



C. R. SAGDEO & CO.

CHARTERED ACCOUNTANTS

Independent Auditors' Report

To the members of SMS WASTE MANAGEMENT PRIVATE LIMITED

Report on the Ind AS Financial statements

We have audited the accompanying Ind AS financial statements of **SMS WASTE MANAGEMENT PRIVATE 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 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 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 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 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 Ind AS financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 losses 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

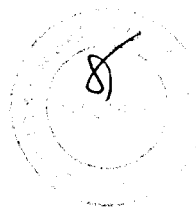
1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), as amended, issued by the Central Government of India in terms of sub – section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required 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;



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- d) In our opinion, the aforesaid Ind AS financial statements comply with the accounting standard specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on 31st March 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;
- f) 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.
- 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 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.



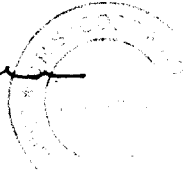


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Other matters

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 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 18th June 2016 and 20th August 2015 respectively expressed an unmodified opinion on those 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: 20th 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 Waste Management Private Ltd for the year ended 31st March 2017

- (1) According to the information and representations given to us, the Company does not own any Fixed Assets, therefore the Para 3 (i) of the Companies (Auditor's Report) Order 2015 does not apply to the company.
- (2) According to the information and representations given to us, the Company does not own any Inventory, therefore the Para 3 (ii) of the Companies (Auditor's Report) Order 2015 does not apply to the company.
- (3) According to the information and representations given to us, the company has not 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; therefore the Para 3 (iii) of the Companies (Auditor's Report) Order 2015 does not apply to the company.
- (4) According to the information and representation given to us, the Company has not made any loans, investments, guarantees and security to which the provisions of section 185 and 186 of Companies Act, 2013 apply, and therefore the Para 3 (iv) of the Companies (Auditor's Report) Order 2015 does not apply to the company.
- (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 not required to maintain Cost Records as specified by Central Government u/s 148 of the Companies Act, 2013 and therefore the Para 3 (vi) of the Companies (Auditor's Report) Order 2015 does not apply to the company.
- (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.



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- (b) According to the information and representations given to us, there are no disputed statutory dues in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax as on 31.03.2017.
- (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.
- (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 Company has not paid or provided any managerial remuneration during the year.
- (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.

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

CA. Suman Bose
Partner
Mem. No. 045239

Date: 20th Sept 2017
Place: Nagpur

S/MS Waste Management Private Limited
Balance Sheet as at 31st March 2017

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
Assets				
Non-current assets				
Property, plant and equipment		-	-	-
Capital work in progress		-	-	-
Investment property		-	-	-
Goodwill		-	-	-
Other Intangible assets		-	-	-
Intangible assets under development		-	-	-
Financial assets				
Investments		-	-	-
Loans		-	-	-
Other non-current assets(deposits)	3	25,000.00	25,000.00	25,000.00
Deferred tax assets (net)		-	-	-
Total Non-current assets		25,000.00	25,000.00	25,000.00
Current assets				
Inventories		-	-	-
Financial assets				
Loans		-	-	-
Trade receivables		-	-	-
Cash and cash equivalent	4	47,763.75	30,976.00	64,454.00
Other financial Assets		-	-	-
Assets classified as held for Sale		47,763.75	30,976.00	64,454.00
Total current assets		47,763.75	30,976.00	64,454.00
Total assets		72,763.75	55,976.00	89,454.00
Equity and liabilities				
Equity				
Equity Share Capital	5	1,00,000.00	1,00,000.00	1,00,000.00
Other Equity				
Equity component of convertible preference shares		-	-	-
Reserve & surplus	6	(4,35,686.25)	(3,97,474.00)	(3,58,046.00)
Other reserves		-	-	-
Total equity		(3,35,686.25)	(2,97,474.00)	(2,58,046.00)
Non-current liabilities				
Financial Liabilities				
Borrowings		-	-	-
Other financial liabilities		-	-	-
Provisions		-	-	-
Net employee defined benefit liabilities		-	-	-
Deferred tax liabilities (net)		-	-	-
Other liabilities		-	-	-
Current liabilities				
Financial Liabilities				
Borrowings	7	3,79,700.00	3,24,700.00	3,24,700.00
Trade payables		-	-	-
Other financial liabilities	8	28,750.00	28,750.00	22,800.00
Provisions		-	-	-
Liabilities directly associated with the assets classified as held for Sale		4,08,450.00	3,53,450.00	3,47,500.00
Total liabilities		4,08,450.00	3,53,450.00	3,47,500.00
Total equity and liabilities		72,763.75	55,976.00	89,454.00

Summary of significant accounting policies

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

As per our report of even date

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Reg. No.: 108959/W

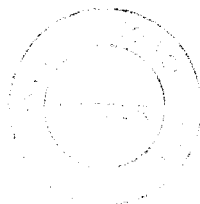
CA. Suman Bose

Partner

Membership No.-045239

Place : Nagpur

Date: 20th September 2017



2

11 to 12

For and on behalf of the Board of Directors of
SMS Waste Management Private Limited

Paranveer Sancheti

Director

DIN: 05326947

Shrikant Dahake

Director

DIN: 07125227

SMS Waste Management Private Limited
Statement of Profit and Loss for the period ended 31 March 2017

Particulars	Notes	As at 31 March 2017	As at 31 March 2016
		₹	₹
Continuing operations			
Revenue from operations		-	-
Other income		-	-
Finance income		-	-
Total income		-	-
Expenses			
Employee benefits expense		-	-
Depreciation and amortization expense		-	-
Finance costs		-	-
Other expenses		-	-
Total expense	9	38,212.25	39,428.00
Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations		38,212.25	39,428.00
Share of (profit)/loss of an associate and a joint venture		(38,212.25)	(39,428.00)
Profit/(loss) before exceptional items and tax from continuing operations			
Exceptional items		(38,212.25)	(39,428.00)
Profit/(loss) before tax from continuing operations			
(1) Current tax		(38,212.25)	(39,428.00)
(2) Adjustment of tax relating to earlier periods			
(3) Deferred tax			
Income tax expense			
Profit for the year from continuing operations			
		(38,212.25)	(39,428.00)
Discontinued operations			
Profit/(loss) before tax for the year from discontinued operations			
Tax Income/ (expense) of discontinued operations			
Profit/ (loss) for the year from discontinued operations			
Profit/(loss) for the year		(38,212.25)	(39,428.00)
Other comprehensive income			
Net other comprehensive income to be reclassified to profit or loss in			
Items not to be reclassified to profit or loss in subsequent periods:			
Income tax effect			
subsequent periods			
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year, net of tax attributable to:			
		(38,212.25)	(39,428.00)
Earnings per equity share (Face Value of ₹ 10)	10		
a) Basic (in ₹)		(3.82)	(3.94)
b) Diluted (in ₹)		-	-

Summary of significant accounting policies

2

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

As per our report of even date

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Reg. No.: 108959 W



CA. Suman Bose

Partner

Membership No.-045239

Place : Nagpur

Date: 20th September 2017

For and on behalf of the Board of Directors of
SMS Waste Management Private Limited



Paramveer Sancheti
Director
DIN: 05326947



Shrikant Dahake
Director
DIN: 07125227

SMS Waste Management Private Limited
Cash Flow Statement for the year ended 31 March 2017

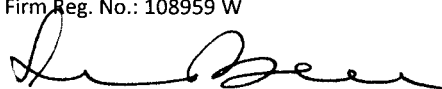
Particulars	Notes	31-Mar-17 ₹	31-Mar-16 ₹
Cash flow from operating activities			
Profit before tax from continuing operations		(38,212.25)	(39,428.00)
Profit before tax		(38,212.25)	(39,428.00)
Dividend income		-	-
Operating profit before working capital changes		(38,212.25)	(39,428.00)
Movements in working capital :			
Increase/(decrease) in trade payables		-	-
Increase/(decrease) in other current liabilities		-	5,950.00
Decrease / (increase) in long-term loans and advances		-	-
Decrease / (increase) in short-term loans and advances		-	-
Decrease / (increase) in other non-current assets		-	-
Cash generated from /(used in) operations		(38,212.25)	(33,478.00)
Direct taxes paid (net of refunds)		-	-
IT Refund Received		-	-
Net cash flow from/ (used in) operating activities (A)		(38,212.25)	(33,478.00)
Cash flow from investing activities			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		-	-
Proceeds of non-current investments		-	-
Purchase of current investments		-	-
Proceeds from sale/maturity of current investments		-	-
Interest received		-	-
Dividends received		-	-
Net cash flow from/(used in) investing activities (B)		-	-
Cash flow from financing activities			
Proceeds from long-term borrowings	7	55,000.00	-
Issue of Equity Shares		-	-
Net cash flow from/(used in) in financing activities (C)		55,000.00	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)		16,787.75	(33,478.00)
Effect of exchange differences on cash & cash equivalents held in foreign currency		-	-
Cash and cash equivalents at the beginning of the year		30,976.00	64,454.00
Cash and cash equivalents at the end of the year		47,763.75	30,976.00
Components of cash and cash equivalent			
Cash on hand	4	13,210.00	4,010.00
With banks- on current account	4	34,553.75	26,966.00
Total cash and cash equivalents		47,763.75	30,976.00

As per our report of even date

For C. R. Sagdeo & Co.

Chartered Accountants

Firm Reg. No.: 108959 W



CA. Suman Bose

Partner

Membership No.-045239

Place : Nagpur

Date: 20th September 2017

For and on behalf of the Board of Directors of
SMS Waste Management Private Limited



Paramveer Sancheti

Director

DIN:05326947



Shrikant Dahake

Director

DIN: 07125227

SMS Waste Management Private Limited
Statement of changes in equity for year ended 31st March 2017

A. EQUITY SHARE CAPITAL	
As at 1 April 2015	1,00,000.00
Changes in equity share capital	-
As at 31 March 2016	1,00,000.00
Changes in equity share capital	-
As at 31 March 2017	1,00,000.00

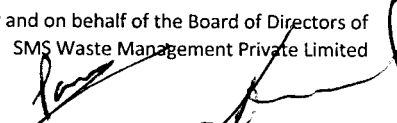
	Attributable to the equity holders						Total Equity
	Reserves and Surplus			Items of OCI			
	Share premium	Capital reserve	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Asset revaluation reserve	
As at 1 April 2015	-	-	(3,58,046.00)	-	-	-	(3,58,046.00)
Profit for the period	-	-	(39,428.00)	-	-	-	(39,428.00)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	(3,97,474.00)	-	-	-	(3,97,474.00)
Interim Dividend paid	-	-	-	-	-	-	-
At 31 March 2016	-	-	(3,97,474.00)	-	-	-	(3,97,474.00)
As at 1 April 2016	-	-	(3,97,474.00)	-	-	-	(3,97,474.00)
Profit for the period	-	-	(38,212.25)	-	-	-	(38,212.25)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	(4,35,686.25)	-	-	-	(4,35,686.25)
At 31 March 2017	-	-	(4,35,686.25)	-	-	-	(4,35,686.25)

As per our report of even date
For C. R. Sagdeo & Co.
Chartered Accountants
Firm Reg. No.: 108959 W



CA. Suman Bose
Partner
Membership No.-045239
Place : Nagpur
Date: 20th September 2017

For and on behalf of the Board of Directors of
SMS Waste Management Private Limited



Paramveer Sancheti Shrikant Dahake
Director Director
DIN: 05326947 DIN: 07125227

SMS Waste Management Private Limited

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

1. Company Background

SMS Waste Management Private Limited is a Private Company domiciled in India and incorporated on 15/12/2014 under the provisions of the Companies Act, 1956. The company is established with the object of providing Common effluent treatment plant including Operation & Maintenance of Common Effluent Treatment Plant, to collect, transport, treatment process, and dispose off any type of waste material. As on 31st March 2017, the company has not commenced its business.

2. Significant Accounting Policies and Key Accounting Estimates and Judgments

2.1. Basis of preparation of Financial Statements

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

The financial statements for the year ended 31 March 2017 are the first year the Company has prepared in accordance with Ind AS and are covered by Ind AS 101, first-time adoption of Indian Accounting Standards. For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition to IndAS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given.

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



Current / Non Current Classification

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

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

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

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

2.2 Summary of Significant accounting policies

a) Revenue

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Interest:

Interest income is recognized on accrual basis.

Dividend:

Dividend Income is recognized when the right to received dividend is established.

b) Foreign Currency Transaction

Initial recognition

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

Conversion

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

8

Exchange Differences

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

c) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. When a Company expects provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

d) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances.

e) Borrowing Cost

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

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

f) Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in case of financial assets not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets, which are not at fair value through profit and loss are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in statement of profit and loss.

Subsequent measurement

8

Financial assets at amortized cost

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

Financial assets are measured at fair value through other comprehensive income .

if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

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

De-recognition of Financial Assets

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

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

Particulars	Refer note	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
Liabilities: Borrowings	-	3,79,700.00	-	-	3,79,700.00	3,79,700.00
Other Financial Liabilities	-	28,750.00	-	-	28,750.00	28,750.00

8

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

Particulars	Refer note	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
Liabilities:						
Borrowings	-	3,24,700.00	-	-	3,24,700.00	3,24,700.00
Other Financial Liabilities	-	28,750.00	-	-	28,750.00	28,750.00

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

Particulars	Refer note	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
Liabilities:						
Borrowings	-	3,24,700.00	-	-	3,24,700.00	3,24,700.00
Other Financial Liabilities	-	22,800.00	-	-	22,800.00	22,800.00

Financial Liabilities

Initial recognition and subsequent measurement

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

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

De-recognition of Financial Liabilities

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



Offsetting Financial Liabilities

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

g) Taxes on Income:

A) 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.

B) 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

h) 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).

Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 1, 2017.

Amendments to Ind AS 7:

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Key accounting estimates and judgements

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

i) Financial Risk Management:

The Company Activities expose it to the following Risk:

- Market risk,
- Credit risk and
- Liquidity risk.

Credit Risk:

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

Trade Receivables: credit risk managed by company's established policy, procedures and control relating to customers credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for client. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral as security.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in interest relates primarily to the company's debt obligations with floating interest rates hence does not expose to significant interest rate risk.

Liquidity risk:

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

The management acknowledge that, the company has no risk in respect to interest, credit as well as risk.

Events after Reporting date

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

Note 11 :

Information on Related Party Transaction as Required by Ind AS-24- 'RELATED PARTY DISCLOSURES' For the Year Ended 31ST March, 2017.

a) Holding Company:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
SMS Limited	India	100.00%	100.00%	100.00%

b) Associates

San Finance Corporation

c) Entities controlled by Directors/Relatives of Directors : NIL**d) Key Managerial Personnel:**

Name of the Director	Designation
Paramveer Abhay Sancheti	Director
Shrikant Dinkar Dahake	Director

