.06.2019	Leave and Licence agreement for giving Residential Premises/Flat of the Company situated at "Diwani Mahal" Flat No. 5, measuring 1000 sq. feet carpet area, in the Gulmohar Road No. 1, JVPD scheme in The Greater Bombay Co-operative Housing Society Ltd., Mumbai-400049. For the period of 36 months commencing from 01.07.2016 to 30.06.2019 on payment of a ` 1,00,000/- (Rupees One Lac only) per month inclusive of all Taxes levied by State & Central Government, every month as License Fees/compensation for use and occupation of the licensed premises on the terms and conditions as per the 'Leave & License Agreement'	27.06.2016	Refundable Security deposit of ` 2,00,000/-
5.	Maharashtra Enviro Power Ltd.	supply of materials & rendering of services;	Delivery Period within 6 months from the date of issue of purchase order & installation completion	Purchase and Work Order for Supply of required material and Providing services for Plant Drains at Ranjangaon Pune at the Contract Value of ` 50,74,736/- (approved via Audit Committee meeting) taxes additional as applicable. An Advance of 30 % of Basic	29.09.2016	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
	Subsidiary Company		period: 6 months	amount along with Purchase Order against request, balance 70 % of Basic amount and 100% taxes along with other charges if any will be paid after delivery of material at site along with submission of required Papers/Certificate after deduction of 5 % Security Deposit and 10 % +/- tolerance in Quantity and no rate escalation and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value: ` 50,72,236/- i.e [` 32,89,564/- for Purchase Order & ` 17,82,672/- for work order</i>		
6.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Period within 6 months from the date of issue of purchase order & installation completion period: 6 months	Purchase for Supply of required material and Work Order for Providing services for Plumbing Works at Ranjangaon Pune at the Contract Value of ` 42,24,797/- taxes additional as applicable. An advance of 30% Basic amount along with purchase order against request and quantity escalation clause of 10% +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value: ` 42,24,797/- i.e [` 29,28,817/- for Purchase Order & ` 12,95,980/- for work order]</i>	29.09.2016	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
7.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Period within 6 months from the date of issue of purchase order & installation completion period: 6 months	Purchase order for Supply of required material and Work Order for providing service for General Civil Work at Ranjangaon Pune at the Contract Value of ` 70,80,083/- (Rupees Seventy Lac Eighty Thousand and Eighty Three only) taxes additional as applicable. 30% advance of Basic amount along with purchase order against request and quantity escalation clause of 10% +/- tolerance and other terms & condition as per Purchase and Work Order <i>Actual Contract Value: ` 70,80,083 i.e [` 44,25,678.00 for Purchase Order & ` 26,54,405 for work order]</i>	29.09.2016	
8.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Period within 6 months from the date of issue of purchase order & installation completion period: 6 months	Purchase Order for Supply of required material and Work order for Capping of II landfill Civil Work & providing service at Ranjangaon Pune at the total Contract Value of ` 6,00,00,000/- (Rupees Six Crore) (approved via Audit Committee meeting) taxes additional as applicable. 30% advance of Basic amount along with purchase order against request and quantity escalation clause	19.12.2016	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
				of 10% +/- tolerance in Quantity and no rate escalation. and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value:</i> 5,95,22,250 i.e [` 4,14,64,250.00 for Purchase Order & ` 1,80,58,000 for work order		
9.	Maharashtra Enviro Power Ltd. Subsidiary Company	rendering of services;	From 13/01/2017 to 12/01/2022	Work order for providing Services related to disposal of hazardous waste at the Contract Value fixed at the rate of ` 6155/- PMT (Rupees Six Thousand One Hundred Fifty Five only) and loading and transportation charges additional as applicable. Payment is to be made within 15 days from the submission of report and invoice and no rate escalation. and other terms & condition as per Work Order.	19.12.2016	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
10.	SMS Shivnath Infrastructure Pvt. Ltd. Subsidiary Company	Purchase of Land	One time	Entering into transaction for purchase of Land from SMS Shivnath Infrastructure Pvt. Ltd. (Subsidiary Company) situated at Mauza: Sikola, District Durg. The Sale Value is ` 1,28,05,100 (Rupees One Crore Twenty Eight Lac Five Thousand Hundred only) plus taxes as applicable (approved via Audit Committee meeting).	22.03.2017	NIL
11.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Schedule within 6 months from the date of issue of order & installation completion period: 6 months	Revision of Purchase order for Supply of required material and Work order for providing service for Capping of II landfill Civil Work at Ranjangaon Pune at the total Contract Value of ` 7,50,00,000/- (Rupees Seven Crore Fifty Lac only) taxes additional as applicable (approved via Audit Committee meeting), 30% advance of Basic amount along with purchase order against request and quantity escalation clause of 10% +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value:</i> ` 6,99,03,250 i.e. [` 4,54,64,250/- for Purchase Order & ` 2,44,39,000/- for work order]	22.03.2017	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
12.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Schedule within 6 months from the date of issue of order & installation completion period: 6 months	Purchase Order for Supply of required material and Work order providing service for Drilling & grouting the drilled holes along the South West and North-West Side compound wall work at MEPL, Ranjangoan, Pune. The Contract Value is 2,30,26,000/- (Rupees Two Crore Thirty Lac Twenty Six thousand only) taxes additional (approved via Audit Committee meeting). 30% advance of Basic amount along with work/purchase order against request and Quantity Escalation Clause: 10 % +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value:</i> ` 1,95,06,000/- i.e [` 35,20,000/- for Purchase Order & ` 1,59,86,000/- for work order]	22.03.2017	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
13.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Schedule within 6 months from the date of issue of order & installation completion period: 6 months	Purchase Order for Supply of required material for solid waste feed system foundations civil work and Work Order for providing service for fabrication and installation of the new solid waste feed system civil at MEPL, Ranjangoan, Pune. The Contract Value is ` 10,53,136/ (Rupees Ten lac fifty three thousand one hundred thirty six only) taxes additional (approved via Audit Committee meeting). 30% advance of Basic amount along with work/purchase order against request and Quantity Escalation Clause: 10 % +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value:</i> ` 10,53,136/- i.e [` 5,34,935/- for Purchase Order & ` 5,18,201/- for work order]	22.03.2017	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
14.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Schedule within 6 months from the date of issue of order & installation completion period: 6 months	Purchase and Work Order for Supply of required material & providing service for Barrage work at Bandhara, Near Nimgaon Bhogi village MEPL, Ranjangoan, Pune. The Contract Value is ` 15,00,000/ (Rupees Fifteen Lac only) taxes additional(approved via Audit Committee meeting). 30% advance of Basic amount along with work/purchase order against request and Quantity Escalation Clause: 10 % +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase and Work Order <i>Actual Contract Value:</i> ` 14,93,950/i.e [` 12,94,450/- for work order & ` 1,99,500/- for Purchase Order]	22.03.2017	NIL
15.	SMS Vidhyut Private Limited Subsidiary Company	supply of materials	Delivery date 27/02/2017	Purchase order for supply of TMT Steel Bar Fe 500 (20MM) and TMT Steel Bars 20MM. The Contract Value is ` 12,47,000/- (Rupees Twelve Lac Forty Seven Thousand only) taxes as applicable (approved via Audit Committee meeting). Quantity Escalation Clause: 10 % +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase Order <i>Actual Contract Value:</i> ` 6,93,511.88/- inclusive taxes.	22.03.2017	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
16.	SMS Shivnath Infrastructure Pvt. Ltd. Subsidiary Company	Purchase of Land	One Time	Purchase of Land situated at Mauza Sikola, Bypass road, Tehsil & District Durg PH No. 17 Khasra No. 28/4 for total area admeasuring .0382 hectar. The Sale Value is ` 1,12,30,800 (Rupees One crore twelve lac thirty thousand eight hundred only) plus taxes as applicable (approved via Audit Committee meeting).	22.03.2017	NIL
17.	SMS Shivnath Infrastructure Pvt. Ltd. Subsidiary Company	Purchase of Land	One Time	Purchase of Land situated at Mauza Borkhedi, plot no. 31, survey no. 167-168/5-8/2 & Khasra No. 167-168/6, PH no. 74, Teh & District Nagpur for total area admeasuring 180 sq mt. The Sale Value is ` 12,60,000 (Rupees Twelve lac sixty thousand only) plus taxes as applicable (approved via Audit Committee meeting).	22.03.2017	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
18.	SMS Shivnath Infrastructure Pvt. Ltd. Subsidiary Company	Availing property on Lease	Till 31 st March, 2031 or till the expiry of concession period under concession agreement whichever is later	Leave and Licence agreement for giving property on lease situated at Sikola. on monthly rent of ` 1/- (Rupees One only) inclusive of all applicable taxes with respect to the property and other terms and conditions as per the 'Leave & License Agreement' (approved via Audit Committee meeting).	22.03.2017	NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, IF ANY	Amount paid as advances, if any:
	A	B	C	D	E	F
19.	Maharashtra Enviro Power Ltd. Subsidiary Company	supply of materials & rendering of services;	Delivery Schedule within 3 months from the date of issue of order & installation completion period: 3 months	Purchase and Work Order for Supply of required material & providing service for Canteen Civil work at MEPL, Ranjangoan, Pune. The Contract Value is ` 15,00,000/ (Rupees Fifteen Lac only) taxes additional(approved via Audit Committee meeting). 30% advance of Basic amount taxes additional amount along with work/purchase order against request and Quantity Escalation Clause: 10 % +/- tolerance in quantity & No Rate escalation and other terms & condition as per Purchase and Work Order. <i>Actual Contract Value:</i> ` 14,69,603/ i.e [` 3,48,523/- for work order & ` 11,21,080/- for Purchase Order]	22.03.2017	NIL

20.	SMS Water Grace BMW Private Limited Subsidiary Company	Investment u/s 186 by purchase of Right shares	Long Term Investment	Purchase of Right shares for an amount in aggregate not exceeding ` 2,00,00,000/- (Rupees Two Crore only)	22.03.2017	NIL
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For SMS Limited
Anand Sancheti

For SMS Limited
Dilip Surana

Dated: 28th September, 2017
Place: Nagpur

Managing Director
DIN:00953362

Director
DIN:09534694

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ANNEXURE – VI

Annexure VI

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

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

S.N.	Name of the employee	Designation	Remuneration received gross (₹)	Nature Of Employment (whether contractual or otherwise)	Qualifications	Experience (in years)	Date of commencement of employment	Age	Last employment (before by pl)	Percentage equity (if any)	Employee is relative of any director or manager (name of director or manager)
1	Abhay Harakchand Sancheti	Chairman & WTD	₹ 1,29,02,400/-	Business	B.E & DBM	35	8-May-97	58	Since incorporation	31.33%	NO
2	Dilip Surana	WTD	₹ 1,15,20,000/-	Service	Diploma in Civil	31	24-May-2007	52	Self employed	0	NO
3	Anand Sancheti	MD	₹ 96,76,800/-	Business	B Com & Diploma in finance	27	8-May-97	46	Since incorporation	23.50%	NO
4	Kasaraneni R Rao	VP & Head - Mining	₹ 48,48,876/-	Service	M Techg – Rock Mechanis	34	1-Apr-07	59	VNIT – Nagpur	0	NO
5	G Srinivas Rao	AGM - MINING	₹ 37,08,360/-	Service	M Tech Mining	15	17-Jan-11	41	SCCL	0	NO
6	Sunil Daithankar	GM – COAL PROJECTS	₹ 36,32,112/-	Service	B Tech Mining	26.5	1-Jan-16	49	Monnet Ispat & Energy Ltd	0	NO
7	Ram Madan Yadav	GM - MINING	₹ 30,58,140/-	Service	BE Mining	32	23-May-12	56	HZL	0	NO
8	Rajeev Charde	VP	₹ 27,84,804/-	Service	BE Civil	39	01-Apr-16	61	B.G.Shirke Construction Pvt.Ltd	0	NO
9	Ashfaque Khan	GM	₹ 26,07,216/-	Service	DCE	28	28-Mar-89	48	Al-Baha Municipality Saudi Arabia	0	NO
10	Rahul Manohar Thite	GM	₹ 26,07,204/-	Service	BE (CIVIL)	22	18-01-2006	45	Ashoka Buildcon Ltd	0	NO

WTD-Whole Time Director, MD Managing Director, VP -Vice President

Independent Auditors' Report

To the members of SMS LIMITED

Report on the Standalone Ind AS Financial statements

We have audited the accompanying standalone Ind AS financial statements of **SMS LIMITED** which comprise the Balance Sheet as at 31 March 2017, Statement of Profit & Loss (including Other Comprehensive Income) , Cash Flow Statement and the Statement of Changes in Equity for the year then ended ,and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Standalone Ind AS financial statements

The Company's board of directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules there under.

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 standalone Ind AS 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.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the standalone Ind AS financial statements that give a true and fair view in order in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind As 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 affairs of the Company as at 31st March 2017, its profit 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"), as amended, 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 paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- e) In our opinion and to the best of our information and according to the explanations given to us, there are no significant matters which are not routine in nature and have an adverse effect on the functioning of the Company.
- f) With respect to the adequacy of the internal financial controls of the company and the operating effectiveness of such control, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed impact of all pending litigations on its financial position in its standalone Ind AS financial statements in the significant accounting policies and Notes.
 - (ii) The Company has made adequate provision, as required under the applicable laws or Indian accounting standards, for material foreseeable losses, if any, on long term contracts and does not have any derivate contracts for which there were any material foreseeable losses as on balance sheet date.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the Ind AS financial statements as to holding as well as dealing in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

Other matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 audited by us whose report for the year ended 31st March 2016 and 31st March 2015 dated 29th September 2016 and 19th August 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For,
C. R. Sagdeo & Co.
Chartered Accountants,
F. R. N. 108959W

CA. Suman Bose
Partner
Membership No. 045239

Place: Nagpur
Date: 28th Sept 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph under the heading "Report on Other Legal & Regulatory Requirements" of our report of even date to the financial statements of SMS Ltd for the year ended 31st March 2017

- (1) According to the information and representations given to us,
 - (a) The Company has maintained proper records showing full particulars, including details and situation of all Fixed Assets.
 - (b) The Fixed Assets have been physically verified by the management at reasonable intervals and discrepancies that were noticed on such physical verification have been addressed in the books of accounts.
 - (c) The title deeds of immovable properties owned by the Company are in the previous names of the Company.
- (2) According to the information and representations given to us, the Company has conducted physical verification of inventory at reasonable intervals and discrepancies noticed have been properly dealt with in the books of accounts.
- (3) According to the information and representations given to us, the company has granted Loans, secured or unsecured, to companies, firms, LLP's or other parties covered in the register maintained under Section 189 of the Companies Act, 2013; however the terms and conditions of such loans are not prejudicial to the company's interest, the repayments of principal and interest are regular and there are no over dues.
- (4) According to the information and representation given to us, in respect of loans, investments, guarantees and security given by the company, the provisions of section 185 and 186 of Companies Act, 2013 have been complied with.
- (5) According to the information and representations given to us, the Company has not accepted any deposit attracting the provision of section 73 to 76 of Companies Act 2013 or against the directives of Reserve Bank of India.
- (6) According to the information and representations given to us, the Company is required to maintain Cost Records as specified by Central Government u/s 148 of the Companies Act, 2013 and such cost records have been maintained.
- (7) (a) In respect of statutory dues, according to the records and information given, dues in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities, and there are no

undisputed amounts outstanding as on 31.03.2017 for a period of more than six months from the date they became payable.

(b) The following liabilities of income tax, sales tax, and service tax as at March 31, 2017 which have not been deposited on account of a dispute pending.

Sr. No.	Name of Statute	Nature of Dues	Amount Rs.	Period	Forum
1.	Service Tax	Service Tax	38.05 Lakhs	F.Y. 2005 to 2009	<u>Tribunal:-</u> <i>[Customs, Excise & Service Tax Appellate Tribunal,</i>
2.	Service Tax	Service Tax	3892.91 Lakhs	F.Y. 2009 to 2015	<u>Tribunal:-</u> <i>[Customs, Excise & Service Tax Appellate Tribunal,</i>
3.	Service Tax	Service Tax	14185.44 Lakhs	F.Y. 2011 to 2015	<u>Tribunal:-</u> <i>[Customs, Excise & Service Tax Appellate Tribunal,</i>
4.	Customs Act	Penalty	10 lakhs	F.Y 2010-2011	<u>Tribunal:-</u> <i>[Customs, Excise & Service Tax Appellate Tribunal, Mumbai]</i>
5.	AP VAT Act 2005	VAT	325.80 lakhs	F.Y. 2010-11	<u>VAT Commissioner</u> (High Court of Judicature at Hyderabad)
6.	AP VAT Act 2005	Penalty	81.45 lakhs	F.Y. 2010-11	<u>VAT Commissioner</u> (High Court of Judicature at

					Hyderabad)
7.	AP VAT Act 2005	Entry Tax	489.34 lakhs	F.Y. 2008-09 to 2012-13	<u>Honourable High Court Hyderabad</u>
8.	AP VAT Act 2005	VAT	1079.09 lakhs	F.Y. 2012-13 to 2014-15	<u>Honourable High Court Hyderabad</u>
9.	AP VAT Act 2005	VAT	30.87 lakhs	F.Y. 2011-12	<u>Honourable High Court Hyderabad</u>
10.	MP VAT Act 2002	VAT Amount	71.93 lakhs	F.Y 2012-13	<u>Additional Commissioner Cum Appealate Authority Jabalpur</u>
11.	MP VAT Act 2002	Entry Tax	342.94 lakhs	F.Y 2012-13	<u>Bhopal Tribunalate Court</u>
12.	MP VAT Act 2002	VAT Amount	78.43 lakhs	F.Y 2013-14	<u>DC Appeal</u>
13.	MP VAT Act 2002	VAT Amount	38.61 lakhs	F.Y 2014-15	<u>DC Appeal</u>
14.	MP VAT Act 2002	Entry Tax	3.11 lakhs	F.Y 2014-15	<u>DC Appeal</u>
15.	Central sales tax 1956	CST Amount	2.86 lakhs	F.Y 2013-14	<u>DC Appeal</u>
16.	Bihar VAT Act 2005	VAT Amount	2144.05 lakhs	F. Y. 2014-15	<u>JC Appeals</u>
17.	Bihar VAT Act 2005	VAT Amount	1317.88 lakhs	F. Y. 2015-16	<u>JC Appeals</u>

- (8) According to the information and representations given to us, the company has not defaulted in the repayment of dues to Banks and financial institutions during the financial year.
- (9) According to information and representations given to us, the company has not raised any money through further public offer. It has raised term loans during the year and they have been applied for the purpose for which they were raised.
- (10) According to the information and representations given to us, there was no case of fraud reported by or against the company during the year.
- (11) According to the information and representations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.
- (12) According to the information and representations given to us, the Company is not a Nidhi Company and therefore Para 3 (xii) of the Companies (Auditor's Report) Order 2015 does not apply to the company.
- (13) According to the information and explanations, all the transactions with related parties are in compliance with section 188 of the Companies Act, 2013. The Company is not a listed company thus section 177 is not applicable.
- (14) According to the information and explanation, the Company has not made any preferential allotment of shares or private placement of share or convertible debentures.
- (15) As per the information and representations given to us, the Company has not entered into any non-cash transactions with the directors or person connected with him as mentioned in section 192 of the Companies Act 2013.
- (16) The Company is not required to register u/s 45-IA of Reserve Bank of India Act, 1934 as financing is not the main business of the company.

Place: Nagpur

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

Date: 28th Sept 2017

**CA. Suman Bose
Partner
Mem. No. 045239**

ANNEXTURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **SMS Ltd.** ("The Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal controls 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Nagpur

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

Date: 28th Sept 2017

**CA. Suman Bose
Partner
Mem. No. 045239**

SMS Limited (Formerly known as SMS Infrastructure Limited)

Balance Sheet as at 31 March 2017

Particulars	Note No.	(₹ in lacs)		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	3	12,422.95	13,426.78	15,699.21
(b) Capital work in progress		434.99	-	16.19
(C) Investment property	4	1,574.46	1,581.21	1,585.99
(d) Goodwill		-	-	-
(e) Other Intangible assets	5	181.09	22.20	36.20
(h) Financial assets				
(i) Investments	6	27,181.56	15,273.44	14,610.39
(iii) Trade receivables	7	6,273.16	4,163.51	2,426.29
(ii) Loans	8	16,128.52	3,231.63	10,704.34
(iv) Other financial assets	9	10,334.80	9,659.59	6,276.36
(i) Deferred tax assets (net)		-	-	-
(j) Other non-current assets		-	-	-
Total non-current assets		74,531.53	47,358.35	51,354.96
(2) Current assets				
(a) Inventories	10	18,382.19	29,915.11	39,498.82
(b) Financial assets				
(i) Trade receivables	7	19,191.63	17,423.96	8,729.78
(ii) Loans	8	14,691.80	13,137.86	546.74
(iii) Cash and cash equivalent	11	6,104.55	7,237.98	7,029.23
(iv) Other financial assets		-	-	-
(c) Assets classified as held for Sale	12	7.89	144.89	
(d) Other current assets	13	8,477.20	6,892.59	6,229.58
Total current assets		66,855.28	74,752.39	62,034.13
Total assets		1,41,386.81	1,22,110.75	1,13,389.09
Equity and liabilities				
Equity				
(a) Equity Share Capital	14	1,026.14	1,026.14	1,026.14
(b) Other Equity				
(i) Reserve & surplus	15	41,750.92	37,485.70	33,334.80
(ii) Other reserves	16	10,647.69	10,647.69	10,647.69
Total equity		53,424.75	49,159.53	45,008.63
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	12,834.82	6,726.10	784.68
(ii) Other financial liabilities		-	-	-
(b) Provisions	18	425.13	412.22	362.20
(C) Deferred tax liabilities (net)		856.44	664.51	838.15
(d) Other non current liabilities	19	11,528.07	14,587.11	15,916.79
		25,644.47	22,389.93	17,901.81
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	34,448.76	28,045.87	28,640.02
(ii) Trade payables	21	7,726.29	6,571.16	8,216.35
(iii) Other financial liabilities	22	17,295.13	14,345.16	13,004.27
(b) Other current liabilities	23	2,728.82	1,463.71	535.15
(C) Provisions	18	118.59	135.38	82.86
		62,317.59	50,561.29	50,478.65
Total liabilities		87,962.06	72,951.22	68,380.46
Total equity and liabilities		1,41,386.81	1,22,110.75	1,13,389.10

Notes 1 to 50 form an integral part of the standalone financial statement.

This is the Balance Sheet referred to in our audit report of even date.

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

For and on behalf of the Board of Directors

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B SURANA

Director

DIN: 00953495

CA Suman Bose

Partner

Membership No. 045239

Place : Nagpur

Date : 25/09/2017

SMITA P. AGARKAR

Company Secretary

11

SUSHANT S. MUKHERJEE

Chief Financial Officer

SMS Limited (Formerly known as SMS Infrastructure Limited)
Statement of Profit and Loss for the period ended 31 March 2017

(₹ in lacs)

Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
Continuing operations			
Income			
Revenue from operations	24	1,11,101.06	1,20,052.34
Other income	25	2,618.63	2,774.00
Total income		<u>1,13,719.69</u>	<u>1,22,826.34</u>
Expenses			
Cost of raw material and components consumed	26	33,428.45	36,124.43
Construction Expenses	27	55,334.96	61,036.95
Employee benefits expense	28	5,574.52	5,540.60
Depreciation and amortization expense	29	1,756.23	1,922.72
Impairment of non-current assets		-	-
Finance costs	30	9,031.33	9,463.74
Other expenses	31	<u>2,268.05</u>	<u>2,462.09</u>
Total expense		<u>1,07,393.53</u>	<u>1,16,550.54</u>
Profit before exceptional item and tax		6,326.17	6,275.81
Exceptional items	2.2 (r)		-173.91
Profit before tax		6,326.17	6,101.90
Tax Expense			
(1) Current tax		1,982.81	1,850.00
(2) Adjustment of tax relating to earlier periods		(225.11)	75.32
(3) Deferred tax		191.94	(173.65)
		<u>1,949.64</u>	<u>1,751.67</u>
Profit for the year		<u>4,376.53</u>	<u>4,350.22</u>
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		35.50	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		<u>35.50</u>	<u>-</u>
Other comprehensive income for the year, net of tax		35.50	-
Total comprehensive income for the year, net of tax attributable to:		<u>4,412.03</u>	<u>4,350.22</u>
Earning per equity share			
Basic		43.00	42.39
Diluted		43.00	42.39

This is the statement of profit and loss referred to in our audit report of even date

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

For and on behalf of the Board of Directors

CA Suman Bose

Partner

Membership No. 045239

Place : Nagpur

Date : 25/09/2017

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B SURANA

Director

DIN: 00953495

SMITA P. AGARKAR

12 Company Secretary

SUSHANT S. MUKHERJ

Chief Financial Officer

SMS Limited (Formerly known as SMS Infrastructure Limited)
Cash flow statement for the year ended 31 March 2017

(₹ in lacs)

Particulars	Year ended 31 March	Year ended 31 March
	2017	2016
Cash flow from operating activities		
Profit before tax	6,326.17	6,101.90
Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and intangible assets	1,756.23	1,922.72
Impact of IND AS on leave provision	135.38	82.86
Re-measurement gains/ (losses) on defined benefit plans	35.50	-
Interest expense	9,031.33	9,463.74
Interest income	(1,503.22)	(1,594.10)
Dividend income	(283.75)	(283.75)
Operating profit before working capital changes	15,497.64	15,693.38
Increase/(decrease) in trade payables	1,155.13	(1,645.19)
Increase / (decrease) in non current provisions	12.92	50.02
Increase / (decrease) in current provisions	(16.80)	52.52
Increase/(decrease) in other current liabilities	1,265.11	928.56
Increase/ (decrease) in other non current liabilities	(3,059.04)	(1,329.68)
Increase/ (decrease) in other current financial liabilities	2,949.97	1,340.89
Increase/ (decrease) in Deferred tax	191.94	(173.65)
Decrease/(increase) in current trade receivables	(1,767.67)	(8,694.19)
Decrease/(increase) in non current trade receivables	(2,109.65)	(1,737.22)
Decrease/(increase) in other non current financial assets	(675.21)	(3,383.24)
Decrease/(increase) in other current assets	(1,584.61)	(663.01)
Decrease/(increase) in inventories	11,532.91	9,583.71
Decrease / (increase) in non current loans and advances	(12,896.89)	7,472.71
Decrease / (increase) in current loans and advances	(1,553.94)	(12,591.12)
	8,941.80	4,904.49
Direct taxes paid (net of refunds)	(1,949.64)	(1,751.67)
Net cash flow from/ (used in) operating activities (A)	6,992.17	3,152.82
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,426.50)	(305.47)
Proceeds from sale of fixed assets	223.96	545.26
Purchase of non-current investments	(11,908.12)	(663.05)
Interest received	1,503.22	1,594.10
Dividends received	283.75	283.75
Net cash flow from/(used in) investing activities (B)	(11,323.70)	1,454.59
Cash flow from financing activities		
Proceeds from long-term borrowings	6,108.73	5,941.42
Proceeds from short-term borrowings	6,402.89	(594.14)
Dividend paid on equity shares	(282.19)	(282.19)
Interest paid	(9,031.33)	(9,463.74)
Net cash flow from/(used in) in financing activities (C)	3,198.10	(4,398.65)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,133.43)	208.75
Cash and cash equivalents at the beginning of the year	7,237.98	7,029.23
Cash and cash equivalents at the end of the year	6,104.55	7,237.98
Components of cash and cash equivalent		
Cash on hand	151.17	497.94
With banks- on current account	176.23	224.61
-- on deposit account	5,777.15	6,515.43
Total cash and cash equivalents	6,104.55	7,237.98

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 : 25/09/2017

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

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B. SURANA

Director

DIN: 00953495

SMITA AGARKAR

Company Secretary

SUSHANT MUKHERJEE

Chief Financial Officer

SMS Limited (Formerly known as SMS Infrastructure Limited)
Statement of changes in Equity for the year ended 31 March 2017

A. EQUITY SHARE CAPITAL

Issued and paid up capital

(` in lacs)

Particulars	Number of Shares	Amount
Balance as at 1 April 2015	1,02,61,382	1,026.14
Changes in equity share capital	-	-
Balance as at 31 March 2016	1,02,61,382	1,026.14
Changes in equity share capital	-	-
Balance as at 31 March 2017	1,02,61,382	1,026.14

B. OTHER EQUITY

Particulars	Reserves and Surplus			Items of OCI			Total Equity
	Securities premium reserve	General reserve	Retained earnings	FVTOCI reserve	Net gain on fair value of defined benefit	Asset revaluation reserve	
As at 1 April 2015	10,647.69	1,116.85	32,217.96	-	-	-	43,982.49
Profit for the year	-	-	4,350.22	-	-	-	4,350.22
Other Comprehensive Income	-	-	-	-	-	-	-
Intirim Dividend paid	-	-	(282.19)	-	-	-	(282.19)
IND AS impact on leave provision	-	-	82.86	-	-	-	82.86
IND AS impact on prior period	-	-	-	-	-	-	-
At 31 March 2016	10,647.69	1,116.85	36,368.86	-	-	-	48,133.39
As at 1 April 2016	10,647.69	1,116.85	36,368.86	-	-	-	48,133.39
Profit for the year	-	-	4,376.53	-	-	-	4,376.53
Other Comprehensive Income	-	-	-	-	35.50	-	35.50
Intirim Dividend paid	-	-	(282.19)	-	-	-	(282.19)
IND AS impact on leave provision	-	-	135.38	-	-	-	135.38
At 31 March 2017	10,647.69	1,116.85	40,598.58	-	35.50	-	52,398.62

This is the statement of changes in equity referred to in our audit report of even date

Nature and purpose of reserves

1. Securities premium reserve

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

For and on behalf of the Board of Directors

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

CA Suman Bose

Partner

Membership No. 045239

Place : Nagpur

Date : 25/09/2017

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B SURANA

Director

DIN: 00953495

SMITA P. AGARKAR

Company Secretary

SUSHANT S. MUKHERJEE

Chief Financial Officer

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017
3 Property, plant and equipment

Particular	(₹ in lacs)									
	Leasehold Land	Land	Building	Plant & Machinery	Office Equipments	Computers	Furniture & Fixture	Vehicle	Total	
At 1st April 2015	5.54	111.34	2,393.17	27,488.71	520.60	942.30	324.26	4,803.32	36,589.25	
Assets Held for Sale	-	7.89	146.27	-	-	-	-	-	154.16	
Additions	-	-	-	731.25	20.70	10.49	17.94	60.52	840.90	
Transfer due to IND AS	-	-	-	(637.19)	-	-	-	-	(637.19)	
Disposals	-	10.33	18.57	454.96	1.14	-	-	60.26	545.26	
Written OFF	4.59	55.12	152.96	1,378.88	65.32	507.22	28.32	398.69	2,591.10	
Interhead adjustment	-	3.24	(3.77)	(617.37)	(2.31)	-	1.83	617.85	(0.53)	
At 31st March 2016	0.95	41.24	2,071.59	25,131.57	472.53	445.58	315.71	5,022.74	33,501.90	
At 1st April 2016	0.95	41.24	2,071.59	25,131.57	472.53	445.58	315.71	5,022.74	33,501.90	
Additions	-	-	126.84	505.46	17.09	14.30	20.00	69.53	753.22	
Disposals	-	-	-	192.89	0.74	-	0.41	29.92	223.96	
Written OFF	-	-	-	442.95	33.56	3.64	4.48	56.33	540.97	
Interhead adjustment	-	-	-	-	-	-	-	-	-	
At 31st March 2017	0.95	41.24	2,198.44	25,001.18	455.31	456.24	330.81	5,006.02	33,490.19	
Depreciation										
At 1st April 2015	0.65	-	349.63	15,723.30	347.06	867.17	181.81	3,420.44	20,890.06	
Charge for the year	0.01	-	99.78	1,214.87	87.40	44.76	34.86	413.37	1,895.04	
Disposals	0.60	-	122.28	1,555.50	61.78	506.71	25.18	429.95	2,701.99	
Depreciation reversal as per IND AS	-	-	-	(488.95)	(1.94)	-	1.63	489.26	-	
Interhead adjustment	-	-	7.97	-	-	-	-	-	7.97	
Elimination*	-	-	-	-	-	-	-	-	-	
At 31st March 2016	0.06	-	319.15	14,893.73	370.75	405.21	193.11	3,893.12	20,075.13	
At 1st April 2016	0.06	-	319.15	14,893.73	370.75	405.21	193.11	3,893.12	20,075.13	
Charge for the year	0.01	-	97.43	1,156.74	50.78	26.39	26.68	358.02	1,716.05	
Disposals	-	-	-	602.36	33.28	3.64	4.30	80.36	723.93	
Interhead adjustment	-	-	-	-	-	-	-	-	-	
At 31st March 2017	0.07	-	416.58	15,448.11	388.25	427.97	215.49	4,170.78	21,067.25	
Net Block										
At 31st March 2015	0.06	116.17	2,043.54	11,765.41	173.53	75.13	142.43	1,382.88	15,699.16	
At 31st March 2016	0.89	41.24	1,752.44	10,237.84	101.78	40.36	122.60	1,129.62	13,426.77	
At 31st March 2017	0.88	41.24	1,781.86	9,553.07	67.06	28.27	115.32	835.24	12,422.95	

Extracts from the notes:-

From the start of 2017, SMS Limited changed its accounting policy for depreciating property, plant & equipment, so as to apply much more fully a components approach. Management takes the view that this policy provides reliable and more relevant information because it deals with more accurately with the component of property, plant & equipment and is based on upto date values. the policy has been applied prospectively from the start of 2017 because it was not practicable to estimate the effect of applying the policy either retrospectively, or prospectively from the earlier date.

* this elimination relates to the depreciation charges during the F Y 2015-16 for the property which is classified as "Assets Held for sale"

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

₹ in lacs

4 Investment Property	LAND	BUILDING	TOTAL
Gross carrying amount			
As on 1st April 2015	1,234.79	379.27	1,614.06
Addition	1.95	-	1.95
Sum of Interhead Adjustemnt Given	(0.13)	-	(0.13)
As on 31st March 2016	<u>1,236.61</u>	<u>379.27</u>	<u>1,615.89</u>
As on 1st April 2016	1,236.61	379.27	1,615.89
Addition	-	-	-
As on 31st March 2017	<u>1,236.61</u>	<u>379.27</u>	<u>1,615.89</u>
Accumulated depreciation			
As on 1st April 2015	-	28.07	28.07
Depreciation charged	-	6.61	6.61
As on 31st March 2016	<u>-</u>	<u>34.68</u>	<u>34.68</u>
As on 1st April 2016	-	34.68	34.68
Depreciation charged	-	6.74	6.74
As on 31st March 2017	<u>-</u>	<u>41.42</u>	<u>41.42</u>
Net carrying amount	1,234.79	351.21	1,585.99
Net carrying amount	1,236.61	344.59	1,581.21
Net carrying amount	<u>1,236.61</u>	<u>337.85</u>	<u>1,574.46</u>

Information regarding income and expenditure of Investment property

Rental income derived from investment properties

Profit arising from investment properties before depreciation and indirect expenses

Profit arising from investment properties before indirect expenses

As at 31 March 2017 **As at 31 March 2016**

11.32	10.58
<u>11.32</u>	<u>10.58</u>
<u>11.32</u>	<u>10.58</u>

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed costs.

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

As at 31 March 2017 and 31 March 2016, the fair values of the properties are INR 2720.12 lacs and INR 1168.83 lacs respectively. These valuations are based on valuations performed by an accredited independent valuer.

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

5 Intangible Asset

	₹ in lacs	
	Computer Software	Total
Gross block		
At 1st April 2015	93.29	93.29
Additions	7.06	7.06
At 31st March 2016	<u>100.35</u>	<u>100.35</u>
At 1st April 2016	100.35	100.35
Additions	192.33	192.33
At 31st March 2017	<u>292.68</u>	<u>292.68</u>
Amortization		
At 1st April 2015	57.09	57.09
Charge for the year	21.07	21.07
Disposal	-	-
At 31st March 2016	<u>78.16</u>	<u>78.16</u>
At 1st April 2016	78.16	78.16
Charge for the year	33.43	33.43
Disposal	-	-
At 31st March 2017	<u>111.59</u>	<u>111.59</u>
Net Block		
At 31st March 2015	<u>36.20</u>	<u>36.20</u>
At 31st March 2016	<u>22.20</u>	<u>22.20</u>
At 31st March 2017	<u>181.09</u>	<u>181.09</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	₹ (lacs) As at 1 April 2015
6 Non-current Investments			
A Trade investments			
a Investment in Subsidiaries (Unquoted)	25,622.28	13,748.92	13,192.50
b Investment in Associates (Unquoted)	468.12	468.12	468.12
c Investment in Joint Ventures	1,175.32	1,097.68	988.37
d Investment in Partnership Firm	(86.55)	(43.67)	(40.76)
	27,179.17	15,271.05	14,608.23
B Non-trade investments			
a Investment in Equity instruments (Unquoted)	1.05	1.05	1.05
b Investment in Government Securities (National Savings Certificate)	1.34	1.34	1.10
	2.39	2.39	2.15
	27,181.56	15,273.44	14,610.39

Details of Non Current Investments

	₹ (lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I Trade Investments			
A Investment in Equity Instruments (Valued at deemed cost, fully paid up)			
a In Subsidiary -			
1 Companies in India			
(i) SMS Bhatgaon Mines Extension Pvt. Ltd. <i>5,10,000 Equity shares of ` 10 each fully paid</i>	51.00	51.00	51.00
(ii) SMS Envoclean Pvt. Ltd. <i>23,64,558 Equity shares of ` 10 each fully paid</i>	112.60	112.60	112.60
(iii) SMS Infolink Pvt. Ltd. <i>10,000 Equity shares of ` 10 each fully paid</i>	1.00	1.00	1.00
(iv) SMS Mine Developers Pvt. Ltd. <i>5,100 Equity shares of ` 10 each fully paid</i>	0.51	0.51	0.51
(v) SMS Parking Solution Pvt. Ltd.* <i>1,19,29,676 Equity shares of ` 10 each fully paid</i>	6,511.10	6,511.10	6,511.10
(vi) SMS Taxicabs Pvt. Ltd. <i>87,45,000 Equity shares of ` 10 each fully paid</i>	1,747.00	1,747.00	1,747.00
(vii) SMS Vidyut Pvt. Ltd. <i>3,950,000 Equity shares of ` 10 each fully paid</i>	992.00	797.00	797.00
(viii) SMS Watergrace BMW Pvt. Ltd <i>58,66,181 Equity shares of ` 10 each fully paid</i>	586.62	436.46	152.95
(ix) Solar Bhatgaon Extension Mines Pvt. Ltd. <i>5,10,000 Equity shares of ` 10 each fully paid</i>	51.00	51.00	51.00
(x) SMS Tolls And Developers Ltd. <i>50,000 Equity shares of ` 10 each fully paid</i>	5.00	5.00	5.00
(xi) Patwardhan Infrastructure Pvt. Ltd. <i>49,220 Equity shares of ` 100 each fully paid</i>	60.79	60.79	60.79
(xii) Maharashtra Enviro Power Ltd. <i>41,617,411 Equity shares of ` 10 each fully paid</i>	3,000.20	3,000.20	3,000.20
(xiii) Ayodhya Gorakhpur SMS Tolls Private Limited** <i>16,000,000 Equity shares of ` 10 each fully paid</i>	1.00	1.00	1.00
(xiv)SMS Shivnath Infrastructure Pvt. Ltd.*** <i>12,183,544 Class A Equity shares of ` 10 each fully paid and 49 Class B Equity shares of ` 10 each fully paid</i>	11,483.26	565.14	565.14
(xv)SMS Waste Management Private Limited <i>10,000 Equity shares of ` 10 each fully paid</i>	1.00	1.00	1.00
(xvi)SMS-AABS India Tollways Private Limited**** <i>5,100 Equity shares of ` 10 each fully paid 25,97,400 Preference shares of ` 10 each fully paid</i>	260.25	260.25	0.51
2 Companies outside India			
(xvii)Pt. SMS Minerals International <i>3,20,000 Equity shares of USD 1 each fully paid</i>	143.28	147.87	134.71
(xvii) Pt. SMS Mines Indonesia <i>990,000 Equity shares of USD 1 each fully paid</i>	614.68	-	-
	25,622.28	13,748.92	13,192.51
*This investment is fully pledged with the India bulls Housing Finance Ltd. Against loan taken by SMS Parking Solutions Pvt. Ltd.			
**This investment is fully pledged with the State bank of India Against loan taken by Ayodhya Gorakhpur SMS Toll Private Limited for providing Security to State Bank of India, IFB Branch, Bharat Nagar, Nagpur			
***30% of investment in SMS Shivnath Infrastructure Pvt. Ltd. (PresentlyDurg Shivnath Expressways Private Limited) is pledged with the State Bank of Hyderabad, Commercial Branch, 74 Janpath, New Delhi Against loan taken by Ayodhya Gorakhpur SMS Toll Private Limited for providing Security to State Bank of India, IFB Branch, Bharat Nagar, Nagpur.			
****This investment is fully pledged with the State bank of India Against loan taken by SMS-AABS India Tollways Pvt. Ltd.			
b Investment in Associates			
1 Companies in India			
RCCL Infrastructure Pvt. Ltd <i>15,65,200 Equity shares of ` 10 each fully paid</i>	467.86	467.86	467.86
SMS-AAMW Tollways Pvt. Ltd. <i>2,600 Equity shares of ` 10 each fully paid</i>	0.26	0.26	0.26
	468.12	468.12	468.12

c Investment in Joint Ventures

₹ (lacs)

Name of the Venture	Name of Venture Partner/s	Share of Interest	31-Mar-17	31-Mar-16	31-Mar-15
Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd (JV)	S.N.Thakkar Construction Pvt. Ltd.	SMS Ltd. 65% S N Thakkar Construction Pvt. Ltd. 35%	266.29	265.37	254.84
SMS Infrastructre Ltd. & D. Thakkar Construction Pvt. Ltd. (J.V)	D.Thakkar Construction Pvt. Ltd.	SMS Ltd. 70% D. Thakkar Construction Pvt. Ltd. 30%	513.21	423.70	314.72
SMS Infrastructure Ltd.& Brahamaputra Infrastructure Pvt Ltd (JV)	Brahamaputra Infrastructure Pvt. Ltd.	SMS Ltd.51% Brahamaputra Infrastructure Ltd. 49%	17.34	17.34	17.40
SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd. (J.V)	Brahamaputra Consortium Ltd.	SMS Ltd.51% Brahamaputra Consortium Ltd. 49%	11.59	11.59	11.67
SMS Infrastructure Ltd. Aarti Infra-Projects Pvt. Ltd.	Aarti Infra-Projects Pvt. Ltd.	SMS Ltd.51% AIPPL . 49%	55.28	55.28	55.19
SMS Infrastructure Ltd. & Shree Nath Enterprises(J.V)	Shreenath Enterprises	SMS Ltd. 36.50% Shreenath Enterprises 63.50%	26.44	26.44	49.53
SMSIL-KTCO (JV)	Khare Tarkunde Infrastructure Pvt. Ltd	SMS Ltd. 50% Khare Tarkunde Infrastructure Pvt. Ltd. 50%	3.51	3.74	2.72
GSJ ENVO Ltd. in Consortium with SMSIL	GSJ ENVO. Ltd.	SMS Ltd. 70 % & GSJ Envo Ltd. 30 %	297.76	291.24	282.29
BHARTIA SMSIL (JV).	Bhartia Infra Projects Limited	SMS Ltd. 49 % & BIP Limited 51 %	2.34	2.98	-
SMSIL-MBPL-BRAPL JV	Mehrotra Buildcon Pvt. Ltd. and Bharat Rail Automation Pvt. Ltd.	SMS Ltd. 63.33% & Mehrotra Buildcon Pvt. Ltd. 36.67%	23.78	-	-
GDCL + SMS Ltd. JV	Gannan Dunkerley & Co. Ltd.	SMS Ltd. 40% & Gannan Dunkerley & Co. Ltd. 60%	-	-	-
SRRCIPL-SMSL-BEKEM JV	M/s. Sri Raja Rajeshwari Constructions (Inida) Pvt. Ltd. & BEKEM Infra Projects Pvt. Limited	SMS Ltd.20 % & M/s. Sri Raja Rajeshwari Constructions (Inida) Pvt. Ltd. 60% & BEKEM Infra Projects Pvt. Limited 20%	-	-	-
SRRCIPL-SMSL JV	M/s. Sri Raja Rajeshwari Constructions (Inida) Pvt. Ltd.	SMS Ltd.60 % & M/s. Sri Raja Rajeshwari Constructions (Inida) Pvt. Ltd 40%	-	-	-
			1,217.54	1,097.68	988.37

d Investment in Partnership Firm

SANBRO CORPORATION	SMS Ltd. 26%	(86.55)	(43.67)	(40.76)
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27,221.38 15,271.05 14,608.24

II Non-Trade Investments

B Investment in Equity Instruments

(Valued at deemed cost, fully paid up)

(i) Khamgaon Urban Co-Operative Bank Ltd. 100 Equity shares of ₹ 10 each fully paid	0.01	0.01	0.01
(ii) Nandura Urban Co-Operative Bank Ltd. 43 Equity shares of ₹ 100 each fully paid	0.04	0.04	0.04
(iii) Malkapur Urban Co-Operative Bank Ltd. 1,000 Equity shares of ₹ 100 each fully paid	1.00	1.00	1.00

1.05 1.05 1.05

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	₹ (lacs) As at 1 April 2015
7 Trade receivables			
Outstanding for a period exceeding six months			
Secured, considered good	-	-	-
Unsecured, considered good	6,273.16	4,163.51	2,426.29
Doubtful	-	-	-
	6,273.16	4,163.51	2,426.29
Outstanding for a period Less than six months			
Secured, considered good	-	-	-
Unsecured, considered good	19,191.63	17,423.96	8,729.78
Doubtful	-	-	-
	19,191.63	17,423.96	8,729.78
	25,464.79	21,587.47	11,156.06

	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
8 Loans and advances						
A Security deposit						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	8,064.88	7,148.51	5,694.56	-	-	-
Doubtful	-	-	-	-	-	-
	<u>8,064.88</u>	<u>7,148.51</u>	<u>5,694.56</u>	-	-	-
B Loan and advances to related parties						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C Advances recoverable in cash or kind						
Secured considered good	-	-	-	-	-	-
Unsecured considered good	8,063.64	(3,916.88)	5,009.78	-	13,059.87	458.84
Doubtful	-	-	-	-	-	-
	<u>8,063.64</u>	<u>(3,916.88)</u>	<u>5,009.78</u>	<u>-</u>	<u>13,059.87</u>	<u>458.84</u>
D Other loans and advances						
Unsecured, considered good						
Loans to employees	-	-	-	-	77.99	87.90
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77.99</u>	<u>87.90</u>
	<u>16,128.52</u>	<u>3,231.63</u>	<u>10,704.34</u>	<u>-</u>	<u>13,137.86</u>	<u>546.74</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	₹ (lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9 Other financial assets			
Retention Money	6,748.03	6,012.49	4,231.27
Withheld Amount	2,686.27	2,922.32	1,291.85
Earnest Money Deposits	900.49	724.78	753.24
	10,334.80	9,659.59	6,276.36

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

₹ (lacs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
10 Inventories			
Work-in-progress	7,734.96	22,106.19	28,412.14
Stores and spares	10,647.24	7,808.92	11,086.67
	18,382.19	29,915.11	39,498.82

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	₹ (lacs) As at 1 April 2015
11 Cash and bank balances			
Balances with banks:			
In current accounts	176.23	224.61	554.49
FDR with original maturity of less than three months	-	-	-
Cash on hand	151.17	497.94	936.99
	<u>327.40</u>	<u>722.55</u>	<u>1,491.48</u>
Other bank balances			
Fixed Deposits with Banks	5,777.15	6,515.43	5,537.74
FDR with original maturity for more than 3 months but less than 12 months	-	-	-
	<u>5,777.15</u>	<u>6,515.43</u>	<u>5,537.74</u>
	<u>6,104.55</u>	<u>7,237.98</u>	<u>7,029.23</u>

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

Fixed Deposit Receipts with Banks

FDR's to the extent of ₹ 5072.70 lacs (P.Y. ₹ 5718.14 lacs) are kept as Margin Money with Banks against non fund based limits.

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	LAND	BUILDING	₹ (lacs) TOTAL
12 Investment held for sale			
Gross carrying amount			
As on 1st April 2015	7.89	146.27	154.16
Addition	-	-	-
Interhead adjustment	-	(1.30)	(1.30)
As on 31st March 2016	<u>7.89</u>	<u>144.97</u>	<u>152.87</u>
As on 1st April 2016	7.89	144.97	152.87
Addition	-	-	-
Sum of cost of sale	-	144.97	144.97
As on 31st March 2017	<u>7.89</u>	<u>0.00</u>	<u>7.89</u>
Accumulated depreciation			
As on 1st April 2015	-	7.97	7.97
Depreciation charged	-	3.92	3.92
Impact of IND AS on depreciation on assets held for sale	-	(3.92)	(3.92)
As on 31st March 2016	<u>-</u>	<u>7.97</u>	<u>7.97</u>
As on 1st April 2016	-	7.97	7.97
Depreciation charged	-	-	-
Sum of Provision for Depreciation Reversal on account of Sale	-	7.97	7.97
As on 31st March 2017	<u>-</u>	<u>-</u>	<u>-</u>
Net carrying amount	7.89	138.29	146.19
Net carrying amount	7.89	137.00	144.89
Net carrying amount	<u>7.89</u>	<u>0.00</u>	<u>7.89</u>

Disclosures

1. Discription of Assets

Name and address of Assets

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

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	₹ (lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
13 Other Current Assets			
Advance income-tax (net of provision for taxation)	117.90	760.03	1,049.88
VAT Receivable	6,737.12	5,039.04	4,031.73
Service Tax Receivable	820.38	496.12	579.71
Prepaid expenses	801.81	597.40	568.26
	8,477.20	6,892.59	6,229.58

	₹(lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14 Share capital			
a Authorized shares			
15,000,000 (31st March,2016 & 1st April 2015 : 15,000,000) equity shares of ` 10/- each	1,500.00	1,500.00	1,500.00
b Issued, subscribed and fully paid-up shares			
10261382 (31st March,2016 &1st April 2015 : 1,02,61,382) equity shares of ` 10/- each	1,026.14	1,026.14	1,026.14
Total Issued, subscribed and fully paid-up share capital	1,026.14	1,026.14	1,026.14

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

Equity shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No.	Amount	No.	Amount	No.	Amount
At the beginning of the period	1,02,61,382	1,026.14	1,02,61,382	1,026.14	1,01,33,116	1,013.31
Add : Rights Issued During the Year	-	-	-	-	1,28,266	12.83
Outstanding at the end of the period	1,02,61,382	1,026.14	1,02,61,382	1,026.14	1,02,61,382	1,026.14

d Terms/Rights attached to shares

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

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

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

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No.	% holding in the class	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10/- each fully paid						
Shri Abhay Harakchand Sancheti	3214696	31.33%	28,94,162	28.20%	28,94,162	28.20%
Shri Ajay Shaktikumar Sancheti	2410997	23.50%	21,70,597	21.15%	21,70,597	21.15%
Shri Anand Shaktikumar Sancheti	2410997	23.50%	21,70,597	21.15%	21,70,597	21.15%
M/s Femina Industrial Finance Private Limited	1046131	10.19%	10,46,131	10.19%	10,46,131	10.19%
M/s Femina Share Management Services Private Limited	834184	8.13%	8,34,184	8.13%	8,34,184	8.13%
San Finance Corporation	-	0.00%	8,01,334	7.81%	8,01,334	7.81%

f Five Year (Aggregate No. of Shares)

Equity Shares :	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to financial statements for the year ended 31 March 2017

₹(lacs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15 Reserves & Surplus			
General Reserve			
Balance as per the last financial statements	1,116.85	1,116.85	1,116.85
Add: amount transferred from Foreign Project Reserve	-	-	-
Less : Amount utilised during the year	-	-	-
Closing Balance	1,116.85	1,116.85	1,116.85
Surplus/(Deficit) in the statement of Profit and Loss			
Balance as per last financial statements	36,368.86	32,217.96	33,224.99
Add: Profit for the year	4,412.03	4,350.22	
Impact of IND AS on leave provision	135.38	82.86	
Less: Appropriations			
Interim Dividend Paid	282.19	282.19	-
Impact of IND AS on leave provision	-	-	82.86
Impact of IND AS on Deffered tax liability	-	-	833.65
Impact of IND AS on Prior period expenses	-	-	90.52
Net surplus in the statement of profit and loss	40,634.08	36,368.86	32,217.96
	41,750.92	37,485.70	33,334.80

	As at 31 March 2017	As at 31 March 2016	₹(lacs) As at 1 April 2015
16 Other Reserves			
Securities Premium Account			
Balance as per the last financial statements	10,647.69	10,647.69	10,647.69
Add: Additions during the year	-	-	-
Less: amounts utilized toward issue of fully paid bonus shares	-	-	-
Closing Balance	10,647.69	10,647.69	10,647.69
Foreign Project Reserve			
Balance as per the last financial statements	-	-	-
Add: amount transferred from surplus balance in the statement of profit and loss	-	-	-
Less : Amount transferred to General Reserve	-	-	-
Closing Balance	-	-	-
	10,647.69	10,647.69	10,647.69

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	Non-current			Current		₹(lacs)
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17 Long-Term Borrowings						
I. Secured						
(A) Term Loans						
(i) From Banks						
(1) Axis Bank Ltd.	-	-	8.07	0.00	8.07	8.83
(2) HDFC Bank Ltd.	54.05	-	-	32.24	-	37.26
(3) ICICI Bank Ltd.	8.55	120.96	301.45	122.60	220.90	278.23
(4) Kotak Mahindra Bank Ltd.	-	-	39.70	-	39.70	266.48
(5) State Bank of India	6.92	-	-	4.66	-	-
(ii) From other parties						
(1) SREI Equipment Finance Ltd.	6,731.85	-	381.15	1,481.78	381.15	6,733.79
(2) TATA Capital Financial Services	0.03	10.15	52.91	10.12	42.72	94.03
(3) Indiabulls Housing Finance Ltd.	6,033.42	6,594.99	-	441.84	236.70	-
(4) Toyota Motor Financial Services	-	-	1.40	-	1.40	4.05
II. Unsecured						
(1) Badjate Stock Broking Pvt. Ltd.	-	-	-	-	415.49	-
	12,834.82	6,726.10	784.68	2,093.24	1,346.13	7,422.66

Note : For Securities please refer individual bank wise notes given

17.1 Additional Information to Secured Long Term Borrowings :

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

17.2 Details of Securities and Terms of Repayments

I. Secured

(A) Term Loans

(a) From Banks

(1) HDFC Bank Ltd.- Note No. 17.I.(A) (i) (2)

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

Outstanding Balance as on 31.03.2017	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
42,99,311.00	9.40%	Fixed	42719	32	1,52,427.00	2 year 8 month
43,29,476.00	9.75%		42580	28	1,73,510.00	2 year 4 month
86,28,787.00	Total					

(2) ICICI Bank Ltd.- Note No. 17.I.(A) (i) (3)

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

Outstanding Balance as on 31.03.2017	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
10,19,515.00	10.00%	Fixed	42529	38	31,481.00	3 year 2 month
18,97,121.11	12.75%		42110	13	1,59,475.00	1 year 1 month
1,74,326.00	10.91%		41808	3	63,267.00	3 month
97,01,572.00	11.01%		42002	9	11,40,166.00	9 month
3,22,702.80	10.76%		41189	6	58,380.00	6 month
1,31,15,236.91	Total					

(3) State Bank of India- Note No. 17.I.(A) (i) (5)

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 31.03.2017	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
11,58,274.00	9.75%	Fixed	05-Jun-16	27	49,190.00	2 year 3 month

(b) From Others

(1) SREI Equipment Finance Pvt. Ltd.- Note No. 17.I.(B) (i) (1)

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

Outstanding Balance as on 31.03.2017	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
60,72,688.00	9.50%	Fixed	30-Nov-16	20	3,29,800.00	1 year 8 month
46,70,314.00	9.31%		20-Dec-16	20	2,53,200.00	1 year 8 month
23,32,38,588.98	11.99%		15-Oct-16	54	56,30,000.00	4 year 6 month
21,76,63,422.69	14.01%		15-Oct-16	54	54,72,513.00	4 year 6 month
34,50,64,159.58	14.01%	Fixed	15-Oct-16	54	86,54,305.00	4 year 6 month
97,68,000.00	9.23%		05-Feb-17	47	2,48,525.00	3 year 11 month
48,85,268.00	9.31%		16-Jan-17	21	2,53,200.00	1 year 9 month
82,13,62,441.25	Total					

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

(2) TATA Capital Financial Services Ltd. - Note No. 17.I.(B) (i) (2)

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

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

(3) Indiabulls Housing Finance Ltd.- Note No. 17.I.(B) (i) (3)

Outstanding Balance as on 31.03.2017	Rate of interest %		Date of Agreement / Sanction	No of instalments due	Amount of instalment	Maturity period w.r.t. Balance Sheet date
35,72,56,458.41	14.50%	Fixed	42742	71	75,23,665.00	5 year 11 month
29,02,69,675.43	14.50%		01-Oct-15	103	47,76,000.00	8 year 7 month
64,75,26,133.84	Total					

(B & C) Mobilisation Advance & Secured Advance

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

Bank Name	Particulars	(₹ in lacs)
Andhra Bank	Various Bank Guarantees issued by the bank	4,049.95
Bank of India	Various Bank Guarantees issued by the bank	250.00
Canara Bank	Various Bank Guarantees issued by the bank	3,682.08
Punjab National Bank	Various Bank Guarantees issued by the bank	1,957.48
State Bank of India	Various Bank Guarantees issued by the bank	300.00
Grand Total		10,239.51

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

₹ (lacs)

	Non-current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
18 Provisions						
Provision for Employee Benefits						
Provision for Gratuity	425.13	412.22	362.20	-	-	-
Provision for leave benefits	-	-	-	118.59	135.38	82.86
	<u>425.13</u>	<u>412.22</u>	<u>362.20</u>	<u>118.59</u>	<u>135.38</u>	<u>82.86</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	₹(lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19 Other Non-current liabilities			
Security deposits from sub contractor	3,951.63	3,069.04	2,547.35
Mobilisation Advance from customers	6,476.71	9,479.65	9,333.01
Secured Advance from bills	1,099.73	2,038.41	4,036.43
	<u>11,528.07</u>	<u>14,587.11</u>	<u>15,916.79</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to financial statements for the year ended 31 March 2017**

	As at 31	As at 31	₹(lacs) As at 1
	March 2017	March 2016	April 2015
20 Current Borrowings			
Loan Payable on Demand			
(A) Cash credit from banks (secured)	31,987.35	28,045.87	28,640.02
(B) State Bank of India EVFS	2,461.42	-	-
	34,448.76	28,045.87	28,640.02

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 (principal amount) ranking on pari-pasu basis amongst participating banks.

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

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

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

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	₹ (lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
21 Current Trade Payable			
a Total outstanding dues of micro and small enterprises	-	-	-
b Total outstanding dues of creditors other than micro and small enterprises	5,492.74	3,434.82	4,634.09
c Letter of Credit Issued and Outstanding	2,233.54	3,136.34	3,582.26
	7,726.29	6,571.16	8,216.35

Note 21 (a) - 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.

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	₹ (lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
22 Other Current Financial Liabilities			
Current maturities of long-term borrowings	2,093.24	1,346.13	7,422.66
Expenses Payable	1,717.13	1,621.46	1,197.84
Salary and Consultancy Payable	358.01	189.43	120.34
Provision for Prior period	-	22.42	(19.71)
Other Deposits from sub-contractors	13,126.76	11,165.73	4,283.13
	17,295.13	14,345.16	13,004.27

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	As at 31	As at 31	₹ (lacs)
	March 2017	March 2016	As at 1 April 2015
23 Other Current Liabilities			
Wealth Tax Provision	-	-	5.82
Service tax payable	1,200.68	441.43	-
ESIC Payable	4.73	2.94	3.53
Profession Tax Payable	2.59	3.57	1.60
Provident Fund Payable	49.54	39.06	42.15
TDS payable	457.49	497.04	446.40
WCST Payable	200.55	53.52	7.96
VAT / C.S.T Payable	813.24	426.14	27.67
	2,728.82	1,463.71	535.15

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	₹ (lacs)	
	Year ended 31 March 2017	Year ended 31 March 2016
24 Revenue from operations		
Worked Bill	1,12,695.39	1,22,469.89
Trading Income	3,457.31	1,999.73
Gross Revenue from operations	<u>1,16,152.70</u>	<u>1,24,469.62</u>
Less: Taxes	5,051.64	4,417.28
Net Revenue from operations	<u><u>1,11,101.06</u></u>	<u><u>1,20,052.34</u></u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	31-Mar-17	Year ended 31 March 2017	31-Mar-16	₹ (lacs) Year ended 31 March 2016
25 Other income				
Interest income on				
Bank deposits	4,25,71,363.81	425.71	5,06,71,478.98	506.71
Others	10,77,50,709.00	1,077.51	10,87,38,458.00	1,087.38
Dividend income on				
Investment in subsidiaries	2,83,74,696.00	283.75	2,83,74,696.00	283.75
Share of profit in Joint Ventures	51,22,060.64	51.22	1,29,61,829.12	129.62
Share of profit in Partnership Firm	(42,87,980.30)	(42.88)	(2,90,685.71)	(2.91)
Others (Net of Taxes)	6,63,05,374.33	663.05	1,94,75,212.00	194.75
Scrap sales (Net of Taxes)	16,93,497.29	16.93	1,03,26,648.00	103.27
Profit on sale of fixed assets	1,43,33,551.86	143.34	4,71,42,520.01	471.43
	26,18,63,272.63	2,618.63	27,74,00,156.40	2,774.00

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	₹ (lacs)	
	Year ended 31 March 2017	Year ended 31 March 2016
26 Material Consumed		
Opening Material & WIP	29,915.11	39,498.82
Material Purchase	21,895.53	26,540.72
Closing Material & WIP	(18,382.19)	(29,915.11)
	33,428.45	36,124.43
27 Construction Expenses		
Work Expenses	49,495.06	54,837.84
Transporting Charges	1,100.60	1,780.32
Sales Tax & VAT	185.06	0.00
Hire Charges	1,078.03	1,646.31
Royalty	267.02	210.61
R.T.O Taxes	47.06	35.24
Service Tax	169.36	131.76
Machinery Repairs and Maintenance	2,108.18	1,859.97
Vehicles Repairs and Maintenance	210.41	241.81
Insurance	380.36	351.30
Exchange Variation	174.05	(158.13)
Custom Duty	119.78	99.91
	55,334.96	61,036.95

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statements for the year ended 31 March 2017

	₹ (lacs)	
	Year ended 31 March 2017	Year ended 31 March 2016
28 Employee Benefit Expense		
Salaries, wages and bonus	5,358.65	5,152.86
Contribution to provident and other funds	149.33	155.80
Gratuity expenses	62.36	92.34
Staff welfare expenses	4.18	139.60
	<u>5,574.52</u>	<u>5,540.60</u>
29 Depreciation and Amortization Expenses		
Depreciation of tangible assets	1,716.06	1,898.96
Depreciation of intangible assets	6.74	6.61
Amortization of intangible assets	33.43	21.07
	<u>1,756.23</u>	<u>1,926.64</u>
Less: Reversal of depreciation for assets held for sale	-	3.92
	<u>1,756.23</u>	<u>1,922.72</u>
30 Finance Costs		
Interest	7,835.52	8,543.86
Bank charges & commission	1,195.81	919.88
Amortization of ancillary borrowing costs	-	-
Exchange difference to the extent considered as an adjustment to borrowing costs	-	-
	<u>9,031.33</u>	<u>9,463.74</u>
31 Other Expenses		
Power and fuel	356.69	366.18
Rent	38.13	85.19
Rates and taxes	21.47	22.87
Profession Tax	0.14	0.14
Advertising and sales promotion	26.63	20.77
Books & periodicals	0.51	0.49
Membership & Subscription	6.21	1.82
Office expenses	324.67	385.75
Security charges	314.77	352.56
Donation	10.81	7.75
Tender expenses	29.78	30.08
Travelling and conveyance	248.70	272.06
Communication costs	111.91	120.57
Printing and stationery	47.32	46.82
Legal and professional fees	619.02	553.22
Internal Auditors remuneration	52.00	48.00
Statutory Auditors remuneration	22.00	22.00
Cost Auditors remuneration	5.25	1.00
Repairs to Building	27.04	24.83
Corporate Social Responsibility	5.00	100.00
	<u>2,268.05</u>	<u>2,462.09</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

32 Contingent Liabilities and commitments(to the extent not provided for)

₹ (lacs)

Particulars	As at 31 March 2017	As at 31 March 2016
Claims against the company not acknowledged as debts		
Service Tax	16,807.65	38.05
Custom Duty	10.00	10.00
AP VAT ACT 2005 (VAT Amount)	1,731.43	896.59
MP VAT ACT 2002	167.34	216.88
Bihar Vat Act 2005	2,643.54	-
Labour Cess (Paid and Included in Long term loans and advances in the Balance sheet)	882.53	882.53
Life Time road transport tax (Paid and Included in Long term loans and advances in the Balance sheet)	1,215.43	1,215.43
Withheld amount due to project time extended (Paid and Included in Long term loans and advances in the Balance sheet)	478.28	1,827.08
Land litigation (Hosur) (Included in Fixed assets in the Balance sheet)	-	35.00
Guarantees		
Corporate Guarantees to associate companies and joint venture	35,407.93	33,598.05
Performance Bank Guarantees of Subsidiaries & Associates Co's.	4,996.43	5,153.76
Other money for which the company is contingently liable		
Bills of exchange discounted with banks	4,529.89	4,718.15
	68,870.44	48,591.53

33 Payment to Auditors

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
	22.00	22.00

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

Construction Contracts

Contract Revenue	1,09,858.15	1,07,088.38
Contract Costs incurred	88,763.41	97,161.39
Recognised profits/Losses	6,658.00	6,318.72
Advances received	8,884.41	5,568.04
Retention money / SD / Withheld	17,499.19	16,083.32
Gross amount due from customer for contract work	25,464.79	21,587.47

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

35 Segment Reporting

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

Particulars	₹ (lacs)							
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	EPC		Toll		Mining		Total operations	
Revenue								
External sales	87,494.10	81,995.90	1,242.91	12,966.57	27,415.68	29,507.15	1,16,152.70	1,24,469.62
Less: Taxes	2,672.66	2,071.54		2.61	2,378.97	2,343.13	5,051.64	4,417.28
Inter segment sales	-	-						
Total revenue	84,821.44	79,924.36	1,242.91	12,963.96	25,036.71	27,164.02	1,11,101.06	1,20,052.34
Results								
Segment results	1,276.13	2,833.06	1.22	20.61	13,173.78	12,101.88	14,495.09	14,955.55
Unallocated expenses	-	-	-	-	-	-	-	-
Operating profit	1,276.13	2,833.06	1.22	20.61	13,173.78	12,101.88	14,495.09	14,955.55
Other Income	2,187.22	2,609.90	-	-	807.21	164.10	2,618.63	2,774.00
Finance costs	900.81	3,574.99	1.21	-	8,129.30	5,888.75	9,031.33	9,463.74
Depreciation / Amortisation	698.96	1,004.52	-	0.16	1,057.27	921.96	1,756.23	1,926.64
Profit before tax	1,863.58	863.45	0.00	20.45	4,794.42	5,455.27	6,326.17	6,339.17
Exceptional Items	-	173.91	-	-	-	-	-	173.91
Income taxes	386.14	317.92	-	-	1,563.49	1,650.30	1,949.64	1,968.22
Net profit	1,477.44	371.62	0.00	20.45	3,230.93	3,804.97	4,376.53	4,197.04
Segment assets	1,05,509.03	78,930.53	0.14	779.33	35,877.64	33,333.01	1,41,386.81	1,13,042.87
Unallocated assets	-	-						
Total assets	1,05,509.03	78,930.53	0.14	779.33	35,877.64	33,333.01	1,41,386.81	1,13,042.87
Segment liabilities	80,797.37	1,06,630.92	336.89	0.04	6,827.80	6,411.91	87,962.06	1,13,042.87
Unallocated liabilities	-	-	-	-				
Total liabilities	80,797.37	1,06,630.92	336.89	0.04	6,827.80	6,411.91	87,962.06	1,13,042.87

36 Employees Benefit

- A. The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following tables set out the status of the gratuity plan.

Discolure as per Ind AS - 19	As at 31 March 2017
Change in projected benefit obligations	
Obligations at beginning of the year	412.22
Service cost	62.36
Interest cost	32.98
Benefits settled	(46.92)
Actuarial (gain) /loss (through OCI)	(35.50)
Obligations at end of the year	425.13
Change in plan assets	
Plan assets at beginning of the year, at fair value	86.46
Expected return on plan assets	3.86
Actuarial gain / (loss) (through OCI)	-
Contributions	71.92
Transfer	-
Benefits settled	(46.92)
Plan assets at end of the year	115.32
Present value of defined benefit obligation at the end of the year	425.13
Fair value of plan assets at the end of the year	115.32
Net liability recognised in the balance sheet	309.82
Expenses recognised in statement of profit and loss	
Service cost	62.36
Interest cost (net)	29.12
Net gratuity cost	91.48
Re-measurement gains / (losses) in OCI	
Actuarial (gain) / loss due to demographic assumption changes	-
Actuarial (gain) / loss due to financial assumption changes	18.51
Actuarial (gain) / loss due to experience adjustments	(54.01)
Return on plan assets (greater) less than discount rate	-
Total expenses routed through OCI	(35.50)
Assumptions	
Interest rate	
Discount factor	0.08
Expected rate of return on plan assets	
Actual return on plan assets	
Salary increase	0.07
Attrition rate	0-30 years 3%, 31-44 years 2% above 44 years 1%
Retirement age	60 Years

37 Related Party Disclosures as required in terms of “Indian Accounting Standard [IND AS] 24 are given below:

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

a Subsidiary Companies

1. SMS Bhatgaon Mines Extension Pvt. Ltd.	10. SMS Shivnath Infrastructure Pvt. Ltd.
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	17. Maharashtra Enviro Power Ltd.
9. SMS Tolls And Developers Ltd.	18. PT. SMS Mines Indonesia

b Associates

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

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

d Key Management Personnel

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

e Other related parties

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

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Financial statement for the Year ended 31 March 2017

2) Related Party Disclosures

Transaction carried out with related parties referred to above

Nature of Transaction	Related Parties		In Lacs
	Subsidiary Companies	Key Mangement Personnel	Associates, JVs & Other Related Parties
Advances Given/ Repaid	5,191.32	-	501.23
	(42.50)		(16.91)
Interest Paid	-	-	957.87
	-	-	(2,519.32)
Interest Received	140.17	-	-
	(303.27)	-	-
Investment	11,872.51	-	77.44
	(543.25)	-	(57.14)
Loan Granted/ Repaid	12,067.31	-	39,131.95
	(13,709.92)	-	(37,793.38)
Loan Taken/ Recovered	9,010.03	-	28,535.37
	(6,943.98)	-	(26,309.45)
Managerial Remuneration	-	305.14	-
	-	(394.21)	-
Purchases	-	-	13.41
	(3.59)	-	(32.16)
Rent Paid	6.62	-	1.20
	-	(55.55)	-
Salary	-	-	106.42
	-	-	(9.70)
Services Taken	15.77	-	2,034.39
	(20.61)	-	(248.23)
Work Bill	18,889.66	-	17,265.99
	(16,710.75)		(10,853.29)
Sitting Fees	-	12.00	-
	-	(15.00)	-
Advances taken/recovered	14,752.14	-	3,452.49
	(13,668.62)	-	(0.01)
Rent Received	8.10	-	13.20
	-	-	-
Rent Deposit	2.00	-	-
	-	-	-
Outstanding balances include in Current Assets & Current Liabilities	7,727.90	-	7,241.85
	(9,242.35)	-	(4,060.87)

Note : Figures in brackets pertains to previous year

3) Transaction carried out with related parties referred to above

Nature of Transaction	Interest Paid	Interest Received	Investment	Loan/Advances Given (Repaid)	Loan/Advances Taken (Recovered)	Purchases	Work Bill	Rent Income	Rent Paid	Service Taken	Rent Deposit	Outstanding balances include in Current Assets & Current Liabilities
Details of Transaction with Subsidiary Companies												
Ayodhya Gorakhpur SMS Tolls Pvt. Ltd.	-	-	-	5,726.79	8,374.02	-	5,082.97	-	-	-	-	-5,107.06
	(271.54)	-	-	(271.54)	(2,837.56)	-	(12,966.57)	-	-	-	-	(2,440.86)
Maharashtra Enviro Power Ltd.	-	-	-	6,632.11	3,780.15	-	2,850.68	-	-	15.77	-	-413.82
	(7.50)	-	-	(7.50)	(1,342.00)	-	(2,144.90)	-	-	-	-	(630.46)
Patwardhan Infrastructure Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	(15.50)	(1.10)	-	-	-	-	-	-	-
PT. SMS Minerals International	-	140.17	-4.59	-	-	-	-	-	-	-	-	5,160.85
	-	(303.27)	-	(430.43)	-	-	-	-	-	-	-	(5,186.39)
SMS Bhatgaon Mines Extension Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	2.01
	-	-	-	-	-	-	-	-	-	-	-	(3,433.42)
SMS Envoclean Pvt. Ltd.	-	-	-	1.00	1.00	-	-	8.10	-	-	2.00	-
	-	-	-	(25.27)	(25.27)	-	-	-	-	-	-	-
SMS Infolink Pvt. Ltd.	-	-	-	1.00	-	-	-	-	-	-	-	-
	-	-	-	-	(0.15)	-	-	-	-	-	-	-
SMS Mine Developers Pvt. Ltd.	-	-	-	1.00	-	-	-	-	-	-	-	-
	-	-	-	-	(0.14)	-	-	-	-	-	-	-
SMS Parking Solutions Pvt. Ltd.	-	-	-	3,556.10	-	-	-	-	-	6.62	-	4,606.04
	-	-	-	(1,754.15)	(5,057.38)	-	-	-	-	-	-	(1,049.95)
SMS Shivnath Infrastructure Pvt. Ltd.	-	-	10,918.12	-	-	-	10,956.00	-	-	-	-	-
	-	-	-	(41.96)	(11,207.00)	-	(1,619.89)	-	-	-	-	(10,838.49)
SMS Taxi Cabs Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	1,804.74
	-	-	-	-	-	-	-	-	-	-	-	(1,804.74)
SMS Tolls And Developers Ltd.	-	-	-	100.60	11,064.92	-	-	-	-	-	-	277.37
	-	-	-	(11,205.07)	(2.00)	-	-	-	-	-	-	(11,241.69)
SMS Vidyut Pvt. Ltd.	-	-	195.00	1,237.49	316.54	-	-	-	-	-	-	1,137.49
	-	-	-	-	(10.00)	(3.59)	-	-	-	-	-	(212.95)
SMS Waste Management Pvt. Ltd.	-	-	-	0.55	-	-	-	-	-	-	-	3.80
	-	-	-	(1.00)	(1.00)	-	-	-	-	-	-	(3.25)
SMS Water Grace BMW Pvt. Ltd.	-	-	150.16	2.00	225.54	-	-	-	-	-	-	-3.82
	-	-	(283.51)	-	(129.00)	-	-	-	-	-	-	(219.72)
SMS-AABS India Tollways Private Limited	-	-	-	-	-	-	-	-	-	-	-	260.25
	-	-	(259.74)	-	-	-	-	-	-	-	-	-
PT. SMS Mines Indonesia	-	-	613.82	-	-	-	-	-	-	-	-	-
Solar Bhatgaon Extension Mines Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.05
	-	-	-	-	-	-	-	-	-	-	-	-0.05

Details of Transaction with Key Mangement Personnel

Nature of Transaction	Managerial Remuneration	Setting Fees	Rent
Abhay H. Sancheti	115.20	-	-
	(115.20)	-	(41.80)
Ajay Kumar Lakhotia	-	4.00	-
	-	(5.00)	-
Anand S. Sancheti	86.40	-	-
	(86.40)	-	(13.75)
Dilip B Surana	103.54	-	-
	(141.49)	-	-
Ramendra Gupta	-	4.00	-
	-	(5.00)	-
Renu Challu	-	4.00	-
	-	(5.00)	-

Details of Transaction with Other Related Parties

Nature of Transaction	Interest Paid	Investment	Loan/Advances Given (Repaid)	Loan/Advances Taken (Recovered)	Purchases	Rent Paid	Rent Income	Services Taken	Work Bill	Salary	Outstanding balances include in Current Assets & Current Liabilities
Other Related Parties	957.87	77.44	39,633.18	31,987.86	13.41	1.20	13.2	2,034.39	17,265.99	106.42	7,241.85
	(2,519.32)	(57.14)	(37,810.29)	(26,309.45)	(32.16)	-	-	(248.23)	(10,853.29)	(60.82)	(4,060.87)

Note : Figures in brackets pertains to previous year

38 Operating Lease Disclosures as per IND AS 17

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

- i Not later than one year - Rs. 3,72,38,184.00/- (Rupees Three Crore Seven Two Lakh Thirty Eight Thousand One Hundred and Eighty Four Only)
- ii Later than one year and not later than five years - Rs. 13,03,33,644/- (Rupees Thirteen Crore Three Lakh Thirty Three Thousand Six Hundred Forty Four Only)
- iii Later than five years - Nil.

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

(c) Lease payments recognized in the statement of profit and loss for the year ended 31st March, 2016, with separate amounts for minimum lease payments and contingent rents.

- i Lease Payment - Rs. 4,26,65,375.32/-
- ii Contingent Rent - Nil.

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

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

- i Name of Lessor : M/s SREI Equipment Finance Limited
- ii Machines Description : 5 nos. Underground Mining Machines (1 no. drilling machine, 2 no. roof bolter machines, 2 no. shuttle cars)
- iii Lease rent and end date of lease.

Lease	Monthly Lease Rent	Last Date of Lease Rent
1	31,03,182.00	15 th Sept., 2021

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

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

v Restrictions imposed by the lease arrangement

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

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

	(₹ Lacs)	
	As at 31 March 2017	As at 31 March 2016
39 Earnings Per Share (EPS)		
Profit/(loss) after tax	4,412.03	4,350.22
Less : dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of basic EPS	<u>4,412.03</u>	<u>4,350.22</u>
Net profit as above	4,412.03	4,350.22
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>4,412.03</u>	<u>4,350.22</u>
Weighted average number of equity shares in calculating basic EPS	1,02,61,382	1,02,61,382
Effect of dilution:	-	-
Convertible preference shares	-	-
Convertible bonds	-	-
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating diluted EPS	1,02,61,382	1,02,61,382
10261382 (31 March 2016: 10261382) equity shares of ₹ 10/- each		
Earnings per equity share:		
Basic	43.00	42.39
Diluted	43.00	42.39

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

40 Deferred Tax

(₹ Lacs)

Deferred Tax Assets & Liabilities as on 31st March 2017 are as under:

Major components of Deferred Tax Assets and Liabilities arising on account of timing differences.	As at 31 March 2017		As at 31 March 2016	
	Assets	Liabilities	Assets	Liabilities
a) Property, plant & equipment, investment property and intangible assets	0.00	961.75	0.00	775.23
b) Gratuity	105.31	0.00	110.73	0.00
Total	105.31	961.75	110.73	775.23

41 Accounting for Joint Ventures

a) Contracts Executed by Joint Venture: Joint Venture contracts were executed in accordance with the accounting policy mentioned in Note 1 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

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

42 Value of Imports calculated on C.I.F Basis

	As at 31 March 2017	As at 31 March 2016
Components and spare parts	1,562.58	2,145.21
Capital goods	-	-
	1,562.58	2,145.21

43 Financial instruments

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

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

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

A Financial instruments by category

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

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	27,181.56	-	-	27,181.56	27,181.56
Trade receivables	25,464.79	-	-	25,464.79	25,464.79
Loans	30,820.32	-	-	30,820.32	30,820.32
Others financial assets	10,334.80	-	-	10,334.80	10,334.80
Cash and cash equivalents	6,104.55	-	-	6,104.55	6,104.55
Other bank balances	-	-	-	-	-
Liabilities:					
Borrowings	47,283.59	-	-	47,283.59	47,283.59
Trade payables	7,726.29	-	-	7,726.29	7,726.29
Other financial liabilities	17,295.13	-	-	17,295.13	17,295.13

The carrying value and fair value of financial instruments by categories as at 31 March 2016 were as follows

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments					
Trade receivables	21,587.47	-	-	21,587.47	21,587.47
Loans	16,369.49	-	-	16,369.49	16,369.49
Others financial assets	9,659.59	-	-	9,659.59	9,659.59
Cash and cash equivalents	7,237.98	-	-	7,237.98	7,237.98
Other bank balances	-	-	-	-	-
Liabilities:					
Borrowings	34,771.97	-	-	34,771.97	34,771.97
Trade payables	6,571.16	-	-	6,571.16	6,571.16
Other financial liabilities	14,345.16	-	-	14,345.16	14,345.16

The carrying value and fair value of financial instruments by categories as at 31 March 2015 were as follows

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	14,610.39	-	-	14,610.39	14,610.39
Trade receivables	11,156.06	-	-	11,156.06	11,156.06
Loans	11,251.08	-	-	11,251.08	11,251.08
Others financial assets	6,276.36	-	-	6,276.36	6,276.36
Cash and cash equivalents	7,029.23	-	-	7,029.23	7,029.23
Other bank balances	-	-	-	-	-
Liabilities:					
Borrowings	29,424.69	-	-	29,424.69	29,424.69
Trade payables	8,216.35	-	-	8,216.35	8,216.35
Other financial liabilities	13,004.27	-	-	13,004.27	13,004.27

44 Financial Risk Management

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

- Credit risk
- Interest risk
- Liquidity risk

Credit Risk

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

Trade receivables

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

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

Credit risk exposure

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

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables	6,273.16	4,163.51
Work in progress	7,734.96	22,106.19
Total	14,008.12	26,269.70

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

Financial instruments and deposits with banks

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

Liquidity risk

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

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

Financial liabilities (31 March 2017)	On demand	0-180 days	180 to 365 days	365 days and above	Total
Trade payables			7,726.29		
Other financial liabilities			17,295.13		
Total financial liabilities	-	-	25,021.42	-	-

Financial liabilities (31 March 2016)	On demand	0-180 days	180 to 365 days	365 days and above	Total
Trade payables			6,571.16		
Other financial liabilities			14,345.16		
Total financial liabilities	-	-	20,916.32	-	-

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

47 Reconciliation between previous GAAP and IND AS as on (31 March 2016)

Particulars	Notes to first time adoption	Previous GAAP	Adjustment	IND AS
Assets				
Non-current assets				
Property, plant and equipment	<u>1</u>	15,148.96	(1,722.18)	13,426.78
Capital work in progress		-		-
Investment property	<u>2</u>	-	1,581.21	1,581.21
Goodwill		-	-	-
Other Intangible assets		22.20	-	22.20
Intangible assets under development		-	-	-
Financial assets				
Investments		15,273.44	-	15,273.44
Loans		3,231.63	-	3,231.63
Trade receivables		4,163.51	-	4,163.51
Other financial assets		9,659.59	-	9,659.59
Other non-current assets		-	-	-
Total Non-current assets		47,499.33	(140.98)	47,358.35
Current assets				
Inventories		29,915.11	-	29,915.11
Financial assets				
Loans		13,137.86	-	13,137.86
Trade receivables		17,423.96	-	17,423.96
Cash and cash equivalent		7,237.98	-	7,237.98
Other Current Assets		6,892.59	-	6,892.59
		74,607.50	-	74,607.50
Assets classified as held for Sale			144.89	144.89
Total current assets		74,607.50	144.89	74,752.39
Total assets		1,22,106.84	3.92	1,22,110.75

47 Reconciliation between previous GAAP and IND AS as on (31 March 2016)

Equity and liabilities

Equity

Equity Share Capital	1,026.14		1,026.14
Other Equity			
Equity component of convertible preference shares	-	-	-
Reserve & surplus	38,256.69	(770.99)	37,485.70
Other reserves	10,647.69	-	10,647.69
Total equity	<u>49,930.52</u>	<u>(770.99)</u>	<u>49,159.53</u>

Non-current liabilities

Financial Liabilities

Borrowings	6,726.10	-	6,726.10
Other financial liabilities	-	-	-
Provisions	412.22		412.22
Net employee defined benefit liabilities			-
Deferred tax liabilities (net)(4.5 Added in Reserve n	47.40	617.11	664.51
Other liabilities	14,587.11		14,587.11
	<u>21,772.82</u>	<u>617.11</u>	<u>22,389.93</u>

Current liabilities

Financial Liabilities

Borrowings	28,045.87	-	28,045.87
Trade payables	6,571.16	-	6,571.16
Other financial liabilities	14,322.75	22.42	14,345.16
Other current liabilities	1,463.71	-	1,463.71
Provisions	-	135.38	135.38
	<u>50,403.49</u>	<u>157.80</u>	<u>50,561.29</u>

Liabilities directly associated with the
assets classified as held for Sale

	50,403.49	157.80	50,561.29
Total liabilities	<u>72,176.31</u>	<u>774.91</u>	<u>72,951.22</u>
Total equity and liabilities	<u>1,22,106.83</u>	<u>3.92</u>	<u>1,22,110.75</u>

47 Reconciliation between previous GAAP and IND AS as on (31 March 2016)

Particulars	Notes to first time adoption	Reconciliation between previous GAAP and IND for the year ended 31 March 2016		
Income				
Revenue from operations	5	1,24,469.62	(4,417.28)	1,20,052.34
Other income		2,774.00	-	2,774.00
Total income (I+II)		<u>1,27,243.62</u>	<u>(4,417.28)</u>	<u>1,22,826.34</u>
Expenses				
Cost of raw material and components consumed		36,124.43	-	36,124.43
Construction Expenses		65,564.46	(4,527.51)	61,036.95
Employee benefits expense		5,405.21	135.39	5,540.60
Depreciation and amortization expense		1,926.64	(3.92)	1,922.72
Impairment of non-current assets		-	-	-
Finance costs		9,463.74	-	9,463.74
Other expenses		2,419.97	42.12	2,462.09
Total expense (IV)		<u>1,20,904.45</u>	<u>(4,353.92)</u>	<u>1,16,550.54</u>
Profit/(loss) before exceptional items and tax (III-IV)		6,339.17	(63.36)	6,275.81
Exceptional items		173.91		(173.91)
Profit/(loss) before tax (VII-VIII)		6,165.26	(63.36)	6,101.90
Tax Expense				
(1) Current tax		1,850.00	-	1,850.00
(2) Adjustment of tax relating to earlier periods		75.32		75.32
(3) Deferred tax		42.90	(216.55)	(173.65)
		<u>1,968.22</u>	<u>(216.55)</u>	<u>1,751.67</u>
Profit for the year (IX-X)		4,197.04	153.18	4,350.22
Other comprehensive income				
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year, net of tax attributable to:		<u>4,197.04</u>	<u>153.18</u>	<u>4,350.22</u>

Revenue Recognition

As per IND AS 18, "Revenue" revenue from operations does not include the amount of indirect taxes such as Sales tax/Vat and Service tax, although revenue from operations has to be disclosed net of excise duty. Hence the amount of sales tax/vat and service tax which has been included in revenue from operations has been excluded from revenue from operations and correspondingly sales tax/vat expenses and service tax expenses have been reduced to nullify the impact on accounts. There is no impact on profit because of this adjustment as revenue has been reduced by 4417.28 lakhs and correspondingly sales tax/Vat and service tax expenses has been reduced by the same amount.

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

47 Reconciliation between previous GAAP and IND AS as on (1 April 2015)

Particulars	Notes to first time adoption	Previous GAAP	Adjustment	IND AS
Assets				
Non-current assets				
Property, plant and equipment	<u>1</u>	16,923.58	(1,224.37)	15,699.21
Capital work in progress		16.19	-	16.19
Investment property	<u>2</u>	-	1,585.99	1,585.99
Goodwill		-	-	-
Other Intangible assets		36.20	-	36.20
Intangible assets under development		-	-	-
Financial assets				
Investments		14,610.39	-	14,610.39
Loans	<u>3</u>	10,706.97	(2.63)	10,704.34
Trade receivables		2,426.29	-	2,426.29
Other financial assets		6,276.36	-	6,276.36
Other non-current assets		-	-	-
Total Non-current assets		50,995.97	359.00	51,354.96
Current assets				
Inventories		39,498.82	-	39,498.82
Financial assets				
Loans	<u>3</u>	548.85	(2.11)	546.74
Trade receivables	<u>3</u>	8,740.45	(10.67)	8,729.78
Cash and cash equivalent		7,029.23	-	7,029.23
Other Current Assets		6,229.58	-	6,229.58
		62,046.92	(12.78)	62,034.13
Assets classified as held for Sale		-	-	-
Total current assets		62,046.92	(12.78)	62,034.13
Total assets		1,13,042.90	346.21	1,13,389.09

47 Reconciliation between previous GAAP and IND AS as on (1 April 2015)

Equity and liabilities

Equity

Equity Share Capital	1,026.14	-	1,026.14
Other Equity			
Equity component of convertible preference shares	-	-	-
Reserve & surplus	34,278.68	(943.88)	33,334.80
Other reserves	10,647.69	-	10,647.69
Total equity	<u>45,952.51</u>	<u>(943.88)</u>	<u>45,008.63</u>

Non-current liabilities

Financial Liabilities

Borrowings	784.68	-	784.68
Other financial liabilities	-	-	-
Provisions	362.20	-	362.20
Net employee defined benefit liabilities	-	-	-
Deferred tax liabilities (net)(4.5 Added in	<u>4</u> 4.50	833.65	838.15
Other liabilities	15,916.79	-	15,916.79
	<u>17,068.16</u>	<u>833.65</u>	<u>17,901.81</u>

Current liabilities

Financial Liabilities

Borrowings	28,640.02	-	28,640.02
Trade payables	<u>3</u> 7,774.37	441.98	8,216.35
Other financial liabilities	13,004.27	-	13,004.27
Other current liabilities	<u>3</u> 521.16	13.98	535.15
Provisions	<u>3</u> 82.38	0.48	82.86
	<u>50,022.21</u>	<u>456.44</u>	<u>50,478.65</u>

Liabilities directly associated with the assets classified as held for Sale

	50,022.21	456.44	50,478.65
Total liabilities	<u>67,090.37</u>	<u>1,290.09</u>	<u>68,380.46</u>
Total equity and liabilities	<u>1,13,042.88</u>	<u>346.22</u>	<u>1,13,389.10</u>
	-0.01	0.00	0.00

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to financial statements for the year ended 31 March 2017

₹ (lacs)

	As at 31 March 2017	As at 31 March 2016
48 Expenditure in Foreign Currency		
Professional fees	-	-
Interest	-	-
Travelling and conveyance	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
49 Earnings in Foreign Currency		
Interest	140.17	303.27
	<u>140.17</u>	<u>303.27</u>
	<u>140.17</u>	<u>303.27</u>

50 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

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

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

CA Suman Bose
Partner
Membership No. 045239
Place : Nagpur
Date : 25/09/2017

SMITA AGARKAR	SUSHANT MUKERJEE
Company Secretary	Chief Financial Officer



Independent Auditors' Report

To The Members of SMS Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of SMS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and joint ventures are responsible for 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the 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.



5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, its associates and joint ventures as at 31 March 2017, and their consolidated Profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note No. 2(c) to the consolidated financial statements which is reproduced as under:

Going Concern

The accumulated loss of one subsidiary (SMS Taxicabs Pvt. Ltd.), as the end of the year is more than 50% of the net-worth of the company. The operation of company have significantly reduced during the year under audit and the financial viability of the company depend on its ability to pursue new business ventures and/or strategic business plans.

The company has issued 50,000,000 share warrants which will get converted into 50,000,000 equity shares of Rs. 10 each at a premium of Rs. 10 after completion of locking period. The company has already received Rs. 803,122,351/- till 31.03.2014 against issue of these share warrants. Further during the year under audit the promoters of the company have given unsecured loans to the company to repay the long term borrowings of the company. Considering this the financials for the year have been prepared under going concern assumption as the end of the year.



10. Other matters:

- a) We did not audit the financial statements / financial information of six subsidiaries and ten joint ventures (Partnership firm & AOP), whose financial statements / financial information reflect total assets of ` 1,258.58 crore and net assets of ` 14.41 crore as at 31 March 2017, total revenues of ` 448.87 crore and net cash inflows amounting to ` 23.01 crore for the year ended on that date, as considered in these consolidated financial statements. The consolidated financial statements also include the Group's share of `6.90 Crore net loss for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statement is not qualified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.
- b) Unaudited financial statements of three subsidiaries, whose financial statements reflect total assets of ` 315.30 crore and net assets of ` 79.91 crore as at March 31, 2017, total revenues of ` 47.96 crore and net cash inflows amounting to ` 0.08 crore for the year ended on that date, is considered in the consolidated financial statements. These unaudited financial statements / financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on such unaudited financial statement / financial information. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and the financial statement of unaudited subsidiary;



C. R. SAGDEO & CO.

CHARTERED ACCOUNTANTS

- c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint ventures companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies, covered under the Act, are disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal controls over financial reporting of the Holding Company, its subsidiary companies, associate companies, joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate Report in 'Annexure I';
- 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 and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, associates and joint ventures:
- i. The group and its associates disclosed the impact of pending litigations on the consolidated financial statement- Refer Note 39 to the consolidated financial statement.
 - ii. The group and its associates entities has made the adequate provisions as require under the applicable Law or Accounting Standards, for material foreseeable losses on long-term contracts including derivative contracts- Refer (a) Note No. 22 to the consolidated financial statement in respect of such items as it relates to the Group and (b) the Group's share of net profit/loss in respect of its associates.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture (Partnership firm & AOP) covered under the Act;
 - iv. These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on the consideration of the reports of the other auditors on separate financial statements and other financial information of its



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CHARTERED ACCOUNTANTS

subsidiary companies, associate companies and joint venture companies, in our opinion, these disclosures are in accordance with the books of accounts maintained by the respective companies.

For C R Sagdeo & Co
Chartered Accountants
Firm's Registration No.: 108959W

Suman Bose
Partner

Place: Nagpur
Date: 28 Sep 2017



Annexure to Auditors' Report

Annexure I

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of the SMS Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and its joint ventures as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, associate companies and joint venture companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems on financial reporting and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and valuating 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.



5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the IFCoFR of the Holding Company, its subsidiary companies, associate companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the operating effectiveness of the one of the subsidiary company (SMS Taxicabs Private Limited) IFCoFR as at 31 March 2017:

The Company's internal financial controls in respect of posting of entries to ledgers, sub-ledgers and other control account need to be further strengthened as it could result in error in valuation and classification of ledger balances reported in the books of account.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Opinion

9. In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified opinion paragraph, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, have, in all material respects, maintained adequate IFCoFR as at 31 March 2017, based on internal control over financial reporting criteria established by the respective companies considering the essential



components of internal control stated in the Guidance Note issued by the ICAI and the IFCoFR were operating effectively as at 31 March 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statement of the Group as at and for the year ended 31 March 2017, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Other Matters

- 10.** We did not audit the IFCoFR insofar as it relates to six subsidiaries and ten joint ventures (Partnership firm & AOP), whose financial statements reflect total assets of ` 1,258.58 crore and net assets of ` 14.41 crore as at 31 March 2017, total revenues of ` 448.87 crore and net cash outflows amounting to ` 23.01 crore for the year ended on that date, as considered in these consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ` 6.90 crore for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of two associates, whose financial statements/ financial information have not been audited by us. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, associate companies and joint venture companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, associates and joint venture, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For C R Sagdeo & Co
Chartered Accountants
Firm's Registration No.: 108959W

Suman Bose
Partner

Place: Nagpur
Date: 28 Sep 2017

SMS Limited (Formerly known as SMS Infrastructure Limited)
Consolidated Balance Sheet as at 31 March 2017

(₹ in lacs)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	4	27,529.99	34,268.09	41,059.31
(b) Capital work in progress		2,848.18	193.93	271.93
(C) Investment property	5	1,653.28	1,660.03	1,664.81
(d) Goodwill		11,911.04	13,734.65	12,998.10
(e) Other Intangible assets	6	1,13,301.50	99,031.36	1,05,074.51
Intangible assets under development	7	18,983.60	42,346.67	9,690.38
(h) Financial assets				
(i) Investments	8	3,424.81	(66.00)	468.43
(iii) Trade receivables	9	11,429.46	6,818.05	4,460.82
(ii) Loans	10	35,246.56	5,884.09	7,914.02
(iv) Other financial assets	11	10,619.95	9,952.54	6,566.68
(i) Deferred tax assets (net)		6,148.26	4,412.63	1,331.45
(j) Other non-current assets	12	1,778.19	2,664.82	1,624.47
Total non-current assets		2,44,874.83	2,20,900.85	1,93,124.92
(2) Current assets				
(a) Inventories	13	19,768.29	33,551.01	41,844.35
(b) Financial assets				
(i) Trade receivables	9	24,914.35	20,245.03	11,905.48
(ii) Loans	10	4,056.31	3,749.95	3,912.20
(iii) Cash and cash equivalent	14	17,345.73	12,797.86	9,609.14
(iv) Other financial assets	15	523.71	672.67	324.03
(c) Assets classified as held for Sale		7.89	144.89	-
(d) Current Tax Assets (Net)				153.57
(e) Other current assets	16	11,134.50	9,308.98	9,878.47
Total current assets		77,750.78	80,470.39	77,627.24
Total assets		3,22,625.61	3,01,371.24	2,70,752.17
Equity and liabilities				
(1) Equity				
(a) Equity Share Capital	17	1,026.14	1,026.14	1,026.14
(b) Other Equity				
(i) Equity component of convertible preference st		-	-	-
(i) Reserve & surplus	18	40,989.09	40,067.30	32,655.62
(ii) Other reserves	19	17,293.09	20,938.66	22,501.51
(C) Non-controlling interests		9,561.28	8,837.75	4,939.65
Total equity		68,869.60	70,869.84	61,122.91
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	54,604.17	45,791.88	44,047.79
(ii) Other financial liabilities	21	3,039.42	2,852.08	2,582.69
(b) Provisions	22	8,860.79	12,103.64	655.66
(C) Deferred tax liabilities (net)		-	-	-
(d) Other non current liabilities	23	12,461.17	13,713.18	16,520.26
		78,965.56	74,460.77	63,806.39

SMS Limited (Formerly known as SMS Infrastructure Limited)**Consolidated Balance Sheet as at 31 March 2017**

Particulars	Note No.	(in lacs)		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	43,720.84	32,168.77	29,500.95
(ii) Trade payables	25	11,941.55	9,115.59	11,164.76
(iii) Other financial liabilities	26	41,295.21	31,270.14	28,031.85
(b) Other current liabilities	27	5,293.49	4,208.14	2,174.93
(C) Provisions	22	72,474.70	79,097.46	74,950.38
(d) Current Tax liability (Net)		64.64	180.51	-
		<u>1,74,790.43</u>	<u>1,56,040.61</u>	<u>1,45,822.86</u>
Total liabilities		<u>2,53,755.99</u>	<u>2,30,501.38</u>	<u>2,09,629.26</u>
Total equity and liabilities		<u>3,22,625.59</u>	<u>3,01,371.23</u>	<u>2,70,752.17</u>

Notes 1 to 47 form an integral part of the consolidated financial statement. This is the Balance Sheet referred to in our audit report of even date.

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

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

CA Suman Bose

Partner

Membership No. 045239

Place : Nagpur

Date : 28/09/2017

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B. SURANA

Director

DIN: 00953495

SUSHANT MUKHERJEE

Chief Financial Officer

SMITA AGARKAR

Company Secretary

SMS Limited (Formerly known as SMS Infrastructure Limited)

Consolidated Statement of Profit and Loss for the period ended 31 March 2017

(₹ in lacs)

Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
Continuing operations			
Income			
Revenue from operations	28	1,84,698.72	1,77,919.67
Other income	29	4,632.15	8,347.33
Total income		1,89,330.87	1,86,267.00
Expenses			
Cost of raw material and components consumed	30	34,176.73	37,391.16
Direct Expenses	31	93,306.93	83,998.66
Employee benefits expense	32	8,823.93	8,645.13
Depreciation and amortization expense	33	23,583.67	22,479.58
Impairment of non-current assets		-	-
Finance costs	34	17,735.01	16,369.92
Other expenses	35	4,809.35	4,395.14
Total expense		1,82,435.63	1,73,279.58
Profit before exceptional item and tax		6,895.24	12,987.42
Exceptional items	36	1,080.67	177.82
Profit/(loss) before share of (profit)/loss of associates and tax		5,814.57	12,809.60
Share of profit / (loss) of associates		840.47	611.50
Profit before tax		4,974.10	12,198.11
Tax Expense	37	1,224.96	522.40
Profit for the year		3,749.14	11,675.71
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
actuarial gain		35.50	-
Revaluation of Investment		-	-
Net (loss)/gain on FVTOCI debt securities		-	-
Remeasurement benefit of defined benefit plans		9.95	(2.37)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		45.45	(2.37)
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Revaluation of land and buildings		-	-
Net (loss)/gain on FVTOCI equity Securities		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		45.45	(2.37)

SMS Limited (Formerly known as SMS Infrastructure Limited)**Consolidated Statement of Profit and Loss for the period ended 31 March 2017****(₹ in lacs)**

Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
Total comprehensive income for the year, net of tax attributable to:		3,794.59	11,673.34
Non controlling interest		641.65	4,062.32
Owners of the parent		3,152.94	7,611.02
Earning per equity share			
Basic	38	36.54	113.78
Diluted		36.54	113.78
Anti-diluted		36.54	113.78

As per our report of even date

For and on behalf of the Board of Directors of SMS Limited.**For C. R. Sagdeo & Co.**

Chartered Accountants

Firm Registration No. :108959W

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

CA Suman Bose

Partner

Membership No. 045239

Place : Nagpur

Date : 28/09/2017

SUSHANT MUKHERJEE
Chief Financial OfficerSMITA AGARKAR
Company Secretary

SMS Limited (Formerly known as SMS Infrastructure Limited)
Consolidated Cash flow statement for the year ended 31 March 2017

(₹ in lacs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit before tax	4,974.10	12,198.11
Adjustment for :		
Depreciation/amortization of Property, Plant and Equipment and intangible assets	23,583.67	22,479.58
Impact of IND AS on leave provision	135.38	82.86
IND AS impact on deferred tax	(2,682.86)	-
Re-measurement gains/ (losses) on defined benefit plans	45.45	(2.37)
Interest income	(1,868.80)	(5,311.37)
Dividend income	(283.75)	(283.75)
Operating profit before working capital changes	23,903.20	29,163.07
Adjustment for :		
Increase/(decrease) in trade payables	2,825.97	(2,049.18)
Increase / (decrease) in non current provisions	(3,242.85)	11,447.98
Increase / (decrease) in current provisions	(6,738.64)	4,327.60
Increase/(decrease) in other current liabilities	1,085.35	2,033.21
Increase/ (decrease) in other non current liabilities	(1,252.00)	(2,807.08)
Increase/ (decrease) in Current financial liabilities	10,025.07	3,238.30
Increase/ (decrease) in Non-current financial liabilities	187.34	269.39
Increase/ (decrease) in Non controlling interest	81.88	(164.22)
Decrease/(increase) in current trade receivables	(4,669.32)	(8,339.55)
Decrease/(increase) in non current trade receivables	(4,611.41)	(2,357.23)
Decrease/(increase) in Non-current financial assets	(667.42)	(3,385.86)
Decrease/(increase) in Current financial assets	148.97	(348.64)
Decrease/(increase) in Current assets	(1,825.52)	723.06
Decrease/(increase) in Non-current assets	886.63	(1,040.35)
Decrease/(increase) in inventories	13,782.72	8,293.35
Decrease / (increase) in non current loans and advances	(29,362.47)	2,029.93
Decrease / (increase) in current loans and advances	(306.36)	162.25
	251.14	41,196.03
Direct taxes paid (net of refunds)	(2,960.60)	(3,603.58)
Net cash flow from/ (used in) operating activities (A)	(2,709.46)	37,592.45
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(10,639.83)	(44,219.37)
Proceeds from sale of fixed assets	376.68	1,855.76
Purchase of non-current investments	(3,490.81)	534.43
Purchase of current investments	-	-
Goodwill created during consolidation	1,823.61	(736.55)
Capital Reserve created during consolidation	(2,608.07)	(350.28)
Other Comprehensive Income	16.99	(25.30)
Subsidy recognised during the year	(455.97)	(1,187.28)
Interest received	1,868.80	5,311.37
Dividends received	283.75	283.75
Net cash flow from/(used in) investing activities (B)	(12,824.85)	(38,533.46)

SMS Limited (Formerly known as SMS Infrastructure Limited)**Consolidated Cash flow statement for the year ended 31 March 2017**

(₹ in lacs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from financing activities		
Proceeds from long-term borrowings	8,812.29	1,744.09
Proceeds from short-term borrowings	11,552.08	2,667.82
Dividend & DDT paid on equity shares	(282.19)	(282.19)
Net cash flow from/(used in) in financing activities (C)	20,082.18	4,129.72
Net increase/(decrease) in cash and cash equivalents (A + B + C)	4,547.87	3,188.71
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	12,797.85	9,609.14
Cash and cash equivalents at the end of the year	17,345.72	12,797.85
Components of cash and cash equivalent		
Cash on hand	387.25	791.79
With banks- on current account	5,893.59	3,042.31
-- on deposit account	11,064.90	8,963.76
Total cash and cash equivalents	17,345.73	12,797.86

As per our report of even date

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

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

ANAND S. SANCHETI

Managing Director

DIN: 00953362

DILIP B SURANA

Director

DIN: 00953495

CA Suman Bose

Membership No. 045239

Place : Nagpur

Date : 28/09/2017

SUSHANT MUKHERJEE

Chief Financial Officer

SMITA AGARKAR

Company Secretary

A. EQUITY SHARE CAPITAL

Issued and paid up capital

(` lacs)

Particulars	Number of Shares	Amount
Balance as at 1 April 2015	1,02,61,382	1,026.14
Changes in equity share capital	-	-
Balance as at 31 March 2016	1,02,61,382	1,026.14
Changes in equity share capital	-	-
Balance as at 31 March 2017	1,02,61,382	1,026.14

B. OTHER EQUITY

Particulars	Reserves and Surplus			Items of OCI				Non controlling interest	Total Equity
	Securities premium reserve	General reserve	Retained earnings	Capital reserve	Foreign Currency Transalatai on reserve	Net gain on fair value of defined benefit	Investment revaluation reserve		
As at 1 April 2015	10,647.69	1,116.85	31,538.77	8,841.68	52.39	-	2.91	4,939.65	57,139.94
Profit for the year	-	-	7,611.02	-	-	-	-	4,062.32	11,673.34
Intirim Dividend paid	-	-	(282.19)	-	-	-	-	-	(282.19)
Increase/(decrease)	-	-	-	(350.28)	(23.32)	-	(1.98)	(164.22)	(539.79)
IND AS impact on deferred tax	-	-	-	-	-	-	-	-	-
IND AS impact on leave provision	-	-	82.86	-	-	-	-	-	82.86
IND AS impact on prior period	-	-	-	-	-	-	-	-	-
At 31 March 2016	10,647.69	1,116.85	38,950.47	8,491.41	29.07	-	0.94	8,837.75	68,074.17
As at 1 April 2016	10,647.69	1,116.85	39,548.97	8,491.41	29.07	-	0.94	8,837.75	68,672.66
Profit for the year	-	-	3,152.94	-	-	-	-	641.65	3,794.59
Increase/(decrease)	-	-	(2,682.86)	(3,206.58)	12.47	-	4.52	81.88	(5,790.57)
Intirim Dividend paid	-	-	(282.19)	-	-	-	-	-	(282.19)
IND AS impact on leave provision	-	-	135.38	-	-	-	-	-	135.38
At 31 March 2017	10,647.69	1,116.85	39,872.24	5,284.82	41.54	-	5.45	9,561.28	66,529.88

This is the statement of changes in equity referred to in our audit report of even date

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

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. :108959W

ANAND S. SANCHETI
Managing Director
DIN: 00953362

DILIP B. SURANA
Director
DIN: 00953495

CA Suman Bose
Partner
Membership No. 045239
Place : Nagpur
Date : 28/09/2017

SUSHANT MUKHERJEE
Chief Financial Officer

SMITA AGARKAR
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1 Corporate information

The consolidated financial statements comprise financial statements of SMS Limited (formerly known as SMS Infrastructure limited) (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March 2017. SMS Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of construction & commissioning and Lump Sum Turn Key facilities in various infrastructure projects like Road, Bridges, Water Supply, Power Transmission, Underground Mining Work, etc. for Central/State Governments, other local bodies and Private Sector in the Country.

2. Significant Accounting Policies

a Basis of preparation:

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Accounting Standards) Rules, 2015. The financial statements for all periods up to and including year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act (“the Act”), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (“previous GAAP”). The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Group in accordance with Ind AS. The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting. All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

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

b Basis of consolidation:

The financial statements have been prepared on the following basis:

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or

incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

c **Going Concern**

The accumulated loss of one subsidiary (SMS Taxicabs Pvt. Ltd.), as the end of the year is more than 50% of the net-worth of the company. The operation of company have significantly reduced during the year under audit and the financial viability of the company depend on its ability to persue new business ventures and/or statagic business plans.

The compny has issued 50,000,000 share warrants which will get converted into 50,000,000 equity shares of Rs. 10 each at a premiume of Rs. 10 after completion of locking period. The company has already received Rs. 803,122,351/- till 31.03.2014 against issue of these share warrants. Further during the year under audit the promoters of the company have given unsecuered loans to the company to repay the long term borrowings of the company. Considering this the financials for the year have been prepared under going concern assumption as the end of the year.

d **Accounting Estimates**

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

Estimates and assumptions

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

Contract estimates

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

Recoverability of claims

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

e Property, Plant and Equipment

“Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.”

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and

Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

f Investment Property

“Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost. On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investment properties and used that carrying value as the deemed cost of the investment properties on the date of transition i.e. 1 April 2015.”

g Intangible Assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortization and accumulated impairment losses, if any. On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

SMS SHIVNATH INFRASTRUTURE PRIVATE LIMITED (Subsidiary of SMS Limited)

SMS Limited (Investor Company) is having investment in the SMS Shivnath Infrastructure Pvt. Ltd. (Investee Company). In the consolidated financial statement as at March 2017, this investment resulted in creation of goodwill. The value of investment in the books of SMS Ltd. is at Rs. 114.63 resulting at a goodwill of Rs. 94.52 crore as on 31st March 2017. However, the valuation of the company is much higher than this and the same was evident in the subsequent month. In April 2017, the entire investment was sold to a third party at Rs. 120 crore.

As the value arising on account of goodwill is strongly backed by external valuation and the benefit is actually received by the investee company, the management wishes to carry the amount of goodwill in its books.

PT. SMS MINERAL INTERNATIONAL(Subsidiary of SMS Limited)

SMS Limited had created a JV company in Indonesia whereby it holds (80%) shares. The name of the JV is Pt. SMS Minerals International, a company registered under the laws

of Indonesia. The JV Company was engaged in business of selling coal within the province of Sumatra. The JV Company was incorporated in the year 04-10-2006 and till date have repatriated an amount of Rs. 90.78 crore in India on account of various revenue and capital transactions.

As on 31st March 2017, goodwill of Rs. 12.26 crore is arising in the books. The management has got strong reasons to carry this goodwill as it is, as ores worth Rs. 75 crore are yet to be sold and await exploitation with the miner whose we are sole seller. Additionally, few local parties have approached us and have already offered to acquire our stake in JV company at Rs. 50 crore.

h Service concession arrangements

The Group recognizes an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortizations and accumulated impairment losses

i Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

Financial assets, not recorded at fair value through profit or loss (FVPL), are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate (“EIR”) method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

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

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the expected credit loss (“ECL”) model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

De-recognition of Financial Assets

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.”

b Equity Instruments and Financial Liabilities

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

Equity Instruments

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

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

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

Offsetting Financial Instruments

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

j Depreciation/ Amortization

Depreciation method, useful lives and residual values are levied periodically, including at each financial year.

Advance paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advance under other noncurrent assets.

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

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

For overseas subsidiaries, associates and joint arrangements, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, associates and joint arrangements. In view of different sets of environment in which such entities operate in their respective

countries, depreciation is provided based on the management experience of use of assets in respective geographies and local laws. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and wherever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operation results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating unit is determined based on higher of value-in-use and fair value less cost to sell.

Landfill Facility: Depreciation on landfill facility is charged at the rate of Rs. 1470/- Per MT for waste disposed in landfill-3 in Ranjangaon & Rs. 743/- Per MT in Butibori.

As per the policy of the Company residual value of the assets is considered at 0.20% of the gross block of assets

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

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

The residual value, useful life and method of deprecation of property plant and equipment are review at each financial year end and adjusted prospectively if appropriate.

The company provides 100% depreciation on fixed assets with values less than or equal to Rs 5,000 as per policy.

k Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred including taxes (not refundable) in bringing the inventories to their present location and condition.

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

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

I Revenue Recognition:

a. Accounting of Construction Contracts

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

Revenue is recognised as follows:

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

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

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

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

b. Accounting of Supply Contracts-Sale of Goods

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

- c. Accounting for Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favorable arbitration award.
- d. Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.
- e. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.
- f. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments.

Direct Landfill:

Revenue has been recognized under direct landfill on accrual basis at the time of receipt of waste and billing.

Landfill after Treatment:

Revenue has been recognized under landfill after treatment on accrual basis at the time of receipt of waste and billing. Stock for Landfill after treatment as on 31/03/2017 is Nil (F.Y 15-16: Nil)

Incineration (Plasma based):

The service of disposal by incineration Facility consists of (1) Collection of Hazardous waste (waste) from generators, (2) Transportation of waste from generator's premises to waste disposal facility (common facility), (3) Analysis of the waste at common facility, (4) Storage of the waste at common facility and (5) Burning of it in incineration (plasma based) plant. The activities with regard to

this facility get completed from process (1) to (4) on receipt of waste material. Only burning in incineration plant is deferred up to the stage of collection of sufficient quantity of waste material so as to efficiently run the activity. Hence, revenue has been recognized in full under Incineration as substantial activities of this service are completed and substantial revenue from the billed amount has been realized. However, pursuant to the matching concept a provision of Rs. 4000/- PMT (F.Y. 15-16 Rs 4000/-PMT) for Ranjangaon & Rs. 2300/- PMT (F.Y.15-16 Rs. 2300/- PMT) for Butibori (As calculated from the reference data by technical team) of waste has been provided in the books on the waste quantity under this head.

Note: - The word waste used in this note shall mean “Hazardous waste” as defined in hazardous waste (Handling and Management) rules.

Membership Fees:

Membership fees are collected from customers to let them use the facility of waste disposal. Fees collected are non-refundable in nature and provides customer the rights to use our services for the period for which membership fees is collected. Therefore, membership fees are recognized as income over the period of membership on pro rata basis.

Service Charges:

Service charges are charged to customer for provision of service for a year with a right to adjust the same against billing, if any, in a year. Hence Services charges are recognized as income after expiry of the one calendar year if the same does not get adjusted against the billing done during that period.

Container Maintenance Charges:

Container Maintenance Charges are being booked to income on receipt basis, which is as and when charges are collected from customers.

Other Income includes interest income on deposits, other Misc. Income which are recognized in accrual basis.

m Government grants:

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

Government grants relating to the purchase of property, plant and equipment are included in capital reserve as deferred income and are credited to Profit and Loss on a written down value over the remaining period of the project and presented

within other income. During the year company has recognized grant amounting to Rs. 9,73,48,211/- in the profit & loss account.

The company has received capital subsidy over the period amounting to Rs. 67,87,15,363/- for Ranjangaon & Rs. 67,08,98,250/- for Butibori till FY 15-16. In the financial year 2016-17, the company has received a subsidy of Rs 2,74,32,000/- for Ranjangaon and Rs 2,52,12,000/- for Butibori unit, the total subsidy received till date is shown separately under Reserves and surplus by grossing up net value of Fixed Assets.

The life of the project is 11 years from 1st April 2016. Hence the life of assets, which is more than 11 years, is considered as 11 years for the calculating the rate of depreciation and therefore subsidy is written off accordingly.

n Foreign Currency Transaction:

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

The Company's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

o Employee Benefits:

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognize the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined Benefit plans:

i) Provident Fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

Other Long Term Employee Benefits:

Entitlements to annual leave are recognized when they accrue to employees. Annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employee. 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 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.

p Bills Receivables and Trade Payable

The balance of Bills Receivables and Trade Payables are subject to reconciliation with some parties. Any difference which may arise on reconciliation will be dealt in by the Company in subsequent years.

In the opinion of management the net effect may not be material.

q Borrowing Cost

Interest and other costs in connection with the borrowing of funds to the extent related/attribution 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.

r Leases

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

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

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

s Taxes on Income

Income Tax

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

i Current Income Tax

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

ii Deferred Income Tax

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

t **Earnings per share:**

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

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

shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

u. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably. Contingent assets are neither recognized nor disclosed in the financial statements.

3. Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian accounting standard

The Group has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

Exemptions availed on first time adoption of Ind AS 101:

- I On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions:
- a. Since, there is no change in the functional currency of the Group, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.
 - b. The Group has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.
 - c. The Group has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the “Foreign currency monetary translation account” and amortised over the remaining life of the concerned monetary item.
 - d. Fair value measurement of financial assets or liabilities at initial recognition: The Group has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.
- II Exceptions: The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:
- a. Estimates

The estimates as at 1 April 2015 and 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to

reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

- (i) Impairment of financial assets based on the expected credit loss model; and
- (ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Group to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b. Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c. Classification and movement of financial assets and liabilities

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017
4 Property, plant and equipment

	(lacs)									
Gross Block	Building	Land	Leasehold Land	Plant and Machinery	Furniture and fixture	Computer	Office equipment	Vehicle	Intercompany profit adjustment	Total
Opening 01.04.2015	7,748.03	116.96	13.85	73,145.25	659.40	1,439.12	904.59	8,685.01	213.70	92,498.51
Assets Held for Sale	146.27	7.89								154.16
Addition	185.57	-	-	2,410.51	38.00	37.82	79.56	282.72	13.04	3,021.14
Disposal	18.57	11.55	-	1,725.18	1.45	9.75	7.18	80.97		1,854.66
Written Off	152.96	55.12	4.59	1,378.88	28.32	507.22	65.32	398.69		2,591.11
Interhead Adjustment	(3.77)	3.24	-	(616.37)	1.83	-	(4.02)	617.85		(1.24)
Closing 31.03.2016	7,612.02	45.64	9.26	71,835.33	669.45	959.97	907.63	9,105.93		90,918.49
Opening 01.04.2016	7,612.02	45.64	9.26	71,835.33	669.45	959.97	907.63	9,105.93		90,918.49
Addition	453.29	-	-	937.84	30.94	44.53	28.79	135.47	197.79	1,433.06
Disposal	-	-	-	328.06	0.75	3.40	5.20	39.27		376.68
Written Off	-	-	-	442.95	4.48	3.64	33.56	56.33		540.96
Interhead Adjustment										-
Closing 31.03.2017	8,065.31	45.64	9.26	72,002.16	695.16	997.46	897.66	9,145.80		91,433.92
Accumulation										
Opening 01.04.2015	3,441.11	-	5.05	39,173.55	441.76	1,176.23	520.28	6,681.28		51,439.25
Depreciation for the year	966.23	-	1.44	7,000.77	66.66	134.79	140.95	761.67		9,072.51
Exces/short Charge for FY 14-15	1.46	-	-	125.74	2.41	2.58	(0.02)	6.37		138.54
Dep Adjustments ON Disposal	122.28	-	0.60	1,560.97	26.55	516.45	66.05	437.27		2,730.16
Excess/short transferred to reserve for FY 14-15	(7.97)	-	-	(1,251.90)	-	-	-	(9.45)		(1,269.32)
Dep Interhead Adjustment	-	-	-	(488.95)	1.63	-	(1.94)	489.26		-
Closing 31.03.2016	4,278.55	-	5.89	42,998.24	485.91	797.16	593.22	7,491.85		56,650.82
Opening 01.04.2016	4,278.55	-	5.89	42,998.24	485.91	797.16	593.22	7,491.85		56,650.82
Depreciation for the year	701.99	-	0.92	6,538.11	48.39	107.65	103.85	614.10		8,115.02
Exces/short Charge for FY 14-15	-	-	-	-	-	2.61	-	-		2.61
Dep Adjustments ON Disposal	-	-	-	720.08	4.63	7.02	37.64	89.55		858.92
Closing 31.03.2017	4,980.54	-	6.81	48,816.27	529.67	895.18	659.44	8,016.40		63,904.32
NET Block 01.04.2015	4,306.92	116.96	8.80	33,971.70	217.64	262.89	384.31	2,003.73		41,059.26
NET Block 31.03.2016	3,333.47	45.64	3.37	28,837.09	183.54	162.82	314.41	1,614.08		34,267.67
NET Block 31.03.2017	3,084.77	45.64	2.45	23,185.88	165.49	102.28	238.22	1,129.40		27,529.60

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

	LAND	BUILDING	in lacs TOTAL
5 Investment Property			
Gross carrying amount			
As on 1st April 2015	1,313.61	379.27	1,692.88
Addition	1.95	-	1.95
Sum of Interhead Adjustemnt Given	(0.13)	-	(0.13)
As on 31st March 2016	<u>1,315.43</u>	<u>379.27</u>	<u>1,694.70</u>
As on 1st April 2016	1,315.43	379.27	1,694.70
Addition	-	-	-
Sum of Interhead Adjustemnt Given	-	-	-
As on 31st March 2017	<u>1,315.43</u>	<u>379.27</u>	<u>1,694.70</u>
Accumulated depreciation			
As on 1st April 2015	-	28.07	28.07
Depreciation charged	-	6.61	6.61
Sum of Provision for Depreciation Reversal on account of Sale	-	-	-
As on 31st March 2016	<u>-</u>	<u>34.68</u>	<u>34.68</u>
As on 1st April 2016	-	34.68	34.68
Depreciation charged	-	6.74	6.74
Sum of Provision for Depreciation Reversal on account of Sale	-	-	-
As on 31st March 2017	<u>-</u>	<u>41.42</u>	<u>41.42</u>
Net carrying amount	1,313.61	351.21	1,664.81
Net carrying amount	<u>1,315.43</u>	<u>344.59</u>	<u>1,660.03</u>
Net carrying amount	<u>1,315.43</u>	<u>337.85</u>	<u>1,653.29</u>
Information regarding income and expenditure of Investment property		As at 31 March 2017	As at 31 March 2016
Rental income derived from investment properties		11.32	10.58
Profit arising from investment properties before depreciation and indirect expenses		<u>11.32</u>	<u>10.58</u>
Profit arising from investment properties before indirect expenses		<u>11.32</u>	<u>10.58</u>

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed costs.

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

As at 31 March 2017 and 31 March 2016, the fair values of the properties are INR 2720.12 lacs and INR 1168.83 lacs respectively. These valuations are based on valuations performed by an accredited independent valuer.

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

6 Intangible assets

	(lacs)						
Gross Block	Computer software	Motor Car Permits	Right to collect Toll	Others	Lease Rights	Intercompany profit adjustment	Total
Opening 01.04.2015	830.48	7,309.60	83,390.34	581.14	19,980.78	465.49	1,11,626.85
Addition	61.17	-	5,929.65	-	-	0.76	5,990.05
Disposal	1.10	-	-	-	-	-	1.10
Closing 31.03.2016	890.54	7,309.60	89,319.99	581.14	19,980.78	-	1,17,615.80
							-
Opening 01.04.2016	890.54	7,309.60	89,319.99	581.14	19,980.78	-	1,17,615.80
Addition	228.68	-	27,454.74	-	83.16	9.89	27,756.69
Disposal	-	-	-	-	-	-	-
Closing 31.03.2017	1,119.22	7,309.60	1,16,774.73	581.14	20,063.94	-	1,45,372.49
							-
Accumulation							
Opening 01.04.2015	362.40	704.99	4,818.29	30.46	636.20	-	6,552.34
Depreciation for the year	112.72	243.41	11,212.29	23.68	441.11	-	12,033.20
Depreciation on Disposal	1.10	-	-	-	-	-	1.10
Closing 31.03.2016	474.02	948.40	16,030.58	54.14	1,077.31	-	18,584.44
							-
Opening 01.04.2016	474.02	948.40	16,030.58	54.14	1,077.31	-	18,584.44
Depreciation for the year	86.42	243.41	12,689.62	23.68	443.40	-	13,486.53
Depreciation on Disposal	-	-	-	-	-	-	-
Closing 31.03.2017	560.44	1,191.81	28,720.20	77.82	1,520.71	-	32,070.97
							-
NET Block 01.04.2015	468.07	6,604.61	78,572.05	550.68	19,344.58	-	1,05,074.51
NET Block 31.03.2016	416.53	6,361.20	73,289.41	527.00	18,903.47	-	99,031.36
NET Block 31.03.2017	558.78	6,117.79	88,054.54	503.32	18,543.23	-	1,13,301.51

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

7 Intangible Assets Under Development

	` (lacs)		
Particulars	Right to collect Toll	Preliminary & Preoperative Expenditure	Total
Gross block			
Opening 01.04.2015	9,583.16	107.22	9,690.38
Addition	12,253.70	21,572.49	33,826.20
Disposal	34.78	-	34.78
Closing 31.03.2016	21,802.09	21,679.71	43,481.79
Opening 01.04.2016	21,802.09	21,679.71	43,481.79
Addition		250.74	250.74
Disposal	21,802.09		21,802.09
Closing 31.03.2017	(0.00)	21,930.45	21,930.44
Accumulation			
Opening 01.04.2015			
Depreciation for the year	-	1,135.13	1,135.13
Depreciation on Disposal			
Closing 31.03.2016	-	1,135.13	1,135.13
Opening 01.04.2016	-	1,135.13	1,135.13
Depreciation for the year		1,811.72	1,811.72
Depreciation on Disposal			
Closing 31.03.2017	-	2,946.85	2,946.85
NET Block 01.04.2015	9,583.16	107.22	9,690.38
NET Block 31.03.2016	21,802.09	20,544.58	42,346.67
NET Block 31.03.2017	(0.00)	18,983.60	18,983.60

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	(lacs) As at 1 April 2015
8 Non-current Investments			
A Trade investments			
a Investment in Subsidiaries (Unquoted)	(0.00)	-	-
b Investment in Associates (Unquoted)	(372.35)	(143.38)	468.12
c Investment in Joint Ventures	75.23	5.00	5.00
d Investment in Partnership Firm	(86.55)	(43.67)	(40.76)
	(383.67)	(182.05)	432.36
B Non-trade investments			
a Investment in Equity instruments (Unquoted)	3,167.81	98.77	17.06
b Investment in Government Securities (NSC)	1.34	1.34	1.10
Investment in Mutual Fund (Quoted)	20.45	15.94	17.91
Investment in debt instruments (Quoted)	618.87	-	-
	3,808.47	116.04	36.08
	3,424.81	(66.00)	468.43

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
			(lacs)
9 Trade receivables			
Outstanding for a period exceeding six months			
Secured, considered good	-	-	-
Unsecured, considered good	11,429.46	6,818.05	4,460.82
Doubtful	-	-	-
	11,429.46	6,818.05	4,460.82
Outstanding for a period Less than six months			
Secured, considered good	-	-	-
Unsecured, considered good	24,914.35	20,245.03	11,905.48
Doubtful	-	-	-
	24,914.35	20,245.03	11,905.48
	36,343.81	27,063.08	16,366.29

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

				(lacs)		
	Non Current			Current		
	As at 31	As at 31	As at 1 April	As at 31	As at 31	As at 1 April
	March 2017	March 2016	2015	March 2017	March 2016	2015
10 Loans and advances						
A Security deposit						
Secured, considered good	8,354.55	7,425.78	5,975.03	-	-	-
Unsecured, considered good	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
	<u>8,354.55</u>	<u>7,425.78</u>	<u>5,975.03</u>	<u>-</u>	<u>-</u>	<u>-</u>
B Loan and advances to related parties						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	-	-	(87.98)	283.05	422.25
Doubtful	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87.98)</u>	<u>283.05</u>	<u>422.25</u>
C Advances recoverable in cash or kind						
Secured considered good	-	-	-	-	-	-
Unsecured considered good	26,890.59	(1,543.11)	1,932.34	486.71	9.70	9.29
Doubtful	-	-	-	-	-	-
	<u>26,890.59</u>	<u>(1,543.11)</u>	<u>1,932.34</u>	<u>486.71</u>	<u>9.70</u>	<u>9.29</u>
D Other loans and advances						
Unsecured, considered good						
Loans to employees	-	-	-	122.01	83.58	98.38
Interest receivable on FDR	-	-	-	0.41	11.74	5.48
Mobilization Advance	-	-	-	-	-	0.53
other	1.42	1.42	6.65	3,535.17	3,361.89	3,376.28
	<u>1.42</u>	<u>1.42</u>	<u>6.65</u>	<u>3,657.59</u>	<u>3,457.20</u>	<u>3,480.66</u>
	<u>35,246.56</u>	<u>5,884.09</u>	<u>7,914.02</u>	<u>4,056.31</u>	<u>3,749.95</u>	<u>3,912.20</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
			` (lacs)
11 Non current financial assets			
Earnest Money Deposits	901.46	725.73	754.19
Retention Money	6,748.03	6,012.49	4,231.27
Withheld Amount	2,686.27	2,922.32	1,291.85
Employee Loans	0.40	2.61	9.94
Insurance claim receivables	-	13.20	0.51
Interest Accrued on Fixed Deposits	0.05	-	-
Other deposits	0.75	0.70	0.15
Security Deposit	56.05	49.18	47.28
TDS Receivable	4.56	4.56	4.56
Indus Tower Electricity Charges Receivable	0.13	-	-
Interest Receivable on Deposits	37.85	22.81	1.68
Receivable from MIDC Water Charges	3.50	7.04	7.30
Prior Period Assets	-	-	4.06
Receivable form MSEDCL	180.90	191.90	213.90
	10,619.95	9,952.54	6,566.68

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

			` (lacs)
	As at 31	As at 31	As at 1
	March 2017	March 2016	April 2015
12 Non Current Assets			
Capital advances	-	68.59	63.29
MAT credit	1,667.26	1,228.16	105.35
Unamortized expenditure	-	1,262.20	1,355.80
Service Tax Deposit Receivable	14.33	9.27	3.32
Others	96.61	96.61	96.71
	<u>1,778.19</u>	<u>2,664.82</u>	<u>1,624.47</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

	As at 31	As at 31	As at 1
	March 2017	March 2016	April 2015
13 Inventories			
Inventory	18,388.22	29,929.53	39,498.82
Raw Materials and components	1,307.44	3,562.56	2,263.08
Bags	2.20	2.29	0.82
Diesel	0.10	0.00	0.16
Stock-in-trade	12.15	7.52	7.47
Stores and spares	58.17	49.10	74.01
	<u>19,768.29</u>	<u>33,551.01</u>	<u>41,844.35</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
			(lacs)
14 Cash and bank balances			
Balances with banks:			
In current accounts	5,893.59	3,042.31	1,411.06
Marketable securities	1,994.18	-	-
Cash on hand	387.25	791.79	1,083.27
	<u>8,275.01</u>	<u>3,834.10</u>	<u>2,494.33</u>
Other bank balances			
Fixed Deposits with Banks	9,070.72	8,963.76	7,114.81
FDR with original maturity for more than 3 months but less than 12 months	-	-	-
	<u>9,070.72</u>	<u>8,963.76</u>	<u>7,114.81</u>
	<u>17,345.73</u>	<u>12,797.86</u>	<u>9,609.14</u>

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	140.87	104.02	104.02
Add: Permitted receipts	293.32	2,639.88	2,639.88
Less: Permitted payments	-	(146.70)	(146.70)
Less: Amount deposited in Banks	(434.18)	(2,272.30)	(2,272.30)
Closing cash in hand as on 30 December 2016	-	324.90	324.90

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

	As at 31	As at 31	As at 1
	March 2017	March 2016	April 2015
15 Other Current Financial Assets			
Advances to Contractor	100.00	558.61	-
Advances to Suppliers	361.29	103.27	227.32
Insurance claim receivables	-	1.48	0.10
Interest accrued on deposits	58.11	8.39	94.47
Receivable from TATA Power Delhi Distribution Ltd	1.21	-	1.21
Security deposits	1.01	0.93	0.93
Other receivables	2.09	-	-
	523.71	672.67	324.03

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

	` (lacs)		
	As at 31	As at 31	As at 1
	March 2017	March 2016	April 2015
16 Other Current Assets			
Advance Tax	418.21	859.53	1,142.26
Advance to Staff	2.27	3.35	0.48
Prepaid expenses	1,013.82	1,045.55	1,221.62
Service Tax Receivable	1,346.71	1,086.24	1,256.91
TDS Receivable	644.05	1,056.47	1,844.43
Vat receivable	6,808.68	5,075.80	4,082.70
Water Cess Receivable	3.00	4.31	5.48
Salary & Other Preliminary Exp.	102.17	-	-
Amount recoverable from gratuity fund	-	2.48	-
Others	782.73	175.25	320.95
	11,121.65	9,308.98	9,874.83

SMS | SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

₹ (lacs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17 Share capital			
a Authorized shares			
15,000,000 (1st April 2015 & 31st March 2016 : 15,000,000) equity shares of ₹ 10/- each	1,500.00	1,500.00	1,500.00
b Issued, subscribed and fully paid-up shares			
10261382 ((1st April 2015 & 31st March 2016 : 1,02,61,382) equity shares of ₹ 10/- each	1,026.14	1,026.14	1,026.14
Total Issued, subscribed and fully paid-up share capital	1,026.14	1,026.14	1,026.14

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

Equity shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No.	Amount	No.	Amount	No.	Amount
At the beginning of the period	1,02,61,382	1,026.14	1,02,61,382	1,026.14	1,01,33,116	1,013.31
Add : Rights Issued During the Year	-	-	-	-	1,28,266	12.83
Outstanding at the end of the period	1,02,61,382	1,026.14	1,02,61,382	1,026.14	1,02,61,382	1,026.14

d Terms/Rights attached to shares

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

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

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

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No.	% holding in the class	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 10/- each fully paid						
Shri Abhay Harakchand Sancheti	3214696	31.33%	28,94,162	28.20%	28,94,162	28.20%
Shri Ajay Shaktikumar Sancheti	2410997	23.50%	21,70,597	21.15%	21,70,597	21.15%
Shri Anand Shaktikumar Sancheti	2410997	23.50%	21,70,597	21.15%	21,70,597	21.15%
M/s Femina Industrial Finance Private Limited	1046131	10.19%	10,46,131	10.19%	10,46,131	10.19%
M/s Femina Share Management Services Private Limited	834184	8.13%	8,34,184	8.13%	8,34,184	8.13%
San Finance Corporation	-	0.00%	8,01,334	7.81%	8,01,334	7.81%

f Five Year (Aggregate No. of Shares)

Equity Shares :	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL	NIL

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	(lacs) As at 1 April 2015
18 Reserves & Surplus			
General Reserve			
Balance as per the last financial statements	1,116.85	1,116.85	1,116.85
Add: amount transferred from Foreign Project Reserve	-	-	-
Less : Amount utilised during the year	-	-	-
Closing Balance	<u>1,116.85</u>	<u>1,116.85</u>	<u>1,116.85</u>
 Surplus/(Deficit) in the statement of Profit and Loss			
Balance as per last financial statements	39,548.97	31,538.77	32,545.81
ADD			
Profit for the year	3,152.94	7,611.01	-
LESS			
Provision of Encashment of Leave	135.38	82.86	(82.86)
Bonus Shares issued during the year	(2,682.86)	-	-
IND AS Impact on Deferred tax liability	-	-	(833.65)
IND AS Prior period	-	-	(90.52)
Interim Dividend Paid	(282.19)	(282.19)	-
Net surplus in the statement of profit and loss	<u>39,872.24</u>	<u>38,950.46</u>	<u>31,538.77</u>
	<u>40,989.09</u>	<u>40,067.30</u>	<u>32,655.62</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	` (lacs) As at 1 April 2015
19 Other Reserves			
Securities Premium Account			
Balance as per the last financial statements	10,647.69	10,647.69	10,647.69
Add: Additions during the year	-	-	-
Less: amounts utilized during the year	-	-	-
Closing Balance	10,647.69	10,647.69	10,647.69
Investment Revaluation Reserve			
Balance as per the last financial statements	0.94	2.91	-
Add: Created during the year	4.52	-	-
Less : Utilised during the year	-	(1.98)	2.91
Closing Balance	5.45	0.94	2.91
Capital Reserve			
Balance as per the last financial statements	8,491.41	8,841.68	-
Add: Created during the year	-	-	8,841.68
Less : Utilised during the year	(3,206.58)	(350.28)	-
Closing Balance	5,284.82	8,491.41	8,841.68
Capital Subsidy			
Balance as per the last financial statements	1,769.55	2,956.83	6,007.04
Subsidy Received during the year	526.44	527.30	526.87
Charged to PY Profit	-	-	(607.88)
PY Difference of Reserve adjusted in CY	-	1.32	-
Amount offered to income in the current year	(973.48)	(1,706.96)	(2,969.20)
Transferred to other Income	(8.93)	(8.93)	-
Closing Balance	1,313.58	1,769.55	2,956.83
Other Comprehensive Income	41.54	29.07	52.39
	17,293.09	20,938.66	22,501.51

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	Non-current				Current		(lacs)
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
20 Long-Term Borrowings							
I. Secured							
A Preference Share Capital	1,047.46	1,216.97	195.00	-	-	-	
B Term loans							
i Banks							
Andhra Bank (RBC)	-	2.42	25.88	8.31	23.47	23.47	
Axis Bank Ltd.	226.28	168.44	19.40	453.73	57.18	9.32	
Bank of Baroda	160.42	221.61	282.79	61.18	61.18	61.18	
Bank of India	219.17	299.43	386.73	85.20	85.20	93.76	
Bank of Maharashtra	4.81	73.22	169.22	69.57	96.00	96.00	
IDBI Bank Ltd	-	-	77.85	-	77.85	98.00	
Indian Overseas Bank	1,803.48	2,320.56	2,652.01	384.00	352.00	298.00	
Indusind Bank Ltd	-	0.42	5.09	-	-	-	
State Bank of Hyderabad	18,414.92	20,275.20	20,968.21	1,749.00	949.99	900.00	
State Bank of India	5,311.55	215.51	16.17	(1,436.97)	340.93	1,580.51	
State Bank of Mysore	1,824.10	2,280.92	2,524.05	350.00	350.00	298.00	
State Bank of Patiala	-	20.59	-	-	-	-	
Yes Bank	1.26	-	-	2.74	-	-	
ICICI Bank Limited	32.12	188.30	513.20	122.60	378.69	680.55	
Kotak Mahindra Bank Ltd	-	-	39.70	2.02	44.18	281.22	
HDFC Bank limited	61.50	13.65	172.16	67.51	174.26	191.94	
Abhyudaya Co-operative Bank Limited	3,598.18	3,418.87	5,302.63	109.64	1,640.76	972.69	
Corporation Bank Limited	-	311.98	970.41	1,258.87	1,049.51	534.68	
United Bank of India	-	-	674.52	728.57	939.65	394.11	
Oriental Bank of Commerce	-	136.70	233.93	101.11	91.06	88.84	
ii Financial Institution							
Indiabulls Housing Finance	10,147.96	11,146.90	-	9,360.58	684.79	-	
Kotak Mahindra Prime Ltd.	-	-	-	8.26	10.53	3.41	
Tata Motors Finance Ltd.	9.74	-	-	70.89	100.49	131.68	
TOYOTA	-	-	1.40	-	1.40	4.05	
Srei Equipment Finance Private Limited	6,731.84	356.16	2,398.98	1,481.78	1,178.23	7,331.72	
BMW India Financial Services Private Limited	-	29.03	176.73	-	154.92	281.35	
Reliance Capital Limited	-	11.43	138.75	6.12	156.62	438.02	
Tata Capital Financial Services Limited	0.03	10.16	52.92	10.12	42.72	321.74	
II. Unsecured							
A Loans and advances from related parties							
Agroh Infrastructure Developers Private Limited	-	-	25.00	-	-	-	
Anup Nilawar	-	-	-	20.00	20.00	20.00	
Ayushajay Construction Private Limited	-	1.08	-	-	-	-	
SMS Shivnath Infrastructure Pvt. Ltd.	-	-	3,440.12	-	-	-	
Solar Industries India Ltd.	100.69	89.79	82.14	-	-	-	
Vishwanath Infrastructure Limited.	-	-	-	9.10	9.10	9.10	
SMS Limited	-	0.39	(0.00)	-	-	-	
B Others							
Badjate	-	-	-	-	415.49	-	
Best Power Plus Pvt.Ltd	-	53.03	50.32	-	-	-	
Erudite Eduventures Pvt Ltd	-	-	-	-	-	1.37	
Femina Industrial Finance Pvt Ltd	16.77	15.91	15.09	-	-	-	
Rian Ventures Pvt Ltd.	272.31	1,512.59	1,177.19	-	-	-	
SGR Venture	-	-	-	-	-	10.67	
Upkar Commotrade Pvt. Ltd	-	56.76	54.31	-	-	-	
Glorius Diamond Private Limited	1,014.77	938.73	868.39	-	-	-	
Shri Gurudatta Sugars Limited	112.57	100.00	100.00	-	-	-	
Adeshwar Gems Pvt Ltd	235.61	258.75	194.95	-	-	-	
Jinendra Diamonds Private Ltd.	50.55	46.38	42.54	-	-	-	
Maharashtra Enviro Power Ltd.	3,206.07	-	-	-	-	-	
	54,604.17	45,791.88	44,047.79	15,083.94	9,486.20	15,155.38	

Note : For Securities please refer individual bank wise notes given

Details of Securities

I. Secured

Term Loans

(A) From Banks

(1) **Andhra Bank(RBC)**

Secured by parripassu first charge on the fixed assets of the company. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 5,86,667/-. The rate of interest is 14.25% p.a. The maturity with reference to the balance sheet date is 6 months with last installment payable in quarter september 17 is 2,44,468/-. The company has not made any default in repayment as on the balance sheet date.

(2) **Bank of Baroda**

Registered mortgage of rights, title and interest in the project assets & hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. The lenders are also having pari passu charge by way of pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 4,62,521/-. The rate of interest is 12.65% p.a. The maturity with reference to the balance sheet date is 2 years and 9 months. The company has not made any default in repayment as on the balance sheet date.

(3) **Bank of Baroda**

Registered mortgage of rights, title and interest in the project assets & hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. The lenders are also having pari passu charge by way of pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 10,67,053/-. The rate of interest is 12.65% p.a. The maturity with reference to the balance sheet date is 4 years . The company has not made any default in repayment as on the balance sheet date.

(4) **Bank of India**

Registered mortgage of rights, title and interest in the project assets & hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escrow Account with lead bank. Also secured by personal guarantees of promoter and corporate guarantee of SMS Limited, the parent company. The lenders are also having pari passu charge by way of pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 630,000 /-. The rate of interest is 14.25% p.a. The maturity with reference to the balance sheet date is 3 years. The company has not made any default in repayment as on the balance sheet date.

(5) **Bank of India**

Registered mortgage of rights, title and interest in project assets including hypothecation of movable machineries, vehicle and receivables ranking pari passu with other lenders. First pari passu charge on Company's Escro Account with Bank of Baroda. Also secured by personal guarantees of promoter directors and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 15,00,000- from June 2014. The rate of interest is 14.25% p.a. The maturity with reference to the balance sheet date is 4 years The company has not made any default in repayment as on the balance sheet date.

(6) **Bank of Maharashtra**

Registered mortgage of land and building / leasehold rights of the project on pari passu basis with other term loan lenders & hypothecation of movable fixed assets and plant and machinery on pari passu basis with other term other term loan lenders. First pari passu charge on Company's Escro Account with lead bank. Also secured by personal guarantees of promoter directors and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 6,84,375 /-. The rate of interest is 14.25% p.a. The maturity with reference to the balance sheet date is 1 years 3 months. The company has not made any default in repayment as on the balance sheet date.

(7) **Bank of Maharashtra**

Registered mortgage of land and building / leasehold rights of the project on pari passu basis with other term loan lenders & hypothecation of movable fixed assets and plant and machinery on pari passu basis with other term other term loan lenders. First pari passu charge on Company's Escro Account with lead bank. Also secured by personal guarantees of promoter directors and corporate guarantee of SMS Limited, the parent company. Also having pledge over 30% issued and paid up share capital of SMS Vidhyut Pvt Ltd. Repayable in quarterly installments of Rs. 17,15,625 /-. The rate of interest is 14.25% p.a. The maturity with reference to the balance sheet date is 9 months. The company has not made any default in repayment as on the balance sheet date.

(8) **I. D. B. I. Bank**

The loan was secured by first charge exclusive charge on the movable and immovable fixed assets of the company(except Land which is on lease) having total value of Rs. 6.81 crores. It had also first charge on the future receivables of the company. It was further secured by personal guarantees of promoters of the company and corporate guarantee of SMS Limited, parent company. Repayable in 60 monthly equal principal installments of Rs. 8,16,667/- each. The rate of interest was 14.25% p.a. The company has not defaulted in repayment of loan as on the balance sheet date. The Loan was repaid during the year.

(9) **Axis Bank**

- A Secured by hypothecation of entire current assets of the company, also by hypothecation of fixed assets constructed out of the term loan. Also secured against the collateral security in the form of 2nd charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters owned by one of the director of the company. Also secured against the personal guarantees of promoter directors of the company. The current rate of interest is 10.25%. Term Loan no 1 is payable in 31 installment (30 installments of Rs 48390 and last installment of Rs 48300) and term loan no 2 is payable in 34 installment (33 installments of Rs 588240 and last installment of Rs 588080).
- B It secured on charge on 25% on stocks and 40% of Debtors. (Debtors upto 90 days will be considered for calculation of drawing power)

(10) **State Bank of India**

- A The Loan was secured by hypothecation of movable fixed assets of the company located at Deonar Dumping Ground(W), near to Buldozer Garage, Ghatkopar Mankhurd Link Road, Govandi, Mumbai-400043, also by hypothecation of future cash flows of the company. It was also secured against the collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 7,806 sq. meters owned by one of the director of the company. It was also secured against the personal guarantees of promoter & directors of the company and corporate guarantee by the parent company SMS Limited. The rate of interest was 13.00%. The Loan was repaid during the year.
- B Exclusive charge on all the Bank accounts of the company including the Escrow Account. Exclusive charge and Mortgage over all the Company's Movable/Immovable properties and assets, both present and future. Exclusive charge on all intangible assets of the company including but not limited to the goodwill, undertaking and uncalled capital of the Borrower. Exclusive charge / assignment of all the revenues of the borrower from the project or otherwise. Exclusive charge / assignment / security interest on the Company's all the rights, titles, benefits, claims/demands under the Concession Agreement, Project Documents, Contracts and all licenses, permits, approvals and consents in respect of the Project. Exclusive charge by way of assignment of all the rights, titles, benefits, interests, demand and claims under insurance policies obtained/procured by the Company, and/or any of its contractors favoring the Company, present & future, in respect of the Project. Assignment of EPC Contract & underlying contractor & liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counterparty under any Project Agreement or contract in favour of the Borrower. Pledge of 100% share of Ayodhya Gorakhpur SMS Toll Private Limited. Personal Guarantee of Shri Anand Sancheti. The term loan carries an interest rate calculated on MCLR-1Y plus spread of 1.85%. The term loan is repayable in 57 unequal monthly installments commencing from 30th November 2016.

(11) **Axis Bank Limited**

Secured by Hypothecation of movable fixed assets of the company located at Deonar Dumping Ground(W), near to Buldozer Garage, Ghatkopar Mankhurd Link Road, Govandi, Mumbai-400043, also by hypothecation of fixed assets constructed out of the term loan. Also secured against the collateral security in the form of 1st charge on Plot No 1 to 33 in converted survey no 48/1-B, admeasuring 13500 sq. meters owned by one of the director of the company. Also secured against the personal guarantees of promoter directors of the company. The current rate of interest is 10.25%. Term Loan no 1 is payable in 60 installment (56 installment of Rs 131580 and 4 installment of Rs 131520) and term loan no 2 is payable in 60 installment of Rs 500000 each.

(12) **STATE BANK OF HYDRABAD**

- A
- (i) hypothecation by way of first charge on all movable assets, bank accounts including all receivables and revenues both present and future;
 - (ii) lien on fixed deposits of ` 802.64 lakhs (31st March, 2016: ` 793.98 lakhs; 1st April, 2015: ` 667.73 lakhs);
 - (iii) first charge on the Company's right under the project documents, concession agreement, contracts and all licenses, permits, approvals, consent and insurance policies in respect of the four laning project; '
 - (iv) corporate guarantee by SMS Limited ;
 - (v) pledge of Equity shares held in the Company by:
 - (I) SMS Limited - 7,085,067 Class A Equity shares (pledge yet to be created on 5,904,222 shares) (31st March, 2016 and 1st April, 2015: 1,180,845 Class A Equity shares); and
 - (II) SMS Tolls and Developers Limited - Nil (31st March, 2016 and 1st April, 2015: 5,904,222) Class A Equity shares; and
 - (vi) pledge of 15 Class B Equity shares held in the Company by SMS Limited (31st March, 2016 and 1st April, 2015: SMS Tolls and Developers Limited) (pledge yet to be created)
- B
- On paripassu basis for a debt component of Rs. 109 Crores.
- First charge by way of hypothecation of all movable assets and
- First charge on all borrower's bank accounts including without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the borrower under any project document or contract.
- A first charge /assignment /security interest on the borrower's rights under the projects document, concession agreement, contracts and all licenses, permits, approvals, consents and insurance polices in respect of the project.
- Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project Agreement or contract in favor of borrower.
- Corporate guarantee given by SMS Ltd.

(13) **State Bank of Mysore**

On paripassu basis for a debt component of Rs. 109 Crores.

First charge by way of hypothecation of all movable assets and

First charge on all borrower's bank accounts including without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the borrower under any project document or contract.

A first charge /assignment /security interest on the borrower's rights under the projects document, concession agreement, contracts and all licenses, permits, approvals, consents and insurance policies in respect of the project.

Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project Agreement or contract in favor of borrower.

Corporate guarantee given by SMS Ltd.

(14) **Indian Overseas Bank**

On paripassu basis for a debt component of Rs. 109 Crores.

First charge by way of hypothecation of all movable assets and

First charge on all borrower's bank accounts including without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the borrower under any project document or contract.

A first charge /assignment /security interest on the borrower's rights under the projects document, concession agreement, contracts and all licenses, permits, approvals, consents and insurance policies in respect of the project.

Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project Agreement or contract in favor of borrower.

Corporate guarantee given by SMS Ltd.

(B) From Others

(1) **Indiabulls Housing Finance Ltd.**

A Registered mortgage of land situated at Chandrapur, Kh No 130/1, 130/2, 130/3, 132, 133,134/1, 135, 136 Village Ghatkul & Kh No 8 Village Tok Tahsil Pomburna & Kh No 43, 45 Village Borghat, Mal, & Kh No 89 Village Chak Dagadtala Tahasil Mul, District-Chandrapur Chandrapur 442401. Repayable Monthly installment of installments of Rs. 45,47,491 /-. The rate of interest is 13 % p.a. The maturity with reference to the balance sheet date is 6 years 2 months. The company has not made any default in repayment as on the balance sheet date.

- B Registered mortgage of land situated at Chandrapur, Kh No 130/1, 130/2, 130/3, 132, 133,134/1, 135, 136 Village Ghatkul & Kh No 8 Village Tok Tahsil Pomburna & Kh No 43, 45 Village Borghat, Mal, & Kh No 89 Village Chak Dagadtala Tahasil Mul, District-Chandrapur Chandrapur 442401. Repayable Monthly installment of installments of Rs. 45,47,491 /-. The rate of interest is 13 % p.a. The maturity with reference to the balance sheet date is 6 years 3 months. The company has not made any default in repayment as on the balance sheet date.
- C 100% Share certificates of the company issued to SMS Ltd are pledged with Indiabulls Housing Finance Ltd. SMS Ltd is a guarantor for the loan availed by the company 25th March, 2016.

II. Unsecured

- (1) No fixed terms of repayment and hence no defaults as on Balance sheet date. Interest @5% was paid to Upkar Comotrade Pvt. Ltd. Interest is provided on Best Power Plus Pvt Ltd and Femina Industiral Finance Ltd @ 6% p.a. Due to merger of Erudite Eduventures Pvt Ltd. with Riaan Ventures Pvt Ltd. the interest @ 8% is payable to Riaan Ventures Pvt Ltd for whole year.
- (2) (a) Loan from Rian Ventures Pvt Ltd.(formerly know as Erudite Eduventure Pvt Ltd.) is a long term loan without any specified repayment Term, without any security and bearing interest at the rate of 8 % p.a.
- (3) (b) Loans from Vishwanath Infrastructure Private Limited and SMS Ltd are without any specified repayment , without any security and without any interest.

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

(lacs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
21 Non- Current Financial Liabilities			
Membership Deposits	2,642.47	2,406.13	2,135.55
Payable to DHS	30.24	30.24	30.24
Security Deposit	366.71	415.71	416.90
	3,039.42	2,852.08	2,582.69

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

	Non-current			Current			(lacs)
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
22 Provisions							
Provision for Overlay Expenses	7,057.89	10,913.62	-	-	-	501.80	
Provision for Gratuity	624.21	546.37	441.83	-	-	-	
Landfill cover charges payable	1,178.69	643.65	213.83	-	-	-	
Other provision				72,248.83	78,859.37	74,301.60	
Provision for leave benefit				225.09	232.73	146.98	
Provision for tax				0.77	5.37	-	
	<u>8,860.79</u>	<u>12,103.64</u>	<u>655.66</u>	<u>72,474.70</u>	<u>79,097.46</u>	<u>74,950.38</u>	

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

	As at 31	As at 31	As at 1 April
	March 2017	March 2016	2015
23 Non-current liabilities			
Mobilisation Advance	5,349.80	7,019.99	9,333.01
Secured Advance	1,099.73	2,038.41	4,036.43
Security deposits from sub contractor	3,951.63	3,069.04	2,547.35
Share Application Money Pending Allotment	-	-	290.00
Escrow Charges Payable	2,060.02	1,585.73	313.47
	<u>12,461.17</u>	<u>13,713.18</u>	<u>16,520.26</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

	As at 31 March 2017	As at 31 March 2016	` (lacs) As at 1 April 2015
24 Current Borrowings			
Secured			
(A) Cash credit from banks (secured)	32,678.60	28,749.05	28,778.93
(B) SBI EVFS	2,461.42	-	-
Unsecured			
Loans and advances from related parties	8,571.71	3,410.60	712.91
From other parties	9.11	9.11	9.11
	43,720.84	32,168.77	29,500.95

1. Note 21 (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 based and non fund based limits.

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

d) The cash credit is repayable on demand and is carries interest within the range of 11.75% to 13.40% p.a.

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

	` (lacs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
25 Current Trade Payable			
a Total outstanding dues of micro and small enterprises	-	-	-
b Total outstanding dues of creditors other than micro and small enterprises	11,941.55	9,115.59	11,164.76
c Letter of Credit Issued and Outstanding	-	-	-
	<u>11,941.55</u>	<u>9,115.59</u>	<u>11,164.76</u>

Note 22 (a) - 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.

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	(lacs) As at 1 April 2015
26 Other Current Financial Liabilities			
Dues and deposits payable to sub-contractors	22,389.35	18,718.92	10,057.35
Current Maturities of Long Term Borrowings	16,525.57	9,492.21	15,193.78
Expenses Payable	1,717.13	1,643.88	1,178.14
Advance From Debtors	97.50	199.57	146.94
Interest Payable	189.79	1,001.69	616.61
Retension Money	-	-	421.97
Salary Payable	358.01	189.43	120.34
Security Deposit	9.24	7.75	7.93
SFC - against Share Purchase	-	-	281.25
Membership fees	1.48	2.74	1.92
Interest accrued but not due on term loan	-	4.45	-
Payable on purchase of property,plant and equipment	-	1.51	-
Provision of Encashment of Leave	7.13	7.99	5.62
	41,295.21	31,270.14	28,031.85

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016	(lacs) As at 1 April 2015
27 Other Current Liabilities			
Advance From Debtors	178.39	134.51	132.69
Audit Fees Payable	9.42	6.53	4.80
Bonus Payable	30.32	22.31	23.99
DDT Payable	103.12	103.12	-
ESIC Payable	8.77	4.55	6.23
Expenses Payable	1,275.34	1,038.58	817.77
Mobilisation Advance From (NHAI)	100.10	199.62	-
Profession Tax Payable	3.72	4.74	2.72
Provident Fund Payable	72.05	54.97	56.47
Salary Payable	127.33	127.54	67.83
Service tax payable	1,357.71	721.10	348.48
TDS Payable	738.86	1,172.37	563.13
VAT payable	816.69	431.58	29.36
WCT Payable	390.90	54.53	25.95
Wealth Tax Payable	-	-	5.82
Workers Cess Payable	0.33	0.21	0.32
Security Deposits for Directorship other	80.41	131.86	86.36
	5,293.49	4,208.14	2,174.93

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

	` (lacs)	
	Year ended 31 March 2017	Year ended 31 March 2016
28 Revenue from operations		
Contract Receipts	1,35,936.21	1,23,088.73
Toll Receipt	33,533.77	39,038.06
Waste Disposal Charges	10,024.97	8,734.58
Logistic Revenue	1,557.89	1,374.29
Revenue from Operating Taxi cabs	3,166.68	5,589.29
Sale of Product	3,724.73	2,800.91
Sale of Service	1,902.36	1,707.35
CAM Charges from Shops	114.94	125.46
Laboratory Income	82.24	87.85
Parking Collection	110.30	68.02
Rent Income	728.68	794.11
Sale of Electricity	221.37	193.36
Shared Services with Food Court	7.35	7.66
Advertisement Revenue on Operating Taxi cabs	226.15	94.17
Gross Revenue from operations	<u>1,91,337.65</u>	<u>1,83,703.84</u>
Less: Taxes	6,638.93	5,784.17
Net Revenue from operations	<u><u>1,84,698.72</u></u>	<u><u>1,77,919.67</u></u>

SMS Limited (Formerly known as SMS Infrastructure Limited)**Notes to Consolidated financial statements for the year ended 31 March 2017**

		` (lacs)
	Year ended 31 March 2017	Year ended 31 March 2016
29 Other income		
Interest income	1,868.80	5,311.37
Recoupment of subsidy Received	982.41	1,715.89
Rent Received	3.52	4.02
Share of profit in Partnership Firm	(64.18)	(2.91)
Dividend Income	283.75	283.75
Profit on sale of Fixed Assets	145.76	549.38
Profit on Sale of Investment	64.89	17.68
Advertisement Income	0.12	3.75
Gain arising on financial assets measured at fair value through profit or loss	90.23	-
Miscellaneous income	1,256.75	464.28
Profit on Currency Flactuation	0.11	0.10
Share of profit in Joint Venture	-	(0.00)
	<u>4,632.15</u>	<u>8,347.33</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	(lacs)	
	Year ended 31 March 2017	Year ended 31 March 2016
30 Material Consumed		
Opening Material & WIP	30,016.16	39,626.96
Material Purchase	22,694.70	27,780.36
Closing Material & WIP	(18,534.12)	-30,016.16
	34,176.73	37,391.16
31 Direct Expenses		
Analysis Charges	1.41	1.57
Bank charges & commission	4.79	0.77
Books & Periodicals	0.43	0.67
Business Promotion Expenses	8.40	46.16
Change of Scope	795.69	-
CHP Expenses	-	22.12
Consultancy Expenses	80.73	67.50
Consumption of spares	0.47	0.26
Conveyance Exp of Logistic	0.06	0.04
Custom Duty	119.78	99.91
Diesel Expenses	211.43	237.36
Donation	0.47	0.72
Driver's Allowances	6.68	9.36
Electricity Charges	258.66	267.25
ETP	8.11	11.57
Excg Variation	174.05	(158.13)
Fees to NHAI	5,536.54	3,898.12
Franking Charges	5.00	4.22
Gas, Pipeline and Ducting	0.76	1.55
Hire Charges	1,078.03	1,646.31
Incenerable waste	915.95	894.66
Incentive	2.94	7.31
Insurance Expenses	411.01	391.24
Labour Expenses	98.97	87.88
Landfill Charges	1,659.18	2,065.72
Machine Hire Charges	7.84	7.41
Maintenance Charges for Property Management	115.07	122.43
MEE Plant Expenses	110.69	61.51
MIDC Charges	135.81	110.52
Monitoring Expences	3.52	4.32
Office Rent Expenses	2.52	14.46
Operating & Maintenance Expenses	177.83	144.83
Others Expenses	26.34	23.55
Project Facility Maintenances	82.76	68.90
Property Tax (NDMC)	88.88	8.88
Rates & Taxes Expenses	47.06	35.24

Recruitment Expenses	0.01	0.43
Refreshment Expenses	3.41	2.36
Repairs & Maintenance Expenses	3,289.29	2,280.23
Royalty	267.02	210.61
Safety & Medical Exp	8.97	7.24
Security Charges	201.00	131.71
Service Tax Expenses	169.36	131.76
Testing & Certification Expenses	4.15	3.01
Toll Operating Expenses	223.88	158.60
Transportation Charges	1,724.15	2,191.61
Waste Lifting Expenses	118.12	103.07
Water Charges	33.80	26.77
VAT Expenses	185.06	2.74
Construction Work Exp	71,880.06	55,101.56
Advertisement & Sales Promotion Expenses	4.15	13.15
Brokerage & Commission	3.13	10.87
Bad Debts	604.61	226.49
Car Parking Charges	122.76	105.57
Contract Workers Charges	2.66	127.83
Legal Expenses	0.76	1.86
Local Conveyance	38.32	71.01
Membership & Subscription	4.01	2.63
Motor Car Expenses	1,819.13	710.27
Office & Miscellaneous Expenses	17.33	18.07
Penalties & Fines	1.71	0.15
Printing & Stationery Expenses	12.79	16.81
Postage & Telecommunication Charges	84.07	83.29
Rent, Rates & Taxes	300.38	371.35
Verification & Medical Testing Charges	-	0.12
Saathi Uniform Expenses	5.01	8.17
Constrcution Cost	-	11,673.11
	93,306.93	83,998.66

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

	` (lacs)	
	Year ended 31 March 2017	Year ended 31 March 2016
32 Employee Benefit Expense		
Salaries, Wages & Allowances	8,060.00	7,798.53
Contribution to PF and ESIC	344.07	316.17
Bonus	49.28	35.28
Gratuity expenses	162.13	156.29
Leave Encashment salary	12.77	47.41
Medical Allowance	8.13	5.46
Recruitment Expenses	1.86	1.42
Staff welfare expenses	183.13	282.71
Training & Promotion	2.58	1.85
	<u>8,823.93</u>	<u>8,645.13</u>
33 Depreciation and Amortization Expenses		
Depreciation of tangible assets	8,155.20	9,243.00
Amortization of intangible assets	15,428.47	13,236.58
	<u>23,583.67</u>	<u>22,479.58</u>
Less: Recoupment from revaluation reserve	-	-
	<u>23,583.67</u>	<u>22,479.58</u>
34 Finance Costs		
Bank charges & commission	1,491.93	1,144.40
Interest	16,241.52	15,225.51
Interest on Gratuity	1.56	-
	<u>17,735.01</u>	<u>16,369.92</u>
35 Other Expenses		
Administrative Expenses	167.56	167.71
Advertisement Expenses	27.58	26.11
Audit Fees	58.41	46.57
Books & Periodicals	0.82	0.55
Business Promotion Expenses	10.20	33.85
Coin commission	7.51	13.95
Communication Expenses	174.81	170.43
Computer Expenses	1.46	1.81
Corporate Social Responsibility Expenses	64.75	104.13
Cost Audit Fees	5.25	1.00
Donation	11.96	9.31
Events & Festivals Expenses	6.27	18.64
Exchange variation	1.10	(25.38)
Gardening Expenses	15.77	4.62
Guest House Exp	15.09	3.50
Hire Charges	0.74	0.44
Insurance	49.14	44.47
Interest on Late Payment of statutory dues	27.98	41.20
Internal Audit	52.00	48.00
Loading & Boarding Expenses	69.52	68.77
Market Survey & Data Gathering	2.93	-

Medical Expenses	0.79	1.66
Membership	6.21	1.82
Miscellaneous expenses	35.16	54.68
Office expenses	382.79	421.72
Pantry & Housekeeping Expenses	11.08	8.62
Parking & Toll Exp.	18.26	26.27
Power & Fuel Expenses	444.59	453.29
Printing & Stationary	88.42	74.84
Profession Tax (Company)	0.21	0.24
Professional & Consultancy Expenses	1,205.97	885.12
Rates & Taxes Expenses	144.90	77.67
Rent Paid	119.44	107.66
Repair & Maintenance Expenses	339.05	631.94
Retainership Charges	0.35	-
ROC Charges	0.59	0.80
Security Charges	374.62	408.35
Service Tax Expenses	83.05	13.39
Subscriptions & Seminar exp.	1.86	0.94
Tender Expenses	29.92	30.44
Transporting Charges	3.55	3.34
Traveling Expenses	384.12	397.63
Vehicle Hire Charges	4.10	5.57
Water Expenses	3.52	3.76
Work Contract Tax not recovered	360.64	-
Written Off amount	(4.72)	5.68
	<u>4,809.35</u>	<u>4,395.14</u>

36 Exceptional Items

Disposal of items of fixed assets	0.39	173.95
Exceptional item	1,073.92	3.63
Loss on Scrap of Asset	6.37	0.23
	<u>1,080.67</u>	<u>177.82</u>

37 Tax Expenses

Adjustment of tax relating to earlier periods	(223.55)	75.28
Deferred Tax	(1,735.77)	(3,081.02)
Income Tax	3,702.16	3,881.01
MAT Credit Available	(517.89)	(352.87)
	<u>1,224.96</u>	<u>522.40</u>

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

	(₹ Lacs)	
	As at 31 March 2017	As at 31 March 2016
38 Earnings Per Share (EPS)		
Profit/(loss) after tax	3,749.14	11,675.71
Less : dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of basic EPS	<u>3,749.14</u>	<u>11,675.71</u>
Net profit as above	3,749.14	11,675.71
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>3,749.14</u>	<u>11,675.71</u>
Weighted average number of equity shares in calculating basic EPS	1,02,61,382	1,02,61,382
Effect of dilution:	-	-
Convertible preference shares	-	-
Convertible bonds	-	-
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating diluted EPS	1,02,61,382	1,02,61,382
10261382 (31 March 2016: 10261382) equity shares of ₹ 10/- each		
Earnings per equity share:		
Basic	36.54	113.78
Diluted	36.54	113.78

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

39 CONTINGENT LIABILITIES	(Rs. Lacs)	
Particulars	As on 31.03.2017	As on 31.03.2016
Counter Indemnities given to Banks in respect of Contracts		
Bills discounted with banks	4,529.89	4,718.14
Performance Bank Guarantees of Subsidiaries & Associates Companies	-	-
Corporate Guarantees to Associates/Subsidiaries Guarantees	-	-
Claims against company not acknowledged as debts		
Service Tax	16,807.65	38.05
MIDC		
Custom Duty	10.00	10.00
AP VAT ACT 2005 (VAT & Entry Tax Amount)	1,731.43	896.59
MP VAT ACT 2002 (VAT & Entry tax Amount)	167.34	216.88
Bihar Vat Act 2005	2,643.54	
Labour Cess(Included in Long term loans and advances in the Balance sheet)	882.53	882.53
Life Time road transport tax (Included in Long term loans and advances in the Balance sheet)	1,215.43	1,215.43
Withheld amount due to project time extended(Included in Long term loans and advances in the Balance sheet)	478.28	1,827.08
Land litigation (Housur)(Included in Fixed assets in the Balance sheet)	-	35.00
	28,466.08	9,839.70

Note :-

We are not provided any other Corporate Guarantees other than mentioned in the above table.

40 Payment to Auditors

As Auditor:

Audit fee	45.83	40.27
Tax audit fee	26.78	6.82

In other capacity:

Other services (Certification Fees)	9.74	2.84
	82.36	49.93

41 Related Party Disclosures as required in terms of “Indian Accounting Standard [IND AS] 24 are given below:

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

A Joint Venture

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

B Associates

1. RCCL Infrastructure Ltd.	2. SMS AAMW Tollways Pvt. Ltd.
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C Key Management Personnel

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

D Other related parties

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

SMS Limited (Formerly known as SMS Infrastructure Limited)																
Notes to Consolidated financial statements for the year ended 31 March 2017																
(` Lacs)																
2 Transaction carried out with related parties referred to above																
Name of Related Party	Advances Given/ Repaid	Advances taken/recovered	Interest Paid	Investment	Loan Granted/ Repaid	Loan Taken/ Recovered	Managerial Remuneration	Rent Income	Salary	Services Taken	Sitting Fees	Work Bill	Purchase	Rent Paid	Outstanding balances include in Current Assets & Current Liabilities	Grand Total
JOINT VENTURE																
Bhartiya SMSIL (JV)	-	-	-	-0.64	-	-	-	-	-	-	-	-1,661.67	-	-	-343.76	-2,006.07
				(2.98)								(-668.66)			(323.08)	(-342.60)
GDCL-SMSIL (J.V.)	-	-	-	-	-	-	-	-	-	-	-	-1,828.77	-	-	161.99	-1,666.78
GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd.	-	-	-	6.53	2,508.07	-6,991.23	-	-	-	1,980.51	-	-	13.41	-	2,785.97	303.27
				(8.95)	(2,456.77)							(-15.00)	(-32.16)		(3,605.93)	(-6,024.50)
Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	-	-	-	0.92	-	-	-	-	-	-	-	-10.42	-	-	1,067.53	1,058.02
				(10.53)	(500.00)							638.73			(1,065.02)	128.20
SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374.90	374.90
				(0.08)											(374.90)	(0.08)
SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	-	-	19.04	89.51	738.97	-279.29	-	-	-	-	-	-5,755.38	-	-	922.55	-4,264.60
			(138.64)	(108.97)	(1,732.78)	(-401.90)						(-8,504.42)			(1,543.61)	(-5,382.33)
SMS Infrastructure Ltd. Shreenath Enterprises J.V.	-	-	-	-	-	-	-	-	-	-	-	-1,564.85	-	-	-	-1,564.85
				(-31.73)								(-1,026.48)				(-1,058.21)
SMSIL KTCO (JV)	-	-	-	0.23	0.46	-	-	-	-	-	-	-	-	-	36.01	36.71
				(39.13)	(1.02)	(1,515.17)	50.15								(35.55)	(1,505.17)
SMSIL-MBPL-BRAPL (J.V)	499.38	-1,579.03	-	23.78	-	-	-	-13.20	-	-	-	-2,214.74	-	-	637.16	-2,646.65
SRRCIPL-SMSL-BEKEM-JV	-	-	-	-	-	-	-	-	-	-	-	-2,017.52	-	-	489.38	-1,528.14
SMSL-SRRCIPL (J V)	-	-	-	-	-	-	-	-	-	-	-	-2,212.65	-	-	-	-2,212.65
SMSIL-BCL JV-(BRAMHAPUTRA PROJET)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.17	17.17
															(4.26)	-
SMSIL-BIL JV-(BRAMHAPUTRA PROJET)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18.72	18.72
	499.38	-1,579.03	19.04	120.32	3,247.51	-7,270.51	-	-13.20	-	1,980.51	-	-17,265.99	13.41	-	6,167.62	-14,080.94
ASSOCIATE																
RCCL Infrastructure Ltd.	-	-	-	-	66.30	-	-	-	-	-	-	-	-	-	67.27	133.57
															(0.97)	-
SMS AAMW Tollways Pvt. Ltd.	-	-	-	-	15.00	-15.00	-	-	-	-	-	-	-	-	1,037.61	1,037.61
						(-1730.00)									(1,037.61)	(-692.39)
	-	-	-	-	81.30	-15.00	-	-	-	-	-	-	-	-	1,104.88	1,171.18
																-

SMS Limited (Formerly known as SMS Infrastructure Limited)																
Notes to Consolidated financial statements for the year ended 31 March 2017																
																(` Lacs)
OTHER RELATED PARTY																
Akshay A Sancheti	-	-	-	-	-	-	-	-	18.81	-	-	-	-	-	-	18.81
									(3.23)							(3.23)
Anil H. Sancheti	-	-	-	-	-	-	-	-	50.00	-	-	-	-	-	-	50.00
									(51.12)							(51.12)
Atul Multi Objective Organisation	1.85	-1.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																(-0.01)
KHARE TARKUNDE INFRA. PVT LTD. PARWANA CAPITAL	-	-1,871.61	-	-	-	-	-	-	-	-	-	-	-	-	7.33	-1,864.28
															(1,878.93)	-
M/s San Finance Corporation	-	-	938.83	-	35,803.14	-21,249.86	-	-	-	-	-	-	-	-	-	15,492.11
	(16.91)		(2,341.55)		(31,588.66)	(-23,677.17)									(-13,700.55)	(-3,430.60)
M/s Sanbro Corporation	-	-	-	-42.88	-	-	-	-	-	-	-	-	-	-	17.67	-25.21
															(17.67)	(-26.00)
Nirbhay A Sancheti	-	-	-	-	-	-	-	-	18.81	-	-	-	-	-	-	18.81
									(3.23)							(3.23)
Paramveer A Sancheti	-	-	-	-	-	-	-	-	18.81	-	-	-	-	-	-	18.81
									(3.23)							(3.23)
SMS Envocare Ltd.	-	-	-	-	-	-	-	-	53.87	-	-	-	-	-	-55.64	-1.77
									(-450.23)						(-247.85)	(-946.31)
BSS ASSOCIATES	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	-	1.20
	1.85	-1,873.46	938.83	-42.88	35,803.14	-21,249.86	-	-	106.42	53.87	-	-	-	1.20	-30.65	13,708.47
Key Mangement Personnel																
Abhay H. Sancheti	-	-	-	-	-	-	-	115.20	-	-	-	-	-	-	-	115.20
								(115.20)	(41.80)							(157.00)
Ajay Kumar Lakhotia	-	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-	4.00
											(5.00)					(5.00)
Anand S. Sancheti	-	-	-	-	-	-	-	86.40	-	-	-	-	-	-	-	86.40
								(86.40)	(13.75)							(100.15)
Dilip B Surana	-	-	-	-	-	-	-	103.54	-	-	-	-	-	-	-	103.54
								(141.49)								(141.49)
Ramendra Gupta	-	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-	4.00
											(5.00)					(5.00)
Renu Challu	-	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-	4.00
											(5.00)					(5.00)
	-	-	-	-	-	-	-	305.14	-	-	-	-	-	-	-	317.14
Grand Total	501.23	-3,452.49	957.87	77.44	39,131.95	-28,535.37	305.14	-13.20	106.42	2,034.39	12.00	-17,265.99	13.41	1.20	7,241.85	1,115.85

42 Financial instruments

(` Lacs)

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

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

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

A Financial instruments by category

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

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	3,424.81	-		3,424.81	3,424.81
Trade receivables	36,343.81	-	-	36,343.81	36,343.81
Loans	39,302.87	-	-	39,302.87	39,302.87
Others financial assets	11,143.66	-	-	11,143.66	11,143.66
Cash and cash equivalents	11,452.14	-	-	11,452.14	11,452.14
Other bank balances	5,893.59	-	-	5,893.59	5,893.59
Liabilities:					
Borrowings	98,325.01	-	-	98,325.01	98,325.01
Trade payables	11,941.55	-	-	11,941.55	11,941.55
Other financial liabilities	44,334.63	-	-	44,334.63	44,334.63

The carrying value and fair value of financial instruments by categories as at 31 March 2016 were as follows

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	(66.00)				
Trade receivables	27,063.08	-	-	27,063.08	27,063.08
Loans	9,634.04	-	-	9,634.04	9,634.04
Others financial assets	10,625.21	-	-	10,625.21	10,625.21
Cash and cash equivalents	9,755.55	-	-	9,755.55	9,755.55
Other bank balances	3,042.31	-	-	3,042.31	3,042.31
Liabilities:					
Borrowings	77,960.65	-	-	77,960.65	77,960.65
Trade payables	9,115.59	-	-	9,115.59	9,115.59
Other financial liabilities	34,122.22	-	-	34,122.22	34,122.22

The carrying value and fair value of financial instruments by categories as at 31 March 2015 were as follows

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	468.43	-	-	468.43	468.43
Trade receivables	16,366.29	-	-	16,366.29	16,366.29
Loans	11,826.23	-	-	11,826.23	11,826.23
Others financial assets	6,890.71	-	-	6,890.71	6,890.71
Cash and cash equivalents	8,198.08	-	-	8,198.08	8,198.08
Other bank balances	1,411.06				
Liabilities:					
Borrowings	73,548.74	-	-	73,548.74	73,548.74
Trade payables	11,164.76	-	-	11,164.76	11,164.76
Other financial liabilities	30,614.53	-	-	30,614.53	30,614.53

43 Financial Risk Management

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

- Credit risk
- Interest risk
- Liquidity risk

Credit Risk

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

Trade receivables

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

Credit risk exposure

The Group's credit period generally ranges from 30 – 180 days are as below.

Particulars	(` Lacs)	
	As at 31 March 2017	As at 31 March 2016
Trade receivables	36,343.81	27,063.08
Work in progress	18,534.12	30,016.16
Total	54,877.93	57,079.24

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

Financial instruments and deposits with banks

Credit risk is limited as Group generally invest in deposits with banks.

Interest rate risk

The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

Liquidity risk

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

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

Particulars	As at 31 March 2017	As at 31 March 2016
	Cash and cash equivalents	2,381.43
Bank balances	5,893.59	3,042.31
Investments in FDR	9,070.72	8,963.76
Total	17,345.73	12,797.86

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on

Financial liabilities (31 March 2017)	On demand	0-180 days	180 to 365 days	365 days and above	Total
Trade payables	-	-	11,941.55	-	11,941.55
Other financial liabilities	-	-	41,295.21	-	41,295.21
Total financial liabilities	-	-	53,236.76	-	53,236.76

Financial liabilities (31 March 2016)	On demand	0-180 days	180 to 365 days	365 days and above	Total
Trade payables	-	-	9,115.59	-	9,115.59
Other financial liabilities	-	-	31,270.14	-	31,270.14
Total financial liabilities	-	-	40,385.73	-	40,385.73

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

44 Interest in other entities

1 Subsidiaries

The Group's subsidiaries as at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest held by the group (%)			Ownership interest held by non controlling interests (%)			Principal activities
			31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr	
			2017	2016	2015	2017	2016	2015	
1	SMS Bhatgaon Mines Extension P	India	51.00%	51.00%	51.00%	49.00%	49.00%	49.00%	Mining Contractor
2	SMS Envoclean Pvt. Ltd.	India	56.02%	56.02%	56.02%	43.98%	43.98%	43.98%	Bio Medical Waste Treatment Service
3	SMS Infolink Pvt. Ltd.	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Information Technology
4	SMS Mine Developers Pvt. Ltd.	India	51.00%	51.00%	51.00%	49.00%	49.00%	49.00%	Mining Contractor
5	SMS Parking Solutions Pvt. Ltd.	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Multi Level Car Parking & Shopping Mall
6	SMS Taxi Cabs Pvt. Ltd.	India	59.90%	59.90%	59.90%	40.10%	40.10%	40.10%	Rent A Cab
7	SMS Vidyut Pvt. Ltd.	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Hydro Power Plant
8	SMS Water Grace BMW Pvt. Ltd	India	56.03%	56.03%	56.03%	43.97%	43.97%	43.97%	Bio Medical Waste Treatment Service
9	SMS Tolls And Developers Ltd.	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Toll Acticity
10	SMS Shivnath Infrastructure Pvt.	India	51.59%	51.59%	51.59%	48.41%	48.41%	48.41%	Toll Acticity
11	SMS-AABS India Tollways Priva	India	51.00%	51.00%	51.00%	49.00%	49.00%	49.00%	Toll Acticity
12	SMS Waste Management Pvt. Ltd	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Hazardus Waste Treatment Service
13	PT. SMS Minerals International	Indonesia	80.00%	80.00%	80.00%	20.00%	20.00%	20.00%	Trading of Mineral
14	Solar Bhatgaon Extension Mines I	India	51.00%	51.00%	51.00%	49.00%	49.00%	49.00%	Mining Contractor
15	Ayodhya Gorakhpur SMS Tolls P	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Toll Acticity
16	Patwardhan Infrastructure Pvt. Ltd	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Toll Acticity
17	Maharashtra Enviro Power Ltd.	India	92.08%	92.08%	92.08%	7.92%	7.92%	7.92%	Hazardus Waste Treatment Service
18	PT. SMS Mines Indonesia	Indonesia	100%	-	-	0.00%	-	-	Trading of Mineral

2 Non-controlling interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Non-controlling interests (NCI)	SMS Bhatgaon Mines Extension Pvt.			SMS Envoclean Pvt. Ltd.			SMS Mine Developers Pvt. Ltd.		
	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Non-current assets	-	-	-	946.12	1,199.95	1,482.89	-	-	-
Current assets	113.86	113.96	114.14	583.08	369.35	371.23	1.63	0.68	0.83
Non-current liabilities	88.50	78.94	71.58	492.27	525.75	525.75	-	-	-
Current liabilities	37.67	37.42	36.31	447.62	331.41	331.41	1.12	0.11	0.22
Net assets	- 12.31	230.32	6.24	589.31	2,426.46	996.96	0.51	0.57	0.61
Net assets attributable to NCI	- 6.03	112.86	3.06	259.18	1,067.16	438.46	0.25	0.28	0.30
Revenue	-	-	-	1,536.52	1,340.71	-	-	-	-
Profit for the year	- 9.91	8.64	-	486.80	378.67	-	0.06	0.04	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	- 9.91	8.64	-	486.80	378.67	-	0.06	0.04	-
Profit/(Loss) allocated to NCI	- 4.86	4.23	-	214.10	166.54	-	0.03	0.02	-
OCI allocated to NCI	-	-	-	-	-	-	-	-	-
Total comprehensive income allocated to NCI	- 4.86	4.23	-	214.10	166.54	-	0.03	0.02	-

Non-controlling interests (NCI)	SMS Taxi Cabs Pvt. Ltd.			SMS Water Grace BMW Pvt. Ltd			SMS Shivnath Infrastructure Pvt.		
	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Non-current assets	18,573.08	20,631.81	22,498.82	452.39	518.26	553.35	-	-	-
Current assets	659.91	658.46	1,186.40	195.46	192.37	113.51	-	-	-
Non-current liabilities	3,638.21	7,703.26	11,003.50	302.05	534.57	957.36	-	-	-
Current liabilities	13,178.93	8,118.03	5,245.72	86.89	343.31	460.93	-	-	-
Net assets	2,415.86	5,468.99	7,436.00	258.91	167.25	751.42	-	-	-
Net assets attributable to NCI	968.76	2,193.06	2,981.84	113.84	73.54	330.40	-	-	-
Revenue	3,392.83	5,683.46	-	633.26	538.26	-	4,796.30	16,811.25	-
Profit for the year	- 3,063.40	1,954.03	-	158.25	79.34	-	474.61	5,383.01	-
Other comprehensive income	-	-	-	-	-	-	10.32	2.37	-
Total comprehensive income	- 3,063.40	1,954.03	-	158.25	79.34	-	484.93	5,380.64	-
Profit/(Loss) allocated to NCI	- 1,228.42	783.56	-	69.58	34.89	-	229.76	2,605.92	-
OCI allocated to NCI	-	-	-	-	-	-	5.00	1.15	-
Total comprehensive income allocated to NCI	- 1,228.42	783.56	-	69.58	34.89	-	234.75	2,604.77	-

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

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Non-controlling interests (NCI)	SMS-AABS India Tollways Private			PT. SMS Minerals International			Solar Bhatgaon Extension Min		
	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Non-current assets	19,432.18	20,523.20	238.14	191.95	191.95	289.07	0.05	0.05	0
Current assets	4,919.90	2,743.59	125.72	3,294.61	3,488.94	3,461.74	122.06	122.16	122
Non-current liabilities	6,693.40	10,846.07	319.73	3,041.80	2,724.03	2,221.34	12.20	10.85	10
Current liabilities	11,275.33	8,892.04	43.09	2,248.96	2,710.74	2,318.44	14.12	37.42	36
Net assets	6,383.35	3,528.68	1.04	1,804.20	1,753.88	788.97	95.79	73.94	75
Net assets attributable to NCI	3,127.84	1,729.05	0.51	360.84	350.78	157.79	46.94	36.23	36
Revenue	14,927.18	9,280.86	-	-	629.56	-	-	-	-
Profit for the year	2,375.31	4,010.97	-	118.54	373.28	-	1.62	0.76	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	2,375.31	4,010.97	-	118.54	373.28	-	1.62	0.76	-
Profit/(Loss) allocated to NCI	1,163.90	1,965.38	-	23.71	74.66	-	0.80	0.37	-
OCI allocated to NCI	-	-	-	-	-	-	-	-	-
Total comprehensive income allocated to NCI	1,163.90	1,965.38	-	23.71	74.66	-	0.80	0.37	-

Non-controlling interests (NCI)	Maharashtra Enviro Power Ltd.		
	31-Mar	31-Mar	01-Apr
	2017	2016	2015
Non-current assets	12,624.77	7,277.00	7,219.47
Current assets	6,417.89	3,997.13	3,309.69
Non-current liabilities	9,985.67	4,975.58	5,217.56
Current liabilities	2,166.87	1,700.42	1,528.92
Net assets	6,890.12	4,598.13	3,782.69
Net assets attributable to NCI	545.70	364.17	299.59
Revenue	10,205.07	8,957.14	-
Profit for the year	2,758.29	1,995.06	-
Other comprehensive income	9.63	6.13	-
Total comprehensive income	2,767.92	2,001.19	-
Profit/(Loss) allocated to NCI	218.46	158.01	-
OCI allocated to NCI	0.76	0.49	-
Total comprehensive income allocated to NCI	219.22	158.49	-

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Notes to Consolidated financial statements for the year ended 31 March 2017

45 Interest in joint ventures

1 The Group's joint ventures as at 31 March 2017 are set out below.

Sr. No.	Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at			Principal activities
				31-Mar	31-Mar	01-Apr	
				2017	2016	2015	
1	SMS Infrastructure Ltd. & D. Thakkar Construction Pvt. Ltd. JV	India	70%	513.21	423.70	314.72	Infrastruture
2	SMS Infrastructure Ltd. & Brahamaputra Infrastructure Ltd (JV)	India	51%	17.34	17.34	17.40	Infrastruture
3	SMS Infrastructure Ltd. & Brahamaputra Consortium Ltd (JV)	India	51%	11.59	11.59	11.67	Infrastruture
4	SMS Infrastructure Ltd - Aarti Infra-Projects Pvt. Ltd. J.V.	India	51%	55.28	55.28	55.19	Infrastruture
5	SMS Infrastructure Ltd. Shreenath Enterprises J.V.	India	37%	26.44	26.44	49.53	Infrastruture
6	Shaktikumar M. Sancheti Ltd. & S N Thakkar Construction Pvt. Ltd. JV	India	65%	266.29	265.37	254.84	Infrastruture
7	GSJ Envo Ltd. In consortion with SMS Infrastructure Ltd. (AOP)	India	70%	297.76	291.24	282.29	Infrastruture
8	SMSIL KTCO (JV)	India	50%	3.51	3.74	2.72	Infrastruture
9	Bhartia SMSIL (JV)	India	49%	2.34	2.98	-	Infrastruture
10	SMSIL-MBPL-BRAPL (JV)	India	63%	23.78	-	-	Infrastruture
11	GDCL-SMSIL (J.V.)	India	40%	-	-	-	Infrastruture
12	SMSL-SRRCIPL (J V)	India	60%	-	-	-	Infrastruture
13	SRRCIPL-SMSL-BEKEM JV	India	20%	-	-	-	Infrastruture
				1,217.54	1,097.68	988.37	

2 Table below provide summarised financial information for Joint venture

Particulars	SMS & SNT			SMS & DTC			SMS & BCL		
	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015
Non-current assets									
Current assets									
Cash and cash equivalents	107.72	7.77	9.66	58.79	46.97	44.66	-	0.01	0.04
Other assets	2,133.56	2,380.71	1,867.03	7,478.17	7,229.52	6,322.84	-	9.73	9.73
Current assets	2,241.28	2,388.48	1,876.69	7,536.96	7,276.49	6,367.50	-	9.74	9.77
Non-current liabilities									
Financial liabilities (excluding tra	-	-	-	5,110.67	3,912.86	4,114.15	-	-	-
Other liabilities									
Non-current liabilities	-	-	-	5,110.67	3,912.86	4,114.15	-	-	-
Current liabilities									
Financial liabilities (excluding trade payables)									
Other liabilities	1,824.48	1,973.10	1,477.51	1,695.41	2,760.49	1,805.76	-	11.29	11.17
Current liabilities	1,824.48	1,973.10	1,477.51	1,695.41	2,760.49	1,805.76	-	11.29	11.17
Net assets	416.80	415.38	399.18	730.88	603.14	447.59	-	(1.55)	(1.40)
Group share of net assets	270.92	270.00	259.47	511.62	422.20	313.31	-	0.79	0.71
Revenue	16.53	670.92	158.45	6,473.19	12,202.52	13,646.56	-	-	0.07
WORKS DIRECT EXPENSES	10.42	638.73	96.90	5,729.64	11,979.46	13,409.17	-	0.11	
ADMINISTRATIVE EXPENSES	4.07	8.74	1.22	3.38	2.71	15.24	-	0.04	0.11
Depreciation and amortisation	-								
Finance cost	-	-	-	603.40	27.84	18.04	-	-	0.03
Profit/ (Loss) for the year before ta	2.04	23.45	60.33	136.77	192.51	204.11	-	(0.15)	(0.07)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	2.04	23.45	60.33	136.77	192.51	204.11	-	0.15	0.07
Group share of profit/ (Loss)	1.33	15.24	39.21	95.74	134.76	142.88	-	0.08	0.04
Group share of OCI	-	-	-	-	-	-	-	-	-
Group share of total comprehensive income	1.33	15.24	39.21	95.74	134.76	142.88	-	0.08	0.04

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Particulars	SMS & AIPPL			SMS & Shreenath			SMS & KTCO		
	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Non-current assets									
Current assets									
Cash and cash equivalents	0.10	0.15	0.22	33.06	49.99	1.85	0.47	0.47	1.12
Other assets	625.48	673.49	690.90	2,020.30	2,180.40	3,139.86	43.02	9.81	1,482.34
Current assets	625.58	673.64	691.12	2,053.36	2,230.39	3,141.71	43.49	10.28	1,483.46
Non-current liabilities									
Financial liabilities (excluding trade payables)	-	-	-	-	-	-	-	-	1,475.64
Other liabilities									
Non-current liabilities	-	-	-	-	-	-	-	-	1,475.64
Current liabilities									
Financial liabilities (excluding trade payables)									
Other liabilities	576.56	673.14	690.62	1,970.38	2,149.27	3,006.01	36.47	2.80	2.38
Current liabilities	576.56	673.14	690.62	1,970.38	2,149.27	3,006.01	36.47	2.80	2.38
Net assets	49.02	0.50	0.50	82.98	81.12	135.70	7.02	7.48	5.44
Group share of net assets	25.00	0.26	0.26						
Revenue	4.61	2.09	-	2,013.36	3,198.12	1,999.89	-	42.57	368.88
WORKS DIRECT EXPENSES	9.55	1.42	-	1,964.84	3,149.97	1,956.89	-	-	0.17
ADMINISTRATIVE EXPENSES	0.42	0.43	0.06	4.84	4.05	4.96	0.46	0.46	364.10
Depreciation and amortisation									
Finance cost	0.00			0.01	0.00	0.00	0.01	39.15	-
Profit/ (Loss) for the year before tax	(5.36)	0.24	(0.06)	43.67	44.10	38.04	(0.47)	2.96	4.61
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	- 5.36	0.24	- 0.06	43.67	44.10	38.04	- 0.47	2.96	4.61
Group share of profit/ (Loss)	- 2.73	0.12	- 0.03	15.94	16.10	13.88	- 0.24	1.48	2.31
Group share of OCI	-			-	-	-	-	-	-
Group share of total comprehensive income	- 2.73	0.12	- 0.03	15.94	16.10	13.88	- 0.24	1.48	2.31

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Particulars	SMS & BIL			SMSIL & GSJ			SMSIL & Bhartiya		
	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015
Non-current assets				10.54	12.28	14.63	-		
Current assets									
Cash and cash equivalents	-	0.12	0.14	0.91	2.03	3.01	0.14	0.18	0.19
Other assets	-	100.96	100.96	5,168.03	5,108.97	3,740.76	366.90	375.27	447.22
Current assets	-	101.08	101.10	5,168.94	5,111.00	3,743.77	367.04	375.45	447.41
Non-current liabilities									
Financial liabilities (excluding tra	-	-	-	4,580.10	511.01	777.67	-	-	-
Other liabilities									
Non-current liabilities	-	-	-	4,580.10	511.01	777.67	-	-	-
Current liabilities									
Financial liabilities (excluding trade payables)									
Other liabilities	-	52.25	52.15	294.85	4,283.11	2,628.70	357.43	350.13	444.75
Current liabilities	-	52.25	52.15	294.85	4,283.11	2,628.70	357.43	350.13	444.75
Net assets	-	48.83	48.95	304.53	329.16	352.03	9.61	25.32	2.66
Group share of net assets	-	24.90	24.96	213.17	230.41	246.42	4.71	12.41	1.30
Revenue	-	-	0.18	1,512.49	4,031.15	5,855.69	3,392.33	1,381.83	5,143.94
WORKS DIRECT EXPENSES	-	-	-	1,134.85	3,585.79	4,832.85	3,391.17	1,364.60	5,108.99
ADMINISTRATIVE EXPENSES	-	0.11	0.36	144.18	212.26	476.25	2.11	-	-
Depreciation and amortisation	-	-	-	1.74	2.35	3.56	-	-	-
Finance cost	-	0.01	0.01	256.35	211.13	188.20	0.00	8.42	34.95
Profit/ (Loss) for the year before ta	-	(0.12)	(0.19)	(24.63)	19.62	354.83	- 0.95	8.81	- 0.00
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	0.12	0.19	24.63	19.62	354.83	0.95	8.81	0.00
Group share of profit/ (Loss)	-	0.06	0.10	17.24	13.73	248.38	0.47	4.32	0.00
Group share of OCI	-	-	-	-	-	-	-	-	-
Group share of total comprehensive income	-	0.06	0.10	17.24	13.73	248.38	0.47	4.32	0.00

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

(` Lacs)

Particulars	SMSIL-MBPL-BRAPL JV			SMSL-SRRCIPL JV			SRRCIPL-SMS-BEKEM		
	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr	31-Mar	31-Mar	01-Apr
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Non-current assets				-	-	-			
Current assets									
Cash and cash equivalents	27.03	-	-	0.06	-	-	2,441.13	-	-
Other assets	3,157.78	-	-	323.70	-	-	827.31	-	-
Current assets	3,184.81	-	-	323.76	-	-	3,268.44	-	-
Non-current liabilities									
Financial liabilities (excluding tra	-	-	-	-	-	-	-	-	-
Other liabilities									
Non-current liabilities	-	-	-	-	-	-	-	-	-
Current liabilities									
Financial liabilities (excluding trade payables)				-					
Other liabilities	3,176.21	-	-	197.05	-	-	3,165.56	-	-
Current liabilities	3,176.21	-	-	197.05	-	-	3,165.56	-	-
Net assets	8.60	-	-	126.71	-	-	102.88	-	-
Group share of net assets	5.45	-	-	76.03	-	-	20.58	-	-
Revenue	4,279.77	-	-	3,687.75	-	-	11,016.71	-	-
WORKS DIRECT EXPENSES	4,221.65	-	-	3,687.75	-	-	11,016.71	-	-
ADMINISTRATIVE EXPENSES	47.12	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	4.03	-	-	0.15	-	-
Profit/ (Loss) for the year before ta	11.00	-	-	(4.03)	-	-	(0.15)	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	11.00	-	-	4.03	-	-	0.15	-	-
Group share of profit/ (Loss)	6.97	-	-	2.42	-	-	0.03	-	-
Group share of OCI	-	-	-	-	-	-	-	-	-
Group share of total comprehensive income	6.97	-	-	2.42	-	-	0.03	-	-

SMS Limited (Formerly known as SMS Infrastructure Limited)

Notes to Consolidated financial statements for the year ended 31 March 2017

(` Lacs)

Particulars	GDCL-SMSIL JV		
	31-Mar	31-Mar	01-Apr
	2017	2016	2015
Non-current assets	2,416.19		
Current assets			
Cash and cash equivalents	33.07	-	-
Other assets	124.10	-	-
Current assets	157.18	-	-
Non-current liabilities			
Financial liabilities (excluding tra	51.79	-	-
Other liabilities	-	-	-
Non-current liabilities	51.79	-	-
Current liabilities			
Financial liabilities (excluding tra	-	-	-
Other liabilities	2,521.58	-	-
Current liabilities	2,521.58	-	-
Net assets	- 0.00	-	-
Group share of net assets	- 0.00	-	-
Revenue	3,950.93	-	-
WORKS DIRECT EXPENSES	3,950.93	-	-
ADMINISTRATIVE EXPENSES	-	-	-
Depreciation and amortisation	-	-	-
Finance cost	-	-	-
Profit/ (Loss) for the year before ta	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Group share of profit/ (Loss)	-	-	-
Group share of OCI	-	-	-
Group share of total comprehensive income	-	-	-

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

46 Interest in associates

(` Lacs)

The Group's associates as at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at			Principal activities
			31-Mar 2017	31-Mar 2016	01-Apr 2015	
RCCL Infrastructure Pvt. Ltd.	India	26%	467.86	467.86	467.86	Infrastructure
SMS-AAMW Tollways Pvt. Ltd.	India	26%	0.26	0.26	0.26	Toll
			468.12	468.12	468.12	

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

47 Segment Reporting

The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system.

The Group's operations predominantly relate to 'EPC', 'TOLL', 'Mining' and 'Environment'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

	Year ended	(Rs. In Laks)
	31-Mar-17	Year ended
		31-Mar-16
Segment revenue		
Environment	12,372.37	10,832.51
EPC	1,07,384.17	80,557.00
Mining	25,036.71	27,793.58
Toll	35,662.46	52,002.02
Other	4,450.69	6,748.36
Less: Inter segment revenue	- 207.69 -	13.80
Total	1,84,698.72	1,77,919.67
Segment profit / (loss) before finance cost and tax		
Environment	2,821.43	1,911.99
EPC	1,237.48	3,023.92
Mining	5,075.32	2,893.79
Toll	5,096.95	10,136.85
Other	- 7,335.93 -	4,979.13
Less: Un-allocable expenditure net of unallocable income	-	-
Profit / (loss) before exceptional items and tax	6,895.24	12,987.42
Exceptional items	1,080.67	177.82
Profit / (loss) before share of profit/ (loss) of associates and joint ventures and tax	5,814.56	12,809.60
Segment Assets		
Environment	20,538.84	12,736.02
EPC	98,641.99	1,01,744.81
Mining	40,193.32	3,907.47
Toll	1,19,768.15	1,35,291.87
Other	45,378.05	48,384.06

SMS Limited (Formerly known as SMS Infrastructure Limited)
Notes to Consolidated financial statements for the year ended 31 March 2017

Segment Liabilities

Environment	13,217.71	8,003.47
EPC	93,835.68	80,473.36
Mining	7,072.90	786.98
Toll	1,06,083.49	1,11,047.71
Other	32,516.87	30,189.86

For C. R. Sagdeo & Co.

Chartered Accountants
Firm Registration No. :108959W

CA Suman Bose
Partner
Membership No. 045239
Place : Nagpur
Date : 28/09/2017

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

ANAND S. SANCHETI Managing Director DIN: 00953362	DILIP B. SURANA Director DIN: 00953495
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SUSHANT MUKHERJEE Chief Financial Officer	SMITA AGARKAR Company Secretary
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Notice to the 20th Annual General Meeting

NOTICE is hereby given that the Twentieth Annual General Meeting (AGM) of the Members of SMS Limited (Formerly SMS Infrastructure Limited) will be held at Shorter Notice on Friday the 29th day of September, 2017 at 12.30 P.M. at IT Park, 20, S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, to transact the following business:-

ORDINARY BUSINESS:

Item no. 1

To receive, consider and adopt :

- a) the Audited Financial Statement of the Company for the Financial Year ended 31 March, 2017 along with the reports of the Board of Directors and Auditors thereon.
- b) the Audited Consolidated Financial Statement of the Company for the Financial year ended 31 March, 2017 along with the reports of the Board of Directors and Auditors thereon.

Item no. 2

To confirm payment of interim dividend of ` 2.75 per Equity Shares of ` 10/- paid for the Financial year 2016-17 as Final dividend for Financial year 2016-17.

Item no. 3

To appoint a Director in place of Shri Dilip Surana (DIN 00953495) who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 4

Appointment of Auditors and Fix their Remuneration

Explanation: The Companies Act, 2013 ('the Act') was notified effective April 1, 2014, Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period

that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/S C.R. Sagdeo & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 108959W) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 20th Annual General Meeting.

The audit committee of the Company has proposed on September 28, 2017, the Board has recommended the appointment of M/s V. K. Surana & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 110634W) as the statutory auditors of the Company. M/s V. K. Surana will hold office for a period of Five years from the conclusion of the 20th Annual General Meeting of the Company till the conclusion of the 25th Annual General Meeting.

Therefore shareholders are requested to consider and if thought fit, to pass with or without modification the following as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provision of section 139 and all other applicable provision of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment therefore for the time being in force), and pursuant to the recommendations of the Audit Committee, M/S. V.K. Surana & Co., Chartered Accountants, Nagpur (ICAI Firms Registration No. 110634W), be and are hereby appointed as an Statutory Auditors of the Company in place of retiring auditor M/S C.R. Sagdeo & Co., Chartered Accountants, Nagpur, (ICAI Firms Registration No. 108959W) who have served for the maximum transitional period of three years, to hold office for the period of five years from the conclusion of the 20th Annual General Meeting of the Company held for the Financial Year 2016-17 till the conclusion of the 25th Annual General Meeting of the Company to be held for the Financial Year 2021-2022, subject to the ratification by members at every subsequent Annual General Meeting, at a remuneration as may be mutually agreed upon between the said Statutory Auditors and the Company.”

“RESOLVED FURTHER THAT Shri Anand Sancheti, Managing Director of the Company be and is hereby authorized to intimate the auditor of their appointment within seven days from the conclusion of this meeting.”

By Order of the Board

For SMS Limited

Place: Nagpur
Date: 28.09.2017

Smita Agarkar
Company Secretary

NOTE:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAT TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY PERSON OR MEMBER.

IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCE OF THE MEETING.

2. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORISED REPRESENTATIVES TO ATTEND THE ANNUAL GENERAL MEETING, PURSUANT TO SECTION 113 OF THE COMPANIES ACT, 2013, ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE AGM.
3. MEMBERS, PROXIES AND AUTHORISED REPRESENTATIVES ARE REQUESTED TO BRING TO THE MEETING, THE ATTENDANCE SLIP ENCLOSED HERewith DULY COMPLETED AND SIGNED FOR ATTENDING THE MEETING.
4. A ROUTE MAP SHOWING THE DIRECTIONS TO REACH THE VENUE OF THE ANNUAL GENERAL MEETING IS GIVEN AT THE END OF THIS NOTICE AS PER THE REQUIREMENT OF THE SECRETARIAL STANDARDS-2 ON 'GENERAL MEETING'.
5. THE REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING, MAINTAINED UNDER SECTION 170 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.
6. THE REGISTER OF CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS ARE INTERESTED, MAINTAINED UNDER SECTION 189 OF THE COMPANIES ACT, 2013 WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING OF THE COMPANY.
7. IN COMPLIANCE WITH THE PROVISIONS OF SECTION 129(3) OF THE COMPANIES ACT, 2013, (THE ACT) THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY INCLUDE THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ALL ITS SUBSIDIARIES AS DEFINED IN THE ACT FOR CONSIDERATION AND ADOPTION BY THE MEMBERS OF THE COMPANY.
8. THE EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ENSUING ANNUAL GENERAL MEETING IS ANNEXED HERETO AND FORMS PART OF THIS NOTICE.
9. MEMBERS MAY ALSO NOTE THAT THE NOTICE OF ANNUAL GENERAL MEETING AND THE ANNUAL REPORT 2016 WILL ALSO BE AVAILABLE ON COMPANY'S WEBSITE: WWW.SMSL.CO.IN FOR DOWNLOAD.
10. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2016-17 IS BEING SENT TO ALL MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY FOR COMMUNICATION PURPOSES UNLESS ANY MEMBER HAS REQUESTED FOR A HARD COPY OF THE SAME. FOR MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESS (IF ANY), PHYSICAL COPIES OF THE ANNUAL REPORT FOR 2014-15 ARE BEING SENT TO THEM IN THE PERMITTED MODE.
11. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND THE EXPLANATORY STATEMENT SHALL BE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY BETWEEN 11.00 AM AND 1 PM ON ALL WORKING DAYS EXCEPT SATURDAYS, UP TO AND INCLUDING THE DATE OF THE ANNUAL GENERAL MEETING OF THE COMPANY.



Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
-Form No. MGT-11

SMS Limited

CIN: U45201MH1997PLC107906
Registered Office: IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022

Name of the member (s):
Registered address :
E-mail Id :
Folio No :

I/We, being the member (s) of shares of the above named company, hereby appoint

- 1. Name.....E-mail
Id:.....
Address:..... Signature:..... or failing him
2. Name..... E-mail
Id:.....
Address:..... Signature:.....

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 29th day of September, 2017 At 12.30 p.m. at "IT Park, 20 S.T.P.I., Gayatri Nagar, Parsodi, Nagpur-440022, and at any adjournment thereof in respect of such resolutions as are indicated below:

Table with 5 columns: Resolution No., Resolution, and three columns for Vote optional (For, Against, Abstain). Contains 4 rows of resolutions regarding financial statements, dividends, and director appointments.

Signed thisday of.....2017

Affix Revenue Stamp of not less than ` 1

Signature of shareholder(s):

Signature of Proxy holder(s):

Note:

- 1.This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For, Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he may deem appropriate.

ROUTE MAP TO AGM VENUE

