



**Annual Report
2019-20**

SPML INFRA LIMITED

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ABOUT SPML

SPML Infra Limited is India's leading infrastructure development company with focus on sustainable development for providing access of essential services to all (water, electricity, sanitation, and municipal solid waste management).

The vision for growth is driven by operational compliance, service quality, efficient project execution and continuous business process improvements. SPML strives towards excellence in all operations through compliance with world-class quality systems in its specific fields of activities, ensuring a continuous improvement in project execution and quality management. SPML has also been gaining an edge by devising and adopting new technologies essential for growth.

SPML continues its dedication to promote sustainable water management solutions, a task that is increasingly becoming essential and complex as the supply-demand management is plagued by water source depletion and water scarcity. In its 40 years of existence in India, the company has acquired a thorough understanding of water and wastewater sector. The company's extensive experience and knowledge of the water sector has led it to be among the top water management companies in the country and the first Indian company being featured in the list of World's Top 50 Private Water Companies.

In each of its chosen areas, SPML has its stamp on numerous completed and on-going projects. Presently, SPML is executing a number of projects for water supply and management, wastewater treatment, sewerage network, power transmission and distribution, and municipal solid waste management.



CHAIRMAN'S SPEECH

Dear Shareholders,

It is my pleasure to present to you the Company's Annual Report for the financial year ended March 31, 2020. During the financial year, the global economy remained volatile and when it was showing some signs of recovery, the spread of pandemic hit it very hard. In this globally uncertain time, India's growth story has also been impacted and the country registered a GDP of 4.2 per cent in 2019-20 fiscal. But the outlook for the country remains positive as the country's economic fundamentals are sound and government is determined to remove impediments to economic development and social empowerment.

The current economic and business scenario is entirely different as the nation is grappling with the global pandemic, while simultaneously gearing itself for a phased reopening of the economy, and preparing for life beyond Covid-19. Further, simmering tensions along our northern border have triggered an anti-China sentiment within the country and seeking viable alternative sources of supply. I believe this is the opportune moment for Indian industry to act in unison to reduce our external dependencies and enhance self-reliance and aggressively promote "make in India".

Our Hon'ble Prime Minister's call for 'Atmnirbhar Bharat' has resonated across the country. We have to ensure that the PM's thrust on self-reliance and self-dependence achieves the desired outcomes speedily and in concrete manner. It is essential to create conducive environment for achieving our goals and for the government to introduce much-needed reforms in several areas including infrastructure development, health and hygiene, land acquisition, environment clearances, swift dispute resolution, competency & skill building and matching funds for all development activities. In tandem, the administration would do well to streamline processes and accelerate the pace of decision making.

We are confident that if these measures are adopted and if the nation remains focused, our determination and resolve will certainly empower us to overcome the challenges and achieve our goals. Your company is determined and stands by the country and its leadership in this hour of need to make a remarkable difference.

Infrastructure Development

Infrastructure is the back bone of economy and instrumental for productivity, growth, social well-being and a nation's progress. The importance of it can be seen in the context that

we rely on infrastructure for our daily activities. The structures and wires delivering electricity to our homes to light and use essential gadgets, pipes carrying water to our taps, telecom infrastructure connecting us to the world, roads we travel to and bridges we cross, railway tracks to run the trains, to the runways our planes land on and many more. The Government of India has realized the importance of infrastructure towards the economic and social growth and it has become the biggest focus area.

With the goal to realize the \$5 trillion economy, government is working on developing the infrastructure sector for increasing the growth momentum towards reaching the target by year 2024. The National Infrastructure Project Pipeline of ₹ 111 lac crore over a 6 year period is an effort towards the target. This project pipeline consists of around 6,500 projects to be collectively funded by Central Government and State Governments to the extent of 79 per cent. The remaining 21 per cent is envisaged to come from the private sector. A reading of the NIP indicates that the next few years are likely to see increased public spends in areas of drinking water, irrigation, metro rail networks, roads, renewable energy, power transmission and distribution as well as urban infrastructure. Since infrastructure investments serve the twin benefits of improving productivity and generating employment, we believe that the underlying macro drivers for investments in India remain intact and your Company is poised to take advantage on these emerging opportunities in the future.

The long term outlook of infrastructure sector is looking optimistic with a number of projects that were announced earlier by the government will be implemented. A recent report by Kearney suggests that there will be an investment opportunity of US\$ 575 billion (₹ 4.35 Lakh crore) in transport infrastructure sector in India in the next five years driven by investments in flagship projects such as Sagarmala, Bharatmala, dedicated freight corridor, high speed rail, and metro project etc. Then there is planned investment of ₹ 1 lakh crore in setting up 100 new airports by 2024 to connect smaller towns by adding 1,000 new routes. The ₹ 3.6 lakh crore funding announced for Jal Jeevan Mission to supply piped water to every rural household by 2024 is another large water infrastructure development scheme that is being implemented across the country and your Company is already a part of this scheme by executing several rural water supply projects in Uttar Pradesh, Manipur and other states.



The Atal Bhujal Yojana with an allocation of ₹ 6000 crore for five years with principal objective of strengthening the institutional framework for sustainable groundwater resource management in seven States, viz. Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. Implementation of the scheme is expected to benefit nearly 8350 Gram Panchayats in 78 districts in these States. With the above schemes, apart from the initiatives such as Housing for All, Swacch Bharat Mission and Smart Cities Mission, the government is working on developing the infrastructure sector for increasing the growth momentum towards achieving the desired outcome.

Company Growth

During the year, your Company has received new project orders from different states for bulk water supply, wastewater treatment, power transmission and distribution etc. These orders have come from our esteemed existing clients as well

as from new government agencies that signifies our strong credentials in project execution and deliveries to the clients. While executing projects, your Company ensures that the client's requirements are fulfilled without any compromise in quality and design with adherence to timelines.

Your Company has completed a number of projects during the period including the regional water supply projects in Rajasthan, wastewater treatment projects in Haryana and Maharashtra and power substation projects upto 400 kV capacities in West Bengal and other states. Presently, your Company is executing more than 45 projects in water, power and sanitation segment in all major states of the country.

During the year, your Company has also won a few arbitration awards including the ₹ 191 Crore interim relief under arbitration proceedings against State of Rajasthan by a subsidiary company, Bhilwara Jaipur Toll Road Pvt. Ltd. The learned arbitrators have issued the relevant orders on the merits we



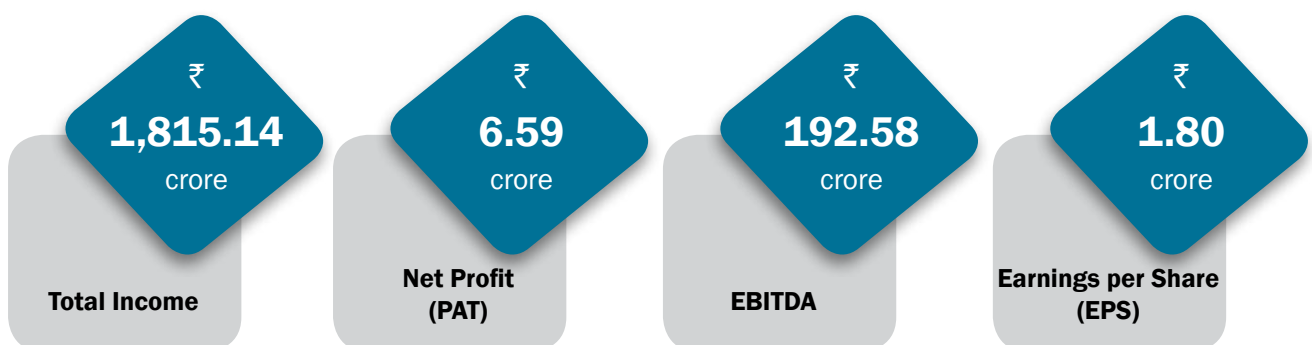
have been maintaining that the action taken against our projects were arbitrary, incorrect and violating provisions of the contract agreement. We are happy that our legitimate claims have been upheld in these arbitrations.

During the year, your Company has also received few coveted awards for outstanding contributions in development of sustainable water and power infrastructure in the country that has helped millions of people with clean drinking water facility

as well as lighting up rural and urban homes thus changing lives of people. Among the notable awards that have been received during the year includes ASSOCHAM Water Management Excellence Awards 2019 conferred to your Company as 'Best Water Management Practices' for the outstanding contributions in development of sustainable water infrastructure in India and it was presented by Mr. Gajendra Singh Shekhawat, Hon'ble Minister of Jal Shakti of India.

Performance Review

I wish to share with you the highlights of our financial and operational performance (consolidated) during the year 2019-20.



Covid-19 Impact

The period leading up to the lockdown and the subsequent stoppage of all economic activity from 25th March, 2020 has adversely affected your Company's operations in late FY 2019-20. The Company's project sites remained closed due to lockdown and partially re-opened after the relaxation announced by the Home Ministry, which has impacted its operations during April and May' 2020. The Company continued to incur all fixed costs and permanent labour safety costs at sites despite any progress of the projects. The project operations restarted at few sites adhering to the safety norms prescribed by the Government of India with limited number of work force under restrictions imposed by the local authorities.

The Company is taking utmost care of its staff and work force as per the COVID-19 safety guidelines. Currently most of the project sites are active, and execution of work is progressing with a reasonable level of workforce. Supply chain is also being monitored to ensure availability of materials at sites.

Outlook

With the current scenario of disruption due to Covid-19 pandemic, economic volatility and imminent risks driven by socio-political factors makes it difficult to forecast the future with any degree of certainty. While we are hopeful that the 2nd half of FY 2020-21 will herald better economic and business activity in terms of tendering, good liquidity and revival of labour and supply chains, it would be premature to predict the Company's business outcomes for FY 2020-21.

The infrastructure sector has normally been the government's biggest focus area for economic growth and shall undoubtedly continue to remain for years. The increased impetus for accelerating infrastructure development will further open

up vast opportunities for construction companies and we are hopeful that your Company will surely be benefitted with good project orders and better financial returns. The company is putting enormous efforts to mitigate the impact of the pandemic, and register enhanced performance in FY 2021-22.

With the Company's core-competence in developing water, wastewater, power and sanitation infrastructure, we are well-placed and look forward to strongly capitalize on the opportunities in these segments. The Company will consistently ensure to see the growth is achieved in conjunction with sustainable profitability by driving the operational excellence to ensure our projects are delivered on time within the allocated budgets. Our focus is firmly on becoming the largest water infrastructure developer and with our attention entirely on EPC projects, we are set to create new benchmarks in excellence and quality by building new-age water infrastructure that will transform the drinking water scenario in India.

I would like to take this opportunity to thank our valued bankers, shareholders for their continued support and confidence in the Company. I also express my sincere gratitude to our clients, suppliers and service providers for their trust and support towards the Company. I also thank my fellow Board Members for their invaluable support in guiding the Company and enabling another year of growth. I am also thankful to the Team SPML and other stakeholders for their significant contributions to the Company.

Warm regards,

Subhash Chand Sethi
Chairman

STATUTORY REPORTS

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company is pleased to submit their 39th Annual Report on the operations and performance of the Company along with the audited financial statements for the year ended 31st March 2020.

Financial Results:

The brief summary of the financial performance of the Company for the year under review along with the comparative figures for the previous year is summarized herein below:

(₹ In Lacs)

PARTICULARS	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	97,190.26	1,43,336.06	1,70,647.73	2,01,152.08
Other Income	10,118.43	5,989.50	10,866.24	6,511.72
Total Income	1,07,308.69	1,49,325.56	1,81,513.97	2,07,663.80
Total Expenses	91,932.82	1,26,967.51	1,62,255.67	1,84,293.58
Earnings before Interest, depreciation, tax and amortization (EBIDTA)	15,375.87	22,358.05	19,258.30	23,370.22
Less :- Finance Cost	14,655.45	15,252.35	15,692.41	16,063.53
Less :- Depreciation	562.13	371.97	1,118.07	1,087.56
Earning before share of profit/ (loss) of associate and joint venture, exceptional items & tax	158.29	6,733.74	2,447.82	6,218.93
Share of profit/(loss) of Associates & Joint Ventures	-	-	(388.82)	302.67
Minorities share of profit/(loss)	-	-	(53.34)	63.66
Earning Before Tax (EBT)	158.29	6,733.74	2,112.34	6,457.94
Tax Expenses				
Less: - Current tax	259.15	1,539.36	553.53	2,149.43
Less: - Deferred Tax	(342.66)	232.55	899.70	335.17
Profit After Tax	241.80	4,961.83	659.13	3,973.34
Other Comprehensive Income for the Year (Net of Taxes)	458.01	(437.47)	449.97	(423.56)
Total Comprehensive Income for the year	699.81	4,524.36	1,109.10	3,549.78
Earnings per share (in ₹) - Basic and Diluted (Nominal value ₹ 2 Per Share)	0.66	13.54	1.80	10.84

Financial Performance

Standalone

During the financial year ended 31st March, 2020, the Operating Revenue of your Company stood at ₹ 97,190.26 Lakh dropped by 32.19% as compared to ₹ 1,43,336.06 Lakh in the previous year. The Net Profit for the year is ₹ 241.80 Lakh declined by 95.13% over the previous year Net profit of ₹ 4,961.83 Lakh.

Consolidated

During the year under review, the Operating Revenue of your Company stood at ₹ 1,70,647.73 Lakh as compared to ₹ 2,01,152.08 Lakh in the previous year. The Consolidated Net Profit in Financial Year 2019-20 is ₹ 659.13 Lakh compared to

the Net Profit of ₹ 3,973.34 Lakh in the previous year 2018-19.

Basic reasons for the above were delay in payments from clients due to allocation of funds to other vote-bank purposes than using for projects, working capital shortage, and inadequate financial support from lenders.

State of Company's Affairs

SPML Infra is India's leading Public Listed Infrastructure Development Company with about four decades of business experience in the public as well as private sector. The Company has executed and managed over 600 infrastructure projects across India and created significant value for the Country, thus touching lives of millions of people with provision of drinking water facilities, wastewater treatment, integrated

sewerage network, better municipal waste management, power transmission & distribution and lighting up homes. Your Company features among the World's Top 50 Private Water Companies and amongst India's 50 Best Real Estate & Infrastructure Companies. Your Company has been featured at 10th position in the list of top infrastructure companies in India. Your Company operates on engineering, procurement, construction (EPC) segment and as on date, there is no change in the nature of business being undertaken by the Company.

The brief highlights of the performance of the Company during the Financial Year 2019-20 are summarized herein below:

- Commissioning of Saurashtra-Narmada Avtaran-Irrigation (SAUNI) Yojana, Phase-II, in Gujarat that was inaugurated by the Hon'ble Prime Minister of India.
- Executed an important rural water supply scheme in Rajasthan as Gagreen Water Supply Project that envisage providing clean drinking water to over 3,00,000 people of 315 villages and 28 dhanies of Jhalawar district.
- Executed 400/220 Kv Sub-station extension project at Durgapur, West Bengal.
- Executing a power augmentation project under Deen Dayal Upadhya Gram Jyoti Yojna for Rural Electricity Infrastructure Development for Agriculture Feeder Segregation works in Murshidabad district of West Bengal.
- Executed 12.5 MLD Common Effluent Treatment Plant for Bahadurgarh Industrial Area in Haryana.
- The subsidiary company M/s. Bhilwara Jaipur Toll Road Pvt. Ltd received Interim Relief worth ₹ 191.00 Crore under Arbitration proceedings against the State of Rajasthan.
- During the financial year, the Company received the following new project orders:
 - Received a large bulk water supply project order worth ₹ 546.96 Crore from Bangalore Water Supply and Sewerage Board.
 - Order from Uttar Pradesh Jal Nigam, Varanasi worth ₹ 183.68 Crore, for interception and diversion of drain in Jaunpur, Uttar Pradesh for pollution abatement of River Ganga under the National Mission for clean Ganga in joint venture with Pulkit Projects.
 - Order from Haryana State Industrial and Infrastructure Development Corporation Ltd; Bahadurgarh worth ₹ 34.50 Crore for construction of 10 MLD Common Effluent Treatment Plant (CETP).
 - Orders from Jharkhand Urja Sancharan Nigam Limited, worth ₹ 107.65 Crore & ₹ 69.74 Crore respectively in the State of Jharkhand for power substation projects.

Awards and Recognition

During the year under review, your Company has received various prestigious awards. Some of the key awards & recognitions are as follows:

- ASSOCHAM Water Management Excellence Awards 2019 as "Best Water Management Practices" for outstanding contributions in the development of sustainable water infrastructure in India.
- ASSOCHAM Energy Excellence Awards 2019 in the category of "Rural Outreach Award 2019" for outstanding contributions in the energy sector with execution of rural electrification projects.
- Certificate of Appreciation from Dholera Industrial City Development for valuable contribution towards Environment Health and Safety by achieving 0.52 Million Man Hours without any lost time injury in "Dholera WTP Projects".
- Conferred with Skoch Award 2020 Order of Merit Certificate for Kanpur Sewerage System.

Business Disruption from COVID-19

The World Health Organisation (WHO) declared a 'Pandemic' to the Covid-19 disease. The pandemic has hit the economy, business and people around the world and has resulted in many restrictions, including nationwide lockdown, thereby greatly hampering businesses and day to day functioning of Companies. This pandemic has given rise to a new way of doing business.

In enforcing social distancing and to comply with the direction issued by the Government of India, the Company's Project sites remained closed from March 23, 2020 due to lockdown and partially opened w.e.f. May 04, 2020, adhering to the safety norms prescribed by the Government of India. The Company is taking utmost care of its staff and work force as per the guidelines like sanitisation, social distancing, mandatory mask wearing, thermal checking at the gate, maintaining proper hygiene and regular disinfecting the offices and work stations. Supply chain which got disturbed due to lockdown have been monitored to ensure availability of material at project sites under strict guidelines and following all required SOPs.

The on-going Covid-19 scare has hit us hard and disrupted regular business operations of the Company as the labour force got immobilised at sites due to lockdown and we have taken care of all their overheads and protection costs, food and stay arrangements and other fixed costs that have been incurred with no matching revenues. Company is going through liquidity crunch with mismatched cash flow and finding it difficult to meet its working capital requirements. Due to pandemic disruptions, the revenues and profitability of the Company are likely to be adversely impacted. However, Company being leading Water and Power EPC Company, sees good business prospects in going forward.

Dividend

During the year under review your Company has faced financial stress and liquidity crunch and therefore, in order to support the financial credibility of the Company, and in view of the ongoing pandemic, your Directors recommended conserving

the resources for its optimal deployment. Hence, Your Company has not recommended any dividend for the financial year 2019-20.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

Deposits

Your Company has not accepted any Deposit from the Public in terms of the provisions of Section 73 of the Companies Act, 2013 read along with the Companies (Acceptance of Deposits) Rules, 2014 including any amendment thereto and as such there is no amount of principal or interest was outstanding as on 31st March 2020.

Subsidiary Companies/ Joint venture Companies / Associate Companies

As on 31st March 2020, the Company had 10 direct and indirect Subsidiaries including 3 Wholly Owned Subsidiaries, 5 Joint Ventures (JVs) and 9 Joint Control Operations (JCOs) and 11 Associates.

During the year under review, the following changes have taken place with respect to Subsidiaries, Associates and Joint Operation Companies:

- During the year under review the following Subsidiary Companies has converted into Associates:
 - Subhash Kabini Power Corporation Limited
 - SPML Energy Limited
 - Binwa Power Corporation Private Limited
 - Awa Power Company Private Limited
 - Iqu Power Company Private Limited
 - Neogal Power Company Private Limited
 - Delhi Waste Management Limited
- During the year under review M/s. SPML Infra Developers Ltd; and M/s. Subhash Urja Pvt. Ltd. has applied for Striking off the name of the Company from the Registrar of Companies, therefore, they are no more Subsidiaries of the Company.
- During the year under review following Companies ceased to be Subsidiary of the Company:
 - ADD Technologies (India) Limited
 - ADD Energy Management Co. Private Limited
 - SPM Holding Pte. Limited
 - PT Sanmati Natural Resources
 - SJA Developers Private Limited
 - Delhi Waste Management Najafgarh Pvt. Ltd.

- During the year under review following Companies ceased to be Associates of the Company:

- PT Bina Insan Sukses Mandiri
- PT Vardhaman Mining Services
- PT Vardhaman Logistics
- Rabaan (S) Pte Limited

- During the year under review Company entered into new Joint Control Operation (JCOs) namely, Shristi SPML JV.

An application for initiation of Corporate Insolvency Resolution Process ('CIRP'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 has been admitted against Luni Power Company Pvt. Ltd. ('Luni'), a subsidiary of the Company, on 23rd December, 2019 by the Hon'ble NCLT, Chandigarh Bench. Other than cited above, there was no material changes in the nature of the business carried on by the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read along with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the performance and financial position of each of the Subsidiaries/ Associates/ Joint Ventures in the prescribed Form AOC-1 has been prepared and is forming the part of the Financial Statements of the Company.

In compliance with the provisions of Section 136 of the Companies Act 2013, a copy of the Financial Statement consisting of the Standalone as well as the Consolidated, along with all relevant Annexures, Auditors Report, Directors Report are available on the website of the Company and will also be available for inspection at the registered office of the Company during working hours till the Annual General Meeting of the Company.

The Policy for determining the "Material Subsidiaries" in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, may be accessed on the Company's website at www.spml.co.in.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 (6) of the Companies Act 2013 & the Rules framed thereunder and the applicable provisions of the Articles of Association of the Company Mr. Sushil Kumar Sethi (DIN: 00062927), Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the year under review, Mr. Supriyo Kumar Chaudhuri, Nominee Director of the Company and Mr. Sarthak Behuria, Independent Director of the Company expressed their inability to continue as the director of the Company and resigned from their position from the Company w.e.f. 11th September, 2019 and 06th February, 2020 respectively. The Board places its sincere appreciation for the valuable services rendered by them during their tenure as the Directors of the Company.

Further, Mr. Deepak Sethi, Non- Executive Director of the company vacated his office under Section 167 of the Companies Act, 2013 w.e.f. 12th November, 2019. The Board places its sincere appreciation for the service rendered by him during his tenure as the Director of the Company.

Pursuant to provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile clause 49 of the Listing Agreement), Mr. Dinesh Kumar Goyal was appointed as the Independent Director of the Company for the term of 5 (Five) consecutive years w.e.f. 28th September, 2015 till the conclusion of 39th Annual General Meeting. Since Mr. Goyal shall complete his term of 5 years in the ensuing Annual General Meeting and being eligible for re appointment as Independent Director for another term of 5 (five) consecutive years, board recommends his appointment as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, and shall hold office w.e.f. ensuing Annual General Meeting till the 44th Annual General Meeting to be held in the calendar year 2025 subject to the approval of Shareholders in the ensuing Annual General Meeting.

Further, all the Independent Directors seeking appointment/re-appointment in the ensuing Annual General Meeting have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act along with Rules framed thereunder and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief details of all the aforesaid Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is furnished in the explanatory statement to the notice calling the Annual General Meeting.

During the year under review, Mr. Abhay Raj Singh, Company Secretary of the Company resigned from the post of Company Secretary w.e.f. 31.07.2019 and Mr. Sujit Jhunjhunwala, was re-designated from the post of Chief Financial Officer to AVP (Banking) of the Company w.e.f. 14th August, 2019. The Board places its sincere appreciation for the service rendered by them during their tenure as Company Secretary and CFO of the Company respectively.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to fill the vacancy caused due to resignation of Mr. Abhay Raj Singh as Company Secretary and Mr. Sujit Jhunjhunwala as CFO of the Company, Mr. Laxmi Narayan Mandhana was appointed as the Company Secretary and Chief Financial Officer of the Company w.e.f. 14th August, 2019.

During the year under review Mr. Sushil Kumar Sethi, Managing Director and Mr. Subhash Chand Sethi Whole-time Director, and Mr. Laxmi Narayan Mandhana w.e.f. 14th August, 2019 continue to be the Key Managerial Personnel (KMP) of the Company in accordance with the provisions of Section(s) 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Policy on Director's Appointment and Remuneration

The policy of the Company on Director's Appointment and Remuneration including qualification, positive attributes and independence of a Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration and other matters as required under Section 178(3) of the Companies Act, 2013 is available on our website at www.spml.co.in

We further affirm that the remuneration paid to the directors is as per the terms laid down in the Nomination and Remuneration Policy.

Statement containing required information pursuant to section II of Schedule V of the Act for all the Executive Directors in case of loss or inadequate profit is attached as per **Annexure- 8**.

Board Diversity

Your Company understands and believes that a well diverse Board enhances the quality of decisions by utilizing different skills, qualifications, professional experience, ethnicity and other distinguished quality of the individual Board members. Company believes that Board diversification is necessary for effective corporate governance, driving business results, sustainable and balanced development and to monitor the effectiveness of the company's practices. In order to achieve the aforesaid your Board has well experienced and expertise combination of industry knowledge which is in the best interest of the Company.

Pursuant to the Regulation 19(4) & 20(4) and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of the Company has adopted a Policy on diversity of Board of Directors. The said policy is available on the website of the company at www.spml.co.in

Board Evaluation

In terms of the Regulation 19(4) & 20(4) and Part D of Schedule II of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and as per Companies Act, 2013 the Board is required to evaluate its own performance along with the performance of the Committee and the individual director. The Board Evaluation Framework is conducted annually for all the Board Members on various factors viz Relationship with Stakeholders, Company's performance, decision making, information flow etc. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on rating.

Familiarization Program for independent Directors

In Compliance with Regulation 25(7) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the company has put in place the familiarization program for the Independent directors to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, roles rights and their responsibilities and any other relevant matters if any through various programs. The Policy on Familiarization programs for independent directors adopted by the Board is also available on the company's website at www.spml.co.in

Meeting of the Board of Directors

During the year under review, the Board met five (5) times, the details of the Meetings of the Board held during the financial year 2019-20 are given under the section Corporate Governance Report which forms the part of this report. The Board further affirms that the time gap between any two consecutive Board Meetings did not exceed 120 days.

Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and as in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the separate meeting of the Independent Directors of the Company has been convened on 11th February, 2020 to review the matters as laid down in the aforesaid Schedule and Regulations.

Declaration by Independent Director

In terms of Section 149(7) of the Companies Act, 2013, your Company has received the requisite declaration from each of the Independent Directors of the Company specifying that he/she meets the criteria as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing of Obligations and Disclosure Requirements) Regulations, 2015.

Directors Responsibility Statements

In terms of the provision of Section 134(5) of the Companies Act, 2013, your Directors hereby confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that we have selected such accounting policies and applied them consistently and made judgments 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) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

Corporate Social Responsibility

Apart from achieving its business goals, your company is committed towards Corporate Social Responsibility and sustainability initiatives and practices in the society in which it operates and achieves growth in a socially responsible way. The vision of your Company is to grow the business whilst reducing the environmental impact of our operations and increasing positive social impact.

As part of its initiatives under “Corporate Social Responsibility” (CSR), the company is promoting health care and education by making contributions to the registered trusts that are imparting education and improving health care to the society. The Report on CSR activities is annexed as Annexure – 1 to this report. The Policy as adopted by the Company for the Corporate Social Responsibility is available at the website of the Company at www.spml.co.in

Extract of the Annual Return

Pursuant to the provisions of Sec. 92 (3) of the Companies Act, 2013 read along with Rule 12 (1) of the Company (Management & Administration) Rules, 2014 including any amendment thereto, an extract of the Annual Return in the prescribed format i.e. Form MGT-9 for the Financial Year ended 31st March, 2020 is given in **Annexure- 4** and forms part of the Directors’ Report.

Further, MGT-9 have been uploaded on Companies website at www.spml.co.in pursuant to the provision of Section 134(3) of the Companies Act, 2013

Statutory Auditors and their Report

At the Annual General Meeting held on 29th September, 2017, M/s Maheshwari & Associates, Chartered Accountants (FRN No. 311008E), Kolkata were appointed as Statutory Auditor of the Company for a term of five years to hold office from the conclusion of 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the Calendar Year 2022.

Companies Amendment Act, 2017 notified by the Ministry of Corporate Affairs dated 07th May, 2018 has dispensed off with the requirement of the ratification of the appointment of Statutory Auditor at every Annual General Meeting. Hence, notice of Annual General Meeting does not carry any resolution pertaining to ratification of appointment of Statutory Auditor.

The Auditors’ Report(s) to the Members of the Company in respect of the Standalone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2020 are self-explanatory and the qualification or observations of the Auditors have been suitably addressed in Note No. 43 to 45 of the notes forming part of the standalone financials and Note No 46 to 49 of the notes forming part of the consolidated financials and therefore do not call for any further comments.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the

Board of your company had appointed Mr. Tumul Maheshwari Proprietor of M/s MT & Co., (Formerly PTM & Co.) Company Secretary in Practice as Secretarial Auditor to conduct the secretarial audit for the financial year ended on 31st March, 2020.

The Secretarial Audit Report for the Financial Year ended 31st March, 2020 in Form MR-3 is annexed to the Directors Report - Annexure - 2 and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Rules, 2014 the Company is required to get its cost record audited by a cost accountants in whole time practice. In this regard the Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Bikram Jain & Associates, Cost Accountants as the Cost Auditor of the Company for Financial Year 2020-21.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Board shall be ratified by the Members. Accordingly, requisite resolution seeking ratification of remuneration payable to the Cost Auditors for the Financial Year 2020-21 is forming part of the notice convening the ensuing Annual General Meeting.

Committee of the Board

Your Company has the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Finance Committee, CSR Committee and Committee of Directors. The details pertaining to such Committees are provided in the Corporate Governance Report, forming part of this report.

Internal Financial Control Systems and their Adequacy

The Board of your Company has laid down internal financial Controls to be followed by the Company and that such controls are adequate and operating effectively. Such Systems are inherent in the Company and are working effectively and efficiently. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the 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 disclosure.

Vigil Mechanism

In line with the requirement under Section 177(9) & (10) of the Companies Act, 2013, read with the Companies (Meeting of the Board and its Powers) Rules 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has adopted a Whistle Blower Policy establishing Vigil Mechanism, to provide a formal mechanism to the directors and employees to report any

fraudulent financial or other information any unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available at Company's website at www.spml.co.in.

Risk Management

The Board of your Company has framed a policy on Risk Management which provides for identification, assessment and control of risks that in the opinion of the Board may threaten the existence of the Company. The Management reviews, monitors, identifies and controls risks through a properly defined framework in terms of the Risk Management Policy.

Particulars of Investments, Loans, Guarantees given or Securities Provided

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Securities and exchange Board of India (Listing Obligations and disclosures Requirements) Regulations, 2015, disclosure on particulars relating to Investments, Loans, Guarantees and Securities are forming part of the Annual Report.

Related Parties Transactions

As a part of its philosophy of adhering to the highest ethical standards, transparency and accountability, your Company has historically adopted the practice of undertaking related party transaction in ordinary course of business and on arm's length basis. In line with the Companies Act, 2013 and Listing Regulations, the Board has approved the policy on related party transaction and the same is placed on the website of the Company.

All the related party transactions are placed on quarterly basis before the Audit Committee and Board for their approval. Prior Omnibus approval also obtained from the Audit Committee and Board for the transactions which are repetitive in nature.

The particulars of all contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure-3 to this report.

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year of the Company as on 31st March 2020 and the date of this report.

Significant and Material Orders impacting Operations of Company in Future

There are no significant or material orders that have been passed by any Regulators/Court or Tribunals impacting the going concern status and future operations of your company.

Investor Education and Protection Fund (IEPF)

Pursuant to Provisions of Section 124 of the Companies Act 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all unpaid or unclaimed dividends, which remains unpaid or unclaimed for a period of seven years are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Central Government.

Further, the Company is also required to transfer all the shares in respect of which dividend has not been paid or claimed for Seven (7) consecutive years or more to the Demat Account created by the IEPF Authority. However, in case if any dividend is paid or claimed for any year during the said period of Seven (7) consecutive years, the shares in respect of which dividend is paid so paid or claimed shall not be transferred to demat account of IEPF.

In compliance with the aforesaid provisions the Company has transferred the unclaimed and unpaid dividends and corresponding shares to IEPF. The details of the unclaimed / unpaid dividend during the last seven (7) years and also the details of the unclaimed shares transferred to IEPF are available on the website of the Company at www.spml.co.in

Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder either to the Company or to the Central Government.

Management Discussion and Analysis

In terms of the Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Report on Management Discussion and Analysis forms part of the Annual Report.

Corporate Governance Report

Pursuant to Listing Regulations and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' has incorporated in the Annual Report.

A certificate from the auditors of the company regarding compliance with the conditions of Corporate Governance also forms part of the Annual Report.

Employees Relations

During the year under review the relations with the employees has been cordial. Your directors place on record their sincere appreciation for services rendered by the employees of the Company.

Protection of Women at Workplace

SPML strives to provide a safe working environment to woman employees to avoid any gender discrimination. Therefore, the

Company has formulated a Policy on Prevention of Sexual Harassment at work place in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at work place. Pursuant to the said act the Company has constituted the Internal Complaint Committee for Prevention of Sexual Harassment (ICC) of all women employees whether they are permanent, temporary or contractual. The said policy also covered the women service provider or women who visit any office premises of the Company. In order to raise awareness among the employees the aforesaid policy has been widely circulated to all the employees of the Company.

During the year under review, no case of sexual harassment was reported.

Particulars of Employees

Disclosures required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure - 5 to this report.

Further, a Statement containing the name of top ten employee of the Company in terms of the receipt of the remuneration of ₹ 102 lakhs if employed throughout the year and receipt of ₹ 8.50 lakhs if employed for a part of the financial year in terms of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure-6** to this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo Conservation of Energy

The Particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rule, 2014 pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo conservation of energy are attached as Annexure - 6 and form part of this report.

Acknowledgement

Your Directors take this opportunity to thank and express their sincere appreciation for the valuable cooperation and support received from the Company's Bankers, Financial Institutions, Central and State Government Authorities, Joint Venture Partners, Clients, Consultants, Suppliers, Shareholders, employees and other stakeholders of the Company.

Further, the director value the contribution made by every member of the SPML family.

On behalf of the Board

Place: Kolkata
Date: 18th August, 2020

Subahsh Chand Sethi
Chairman

ANNEXURE - 1**Form No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SPML Infra Limited,
F-27/2, Okhla Industrial Area Phase-II,
New Delhi-110020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SPML Infra Limited, (CIN No. L40106DL1981PLC012228) (hereinafter called the Company). I have not done audit of financial statements of 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, during the audit period covering the financial year ended on 31st March 2020, the Company has 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 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI Listing Regulations (LODR), 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned above subject to the below stated observation:

1. Company has appointed one Executive (additional) Director on 12/11/2019, which would take effect only from the date of approvals by the banks. However, Banks have yet not communicated their acceptance /decline for the said appointment during the year. The Company has intimated to the stock exchanges regarding the said/proposed appointment.

I further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive 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 as required under the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed note on agenda were sent at least seven days in advance, 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 year under report, the Company has not undertaken any corporate event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For MT & Co.

Company Secretaries

(Tumul Maheshwari)

Proprietor

ACS No. 16464

C.P. No. 5554

Place: Delhi

Date: 18/08/2020

UDIN No. A016464B000624588

This report is to be read with Annexure-A which forms an integral part of this report.

ANNEXURE-A

To,
The Members,
SPML Infra Limited,
F-27/2, Okhla Industrial Area Phase-II,
New Delhi-110020

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 my audit.
2. I have followed the audit practices and process 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 my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My 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 MT & Co.

Company Secretaries

(Tumul Maheshwari)

Proprietor

ACS No. 16464

C.P. No. 5554

Place: Delhi

Date: 18/08/2020

Note: The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended many times for various days across the country to contain the spread of the virus. Due to COVID- 19 pandemic impact, the compliance documents for the period were obtained through electronic mode and verified with requirements.

ANNEXURE - 2**Form No. AOC-2****Form for disclosure of 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 arm's 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:

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2019-20.

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

a. Name(s) of the related party and nature of relationship: Company has not entered into any Material Related Party Transaction

b. Nature of contracts / arrangements / transactions: Not Applicable

c. Duration of the contracts / arrangements / transactions: Not Applicable.

d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

e. Date(s) of approval by the Board, if any: Not Applicable

f. Amount paid as advances, if any: Nil

On behalf of the Board

Place: Kolkata
Date: 18th August, 2020

Subhash Chand Sethi
Chairman

ANNEXURE - 3**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20 (Pursuant to Section 135 of the Companies Act, 2013)**

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee	Refer Corporate Social Responsibility section of the Directors Report.
2.	Average net profit of the Company for last three financial year	₹ 4,047.77Lakh
3.	Prescribed CSR Expenditure (2% of the amount as in item 2 above)	₹ 80.96 Lakh
4.	Detail of CSR spent during the financial year.	
(a)	Total amount to be spent for the financial year	₹ 80.96 Lakh
(b)	Amount unspent, if any	₹ 204.55 Lakh*
(c)	Manner in which the amount spent during the financial year 2019-20	Details given below

(Rs in Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or Activity identified	Sector in which the project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where project or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Subhead: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent Direct or through implementing agency
01.	Contribution towards promotion of education and health care	Promoting health care under clause (i) of Schedule VII of the Companies Act, 2013 and Promoting education under clause (ii) of Schedule VII of the Companies Act, 2013		80.96	NIL	NIL	Indirect

*Out of total unspent amount of ₹ 204.55 Lakhs as on 31.03.2020 ₹ 123.59 Lakhs pertains to prior financial years, which were contributed by the company by way of donation, however the same stand unspent as on 31.03.2020 as the donee trust could not presented the donation cheques. The above contribution could not be made due fund crisis having negative cash flow.

Sushil Kumar Sethi
Managing Director

Prem Singh Rana
Chairman - CSR Committee

ANNEXURE - 4**Form No. MGT-9
EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2020**

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

I REGISTRATION & OTHER DETAILS

i)	CIN	L40106DL1981PLC012228
ii)	Registration Date	27.08.1981
iii)	Name of the Company	SPML Infra Limited
iv)	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
v)	Address of the Registered office	F-27/2, Okhla Industrial Area Phase-II, New Delhi-110020 Ph No: +91-11-26387091 Email: info@spml.co.in; Website: www.spml.co.in;
vi)	Whether listed company (Yes/No)	Yes (listed on BSE Ltd. and National Stock Exchange of India Ltd.)
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd, 23, R N Mukherjee Road, 5th Floor, Kolkata- 700001 Contact : 033-22482248/2243-5809; Fax: 033-22484787 Email: mdpldc@yahoo.com website: www.mdpl.in

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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Construction & maintenance of water main & line connection, water reservoirs including irrigation system (canal) / Construction & repair of sewer systems including sewage disposal plants & pumping stations.	42204 / 42205	61.22%
2	Construction and maintenance of power plants / Construction/erection & maintenance of power, telecommunication & transmission lines	42201 / 42202	22.81%
3	Trading of Iron & steel	47990	15.97%

III PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Allahabad Waste Processing Company Ltd. 5th Floor, Corporate Block, Tower B1, Golden Enclave, HAL Old Airport Road, Bangalore - 560017	U90000KA2010PLC118807	Subsidiary	95.02	2(87)
2	Bhagalpur Electricity Distribution Company Pvt. Ltd. 22, Abanindra Nath Thakur Sarani, Block A, 3rd Floor, Kolkata - 700016	U40300WB2013PTC193917	Wholly Owned Subsidiary	99.99	2(87)
3	Doon Valley Waste Management Pvt. Ltd. 5th Floor, Corporate Block, Tower B1, Golden Enclave, HAL Old Airport Road, Bangalore Bangalore- 560017	U90000KA2011PTC120218	Subsidiary	87.49	2(87)

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
4	Madurai Municipal Waste Processing Company Pvt. Ltd. Survey No. 625, Vellaikkal Village, Perungudi Post, Madurai, Tamil Nadu-625022	U74999TN2008PTC066715	Subsidiary	92.33	2(87)
5	Luni Power Company Pvt. Ltd. Near Chimbhaar Home Stay Chimbhaar, P.O Geetapeeth Palampur Kangra HP 176061	U40101HP2001PTC028999	Subsidiary	43.62	2(87)
6	Mathura Nagar Waste Processing Company Ltd. 5th Floor, Corporate Block, Tower B1, Golden Enclave, HAL Old Airport Road, Bangalore Bangalore- 560017	U90001KA2010PLC119486	Subsidiary	90.25	2(87)
7	Mizoram Infrastructure Development Company Ltd. C/O Zoram Industrial Development Corporation Ltd, New Secretariat Complex, Khatla, Aizawl-796001, Mizoram	U45201MZ2014PLC008277	Subsidiary	68.99	2(87)
8	SPML Infrastructure Ltd. Golden Enclave, Corporate Block, Tower B1 5th floor, HAL Old Airport Road Bengaluru Bangalore- 560017	U45201KA2007PLC043613	Wholly owned Subsidiary	99.99	2(87)
9	SPML Utilities Ltd. B-Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001	U90000KA2008PLC046115	Wholly owned Subsidiary	99.99	2(87)
10	SPMLIL-Amrutha Constructions Pvt. Ltd NO.384/A, SINDHURA APPARTMENTS RMV II STAGE, II BLOCK, ASHWATHNAGAR BANGALORE Bangalore-560094	U45309KA2018PTC110677	Subsidiary	50.99	2(87)
11	Awa Power Company Pvt. Ltd. Near Chimbhaar Home Stay Chimbhaar, P.O Geetapeeth Palampur Kangra HP 176061	U45202HP2001PTC029000	Associate	17.62	2(6)
12	Binwa Power Company Pvt. Ltd. Near Chimbhaar Home Stay Chimbhaar, P.O Geetapeeth Palampur Kangra HP 176061	U45202HP1990PTC029003	Associate	50.29	2(6)
13	Delhi Waste Management Ltd. F-27/2, Okhla Industrial Area, Phase II, New Delhi-110020	U74999DL2005PLC131954	Associate	49.39	2(6)
14	IQU Power Company Pvt. Ltd. Near Chimbhaar Home Stay Chimbhaar, P.O Geetapeeth Palampur Kangra HP 176061	U45202HP2001PTC029002	Associate	19.05	2(6)
15	Neogal Power Company Pvt. Ltd. Near Chimbhaar Home Stay Chimbhaar, P.O Geetapeeth Palampur Kangra HP 176061	U45202HP2001PTC029001	Associate	17.08	2(6)
16	SPML Energy Ltd. B- Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001	U40102KA2007PLC042238	Associate	48.02	2(6)
17	Subhash Kabini Power Corporation Ltd. B-Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001	U85110KA1997PLC021764	Associate	30.11	2(6)

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
18	Bhilwara Jaipur Toll Road Pvt. Ltd. Om Tower, Church Road, MI Road, Jaipur - 302001, Rajasthan	U45203RJ2010PTC031427	Associate	51.00	2(6)
19	Sanmati Infra Developers Pvt. Ltd. Golden Enclave, Corporate Block, Tower B1 5th floor, HAL Old Airport Road Bengaluru Bangalore-560017	U55103KA2006PTC040751	Associate	25.00	2(6)
20	SPML Bhiwandi Water Supply Infra Ltd. 4th Floor, CTS No. 16/4, Supreme House, Jain Mandir Road, Powai, Opp. I.I.T. Main Gate, Mumbai Mumbai City MH- 400076	U41000MH2008PLC182757	Associate	44.94	2(6)
21	SPML Bhiwandi Water Supply Management Ltd. 4th Floor, CTS No. 16/4, Supreme House, Jain Mandir Road, Powai, Opp. I.I.T. Main Gate, Mumbai Mumbai City MH- 400076	U41000MH2008PLC182813	Associate	49.94	2(6)
22	Aurangabad City Water Utility Co. Ltd. 6th Floor, Kohinoor City, Kirol Road, Kurla (W), Mumbai MH 400070	U41000MH2011PLC219120	Joint Venture	40.01	2(6)
23	Hydro-Comp Enterprises (India) Ltd. B- Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001	U74140KA2007PTC043739	Joint Venture	50.00	2(6)
24	Gurha Thermal Power Company Ltd. J-28 , Subhash Marg C-Scheme Jaipur Jaipur RJ 302001 I Rajasthan	U40109RJ2009SGC028694	Joint Venture	50.00	2(6)
25	Malviya Nagar Water Services Pvt Ltd A-1/132 Lower Grd Floor, Safdarjung Enclave, New Delhi - 110029	U93000DL2012PTC273064	Joint Venture	26.00	2(6)
26	MVV Water Utility Pvt. Ltd. F-27/2, Okhla Industrial Area, Phase II, New Delhi - 110020	U41000DL2012PTC241599	Joint Venture	48.08	2(6)
27	Siddartha - Mahavir SPML NaviPeth, Jalgaon - 425 001	N.A	Joint Venture	10.00	2(6)
28	SPML - CISC JV 22 Camac street, Kolkata - 700016	N.A	Joint Venture	50.00	2(6)
29	SPML - Simplex JV 27 Shakespeare Sarani Kolkata -700017	N.A	Joint Venture	50.00	2(6)
30	SPML - HCIL JV 22 Camac street, Kolkata 700 016	N.A	Joint Venture	100.00	2(6)
31	SUEZ - SPML JV Unitech Business Park Tower A (Second Floor) South City-I - Gurgaon 122001	N.A	Joint Venture	48.00	2(6)
32	M&P + Subhash JV	N.A	Joint Venture	40.00	2(6)
33	SPML-OM Metal JV (Ujjain)	N.A	Joint Venture	50.00	2(6)
34	Shristi SPML JV	N.A	Joint Venture	26.00	2(6)
35	JWIL SPML JV	N.A	Joint Venture	30.00	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6565240	-	6565240	17.91	6565240	-	6565240	17.91	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	7436020	-	7436020	20.29	7436020	-	7436020	20.29	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	14001260	-	14001260	38.20	14001260	-	14001260	38.20	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	14001260	-	14001260	38.20	14001260	-	14001260	38.20	-
B. PUBLIC SHAREHOLDING									
1) Institutions									
a) Mutual Funds	-	13000	13000	0.04	-	-	-	-	-0.04
b) Banks/FI	7252417	-	7252417	19.79	4982896	-	4982896	13.60	-6.19
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investors	224937	-	224937	0.62	-	-	-	-	-0.62
a) State Govt.	-	-	-	-	-	-	-	-	-
b) Venture Capital Fund	-	-	-	-	-	-	-	-	-
c) Insurance Companies	-	-	-	-	-	-	-	-	-
d) FIIS	-	-	-	-	-	-	-	-	-
e) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	7477354	13000	7490354	20.45	4982896	-	4982896	13.59	-6.84
2) Non Institutions									
a) Bodies Corporate									
i) Indian	4362356	9005	4371361	11.93	5233896	9005	5242901	14.31	2.38
ii) Overseas	5493876	-	5493876	14.99	5493876	-	5493876	14.99	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	3561920	163166	3725086	10.16	5180344	149776	5330120	14.54	4.38
i) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	769519	-	769519	2.10	1070606	-	1070606	2.92	0.82
c) Others (specify)									
i) Clearing Member	447454	-	447454	1.22	16018	-	16018	0.04	-1.18
ii) Non-Resident Individual	144509	-	144509	0.39	306338	-	306338	0.84	0.44
iii) NBFC's registered with RBI	596	-	596	0.00	-	-	-	-	0.00
iv) IEPF	139261	-	139261	0.38	139261	-	139261	0.38	-
v) Trust	67000	-	67000	0.18	67000	-	67000	0.18	-
SUB TOTAL (B)(2):	14986491	172171	15158662	39.51	17507339	158781	17666120	48.20	-0.01
Total Public Shareholding (B)= (B)(1)+(B)(2)	22463845	185171	22649016	61.80	22490235	158781	22649016	61.80	0.00
C. Shares held by Custodian for GDRs&ADRs									
Grand Total (A+B+C)	36465105	237831	36650276	100.00	36491495	158781	36650276	100.00	0.00

i) Share Holding of Promoters

SI No	Shareholders Name	Shareholding at the beginning of the year			Shareholding 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	Anil Kumar Sethi	1775780	4.85	100.00	1775780	4.85	100.00	-
2	Subhash Chand Sethi	1523280	4.16	100.00	1523280	4.16	100.00	-
3	Sushil Kumar Sethi	1056985	2.88	100.00	1056985	2.88	100.00	-
4	Deepak Sethi	582250	1.59	100.00	582250	1.59	100.00	-
5	Punam Chand Sethi	494625	1.35	-	494625	1.35	-	-
6	Punam Chand Sethi (HUF)	372735	1.02	-	372735	1.02	-	-
7	Anil Kumar Sethi (HUF)	334735	0.91	100.00	334735	0.91	100.00	-
8	Suman Sethi	183735	0.50	100.00	183735	0.50	100.00	-
9	Shilpa Sethi	181515	0.50	100.00	181515	0.50	100.00	-
10	Vineeta Sethi	59600	0.16	100.00	59600	0.16	100.00	-
11	Zoom Industrial Services Ltd	2500000	6.82	100.00	2500000	6.82	100.00	-
12	SPML India Ltd	2119055	5.78	100.00	2119055	5.78	100.00	-
13	20th Century Engineering Ltd	1000000	2.73	100.00	1000000	2.73	100.00	-
14	SPM Engineers Ltd	500000	1.36	1.36	500000	1.36	100.00	-
15	International Constructions Ltd	880945	2.40	100.00	880945	2.40	100.00	-
16	Arihant Leasing And Holding Ltd	436020	1.19	100.00	436020	1.19	100.00	-
Total		14001260	38.20	93.81	14001260	38.20	93.81	-

iii) Change in Promoters' Shareholding (please Specify, if there is no change)

During the year under review there is no change in the Shareholding of the Promoter's of the Company.

iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI No	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Client Rosehill Ltd.	5493876	14.99	5493876	14.99
2	Canara Bank	1751336	4.79	1751336	4.79
3	Udgam Commercial Ltd.	1706906	4.66	1706906	4.66
4	ICICI Bank Ltd.	1145406	3.12	1145432	3.13
5	Techno Mechanical Services Pvt. Ltd.	728982	1.99	728982	1.99
6	Monet Securities Private Ltd	12946	0.04	584887	1.60
7	Syndicate Bank	555797	1.52	555797	1.52
8	Punjab National Bank	495854	1.35	495854	1.35
9	Squaricle Innovations Private Limited	230530	0.63	400000	1.09
10	Harsh Rohitbhai Patel	388641	1.06	388641	1.06

(v) Shareholding of Directors & KMP

SI No	For Each of the Directors & KMP	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
1	Subhash Chand Sethi (Whole-time-Director)				
	At the beginning of the year	1523280	4.12	1523280	4.12
	Change During the year		NIL		
	Date		Not Applicable		
	Reason		Not Applicable		
	At the end of the year	1523280	4.12	1523280	4.12
2	Sushil Kumar Sethi (Managing Director)				
	At the beginning of the year	1056985	2.88	-	-
	Change During the year		NIL		
	Date		Not Applicable		
	Reason		Not Applicable		
	At the end of the year	1056985	2.88	1056985	2.88
3	Laxmi Narayan Mandhana (Company Secretary & CFO)				
	At the beginning of the year		NONE		
	Change During the year				
	Date				

v) INDEBTEDNESS

SI No	Indebtedness of the Company including interest outstanding/accrued but not due for payment	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
i)	Principal Amount	1,11,529.47	17,553.07	-	1,29,082.54
ii)	Interest due but not paid	48.05	-	-	48.05
iii)	Interest accrued but not due	5.63	-	-	5.63
	Total (i+ii+iii)	1,11,583.15	17,553.07	-	1,29,136.22
2	Change in Indebtedness during the financial year				
	Additions	17,631.48	-	-	17,631.48
	Reduction	-	196.17	-	196.17
3	Net Change	17,631.48	196.17	-	17,435.31
4	Indebtedness at the end of the financial year				
i)	Principal Amount	1,29,214.63	17,356.90	-	1,46,571.53
ii)	Interest due but not paid	111.21	-	-	111.21
iii)	Interest accrued but not due	4.03	-	-	4.03
	Total (i+ii+iii)	1,29,329.87	17,356.90	-	1,46,686.77

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

SI No	Particulars of Remuneration	Name of Director		Total
		Name of Whole Time Director Subhash Chand Sethi (₹)	Name of Managing Director Sushil Kumar Sethi (₹)	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,15,20,000	1,15,20,000	2,30,40,000
2	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6,40,000	6,40,000	12,80,000
3	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
4	Stock option	-	-	-
5	Sweat Equity	-	-	-
6	Commissionas % of profit	-	-	-
7	others : Housing	-	-	-
8	Others, please specify	-	-	-
	Total (A)	1,21,60,000	1,21,60,000	2,43,20,000

B. Remuneration to other directors:

SI No	Name	Sitting Fees (₹)	Commission (₹)	Total Compensation (₹)
I Non-Executive Directors				
1	Mr. Deepak Sethi*	-	-	-
	Total (I)	-	-	-
II Independent Directors/ Nominee Directors				
1	Mr. Prem Singh Rana	3,40,000	-	3,40,000
2	Mr. Sarthak Behuria**	1,90,000	-	1,90,000
3	Dr. Dinesh Kumar Goyal	3,00,000	-	3,00,000
4	Mrs. Pavitra Joshi Singh	2,10,000	-	2,10,000
5	Mr. Supriyo Kumar Chaudhuri***	1,20,000	-	1,20,000
	Total (II)	11,60,000	-	11,60,000
	Grand Total (I + II)	11,60,000	-	11,60,000

*Vacated the Office of Director w.e.f 12.11.2019

**Resigned from the Board w.e.f 06.02.2020

*** Resigned from the Board w.e.f 11.09.2019

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

SI No	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
		Abhay Raj Singh Company Secretary* (₹)	Sujit Kumar Jhunjhunwala CFO** (₹)	Laxmi Narayan Mandhana Company Secretary & CFO***	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	5,79,324	8,68,803	35,92,904	50,41,031
2	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-

SI No	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
		Abhay Raj Singh Company Secretary* (₹)	Sujit Kumar Jhunjhunwala CFO** (₹)	Laxmi Narayan Mandhana Company Secretary & CFO***	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission, as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	5,79,324	8,68,803	35,92,904	50,41,031

* Ceased to be Company Secretary w.e.f close of business hours on 31st July, 2019

** Ceased to be CFO of w.e.f 14th August, 2019

*** Appointed as Company Secretary & CFO w.e.f 14th August, 2019

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:

SI No	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ CLB/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY						
	Penalty			N. A		
	Punishment					
	Compounding					
B. DIRECTORS						
	Penalty			N.A.		
	Punishment					
	Compounding					
C. OTHER OFFICERS IN DEFAULT						
	Penalty			N.A.		
	Punishment					
	Compounding					

Subhash Chand Sethi
Chairman

Laxmi Narayan Mandhana
Company Secretary

ANNEXURE - 5**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1. Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:**

Median remuneration of all employees of the Company for Financial Year 2019-20	4,25,000
The percentage increase in median remuneration of employees in the Financial Year	20%
The number of permanent employees on the rolls of Company as on 31st March, 2020	411

2. The percentage of increase in the remuneration of each Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year:

(₹ In Lakhs)

Name of Director	Remuneration for financial Year 2019-20	Remuneration for financial Year 2018-19	% increase in remuneration in the Financial Year 2019-20	Ratio of Remuneration to median remuneration of all employees
Independent Directors				
Mr. Prem Singh Rana ¹	-	-	-	-
Mrs. Pavitra Joshi Singh ¹	-	-	-	-
Dr. Dinesh Kumar Goyal ¹	-	-	-	-
Executive Directors/KMP				
Mr. Subhash Chand Sethi	121.60	188.69	-	-
Mr. Sushil Kumar Sethi	121.60	188.65	-	-
Mr. Abhay Raj Singh ²	5.79	24.00	-	-
Mr. Sujit Jhunjhuwala ²	8.69	26.09	-	-
Mr. Laxmi Narayan Mandhana ³	35.93	-	-	-

¹Except sitting fees there was no remuneration or commission was paid to Independent directors²Mr. Abhay Raj Singh Company Secretary and Mr. Sujit Jhunjhuwala Chief Financial Officer resigned from the company w.e.f 31st July, 2019 and 14th August, 2019 respectively.³ Mr. Laxmi Narayan Mandhana appointed as the Company Secretary & Chief Financial Officer of the Company w.e.f 14th August, 2019.**3. During the financial year 2019-20 the median remuneration of all the employees was increased by 20%. The total remuneration of the KMPs for the financial year 2019-20 was ₹ 293.61 lakh as against ₹ 427.43 lakh in the previous year.****4. Remuneration is as per the remuneration policy of the Company.**

ANNEXURE - 6**Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1. Names of top ten employees in terms of remuneration drawn during the Financial Year 2019-20**

SI No	Name	Designation	Remuneration	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment
1	Abhinandan Sethi	Chief Operating Officer	1,05,12,900	BBA	8.3	01.12.2011	32	SPML Infra Ltd.
2.	Amitava Basu	Executive Vice President- Projects	60,00,000	M Tech - Electrical	29.7	01.08.1995	55	Consolidated Energy Consultant Ltd
3	Laxmi Narayan Mandhana	Company Secretary & Chief Financial Officer	55,00,008	CA & CS	25	09.07.2019	56	JIS Group
4	Malay Kanti Chakraborti	Executive Vice President	50,00,002	DCE	30.6	02.06.1998	51	Batliboi Ltd
5	Gaddam Govardhan	Vice President- Corporate	3,630,048	MBA-MGT/ PGDPM	32.03	16.04.2014	56	Mac Donald Pvt. Ltd.
6	D P Mukherjee	Vice President- Projects	3,030,684	DCE	32.6	18.12.1991	58	Enertek Engineering
7	Visveshwaraiah O	Vice President	2,640,001	ME- Structures	30	04.07.1994	52	Balaji construction
8	Sujit Kumar Jhunjhunwala	Chief Finance Officer	2,608,500	CA	29	29.03.2017	53	Khetan Financial Services Pvt. Ltd.
9	Pritam Laha	General Manager- Projects	2,600,000	BE- Civil	30	19.02.2019	54	JMC Project Inida Ltd.
10	Sunil Mall	General Manager- Finance & Accounts	2,475,000	CA,CS & CFA	13	03.04.2017	33	JIS Group

Notes:

- The nature of employment in all cases is contractual
- None of the employee held any equity shares in the Company as cited in Clause (iii) of Rule 5(2)
- Except Mr. Abhinandan Sethi, son of Mr. Subhash Chand Sethi, Chairman & Whole Time Director of the Company none of the employees mentioned above is a relative of any Director or Manager of the Company

2. Name of the employees who are in receipt of aggregate remuneration not less than Rupees One Crore and Two Lakh during the financial Year 2019-20

Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment/ Position Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. Abhinandan Sethi	32	Chief Operating Officer	1,05,12,900	BBA	8.3	01.12.2011	SPML Infra Ltd.

3. Name of the employees who are in receipt of aggregate remuneration not less than Rupees Eight lakh and Fifty Thousand employed during the part of the financial Year 2019-20

Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment/ Position Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. Laxmi Narayan Mandhana	56	Company Secretary & Chief Financial Officer	55,00,008	CA & CS	25	09.07.2019	JIS Group

On behalf of the Board

Place: Kolkata
Date: 18th August, 2020

Subhash Chand Sethi
Chairman

ANNEXURE - 7**Additional information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rule, 2014.****A. CONSERVATION OF ENERGY****a) Steps taken or impact on conservation of energy**

In Infrastructure industry, most of the equipment are powered by either electrical motor or by fuel oil powered engines. Since most of the work is carried out in remote locations and is subjected to harsh environmental conditions, the rate of depreciation and abnormal wear and tear is very high. The scope of energy efficiency in our industry will be energy conservation through well-planned actions such as quality preventive maintenance, machinery up gradation, modernization and introduction of sophisticated control system.

The Company is using modern fuel efficient machinery, wherever possible, which consumes less time to do a work thereby reducing i) Electric energy & ii) Fuel Oil consumption. The Company has formalized strategies to reduce idle running of machinery, thereby reducing wastage of energy and Fuel Oil consumption.

The company has been able to reduce electrical energy and fuel oil consumption. Though it is not possible to quantify the impact, the measures are expected to result in considerable savings.

b) Steps taken by the Company for utilizing alternate sources of energy

The Company is evaluating for the introduction of alternate source of energy.

c) Capital investment on energy conservation equipment

The Management of the Company continuously upgrades and/or replaces old machinery with new fuel efficient machinery as and when required.

B. Technology Absorption

- i) The Company has adapted state of the art technology, available in the Industry of operation of the Company to derive cost and efficiency benefits.
- ii) Expenditure incurred on Research & Development (R & D)- NIL

C. Foreign Exchange Earnings and Outgo

(₹ in Lakh)

Particulars	2019-20	2018-19
Earnings in Foreign Exchange	-	-
Value of imports (CIF Value)	-	-
Expenditure in Foreign Exchange	-	-

On behalf of the Board

Place: Kolkata
Date: 18th August, 2020

Subhash Chand Sethi
Chairman

ANNEXURE – 8**(a) Statement containing required information pursuant to Section II of Schedule V of the Act for all the Executive Directors in case of Inadequate Profit:****I. General Information****1. Nature of industry**

Erection, Procurement and Construction (EPC)

2. Date or expected date of commencement of commercial production:

Not Applicable

3. Financial performance based on given indicators

Financial year 2019-20	(₹ in Lakh)
Revenue from operations	97,190.26
Profit before Tax	158.29
Profit after Tax	241.80

4. Foreign investments or collaborations, if any.

As of 31st March, 2020 the aggregate number of Equity Shares held by Foreign Company is 54,93,876 Equity Shares of ₹ 2/- each which constitutes 14.99 % of the Paid up Equity Share Capital of the Company.

There is no foreign collaboration for any equity investment.

II. Information about Managerial Personnel**1. Background details****Mr. Subhash Chand Sethi**

Mr. Subhash Chand Sethi is the Chairman and whole-time Director of the Company, having 43 years of experience in contract financing and contract execution and management. He brings with him a wealth of experience in contract financing and contract execution and management. Repeatedly, he has led initiatives under challenging circumstance, complex terrains across the length and breadth of the country. A hard taskmaster, his innovative leadership management is a source of constant inspiration.

Mr. Sushil Kumar Sethi

Mr. Sushil Kumar Sethi is the Managing Director of the Company having rich experience of more than four decades in execution of EPC contracts relating to water supply, power and infrastructure development projects. He is on the Board of the Company since inception in the capacity of Managing Director

2. Past Remuneration

The details of remuneration paid to Mr. Subhash Chand Sethi, Chairman & whole-time Director for the last five financial years is as given below:

Financial year	Total (Annual Salary, Commission, perquisites and Allowances)
2014-15	86,19,000
2015-16	61,44,000
2016-17	75,60,000
2017-18	1,14,57,790
2018-19	1,88,68,849

The details of remuneration paid to Mr. Sushil Kumar Sethi, Managing Director for the last five financial years is as given below:

Financial year	Total (Annual Salary, Commission, perquisites and Allowances)
2014-15	86,19,000
2015-16	61,44,000
2016-17	76,80,000
2017-18	1,19,13,790
2018-19	1,88,68,849

3. Recognition or awards

Not Applicable

4. Job Profile and suitability**Subhash Chand Sethi**

Mr. Subhash Chand Sethi is a graduate and appointed and serves as a Director since 1981. He was appointed as the Chairman & Whole Time Director from 2012 and since then from time to time he has been re-appointed for a period of 5 years.

Mr. Sethi has a vast experience in the field of contract financing and contract execution and management. The Company has immensely benefitted during his tenure as a Director.

Sushil Kumar Sethi

Mr. Sushil Kumar Sethi is a graduate and appointed on the Board of the Company in the year 1981 as the Managing Director of the Company and since then, from time to time, he has been re-appointed for a period of 5 years.

Mr. Sushil Kumar Sethi is having a rich experience of more than four decade in execution of EPC contracts relating to water supply, power and infrastructure development projects

5. Remuneration paid from 01.01.2020:

Subhash Chand Sethi

Sl. No.	Particulars	Details
1.	Basic Salary	₹ 9 Lakh per month
2.	Commission	1% of the net profit of the Company
3.	House Rent Allowance	a) The expenditure incurred by the Company in hiring unfurnished accommodation will be subject to 60% of the Basic Salary, over and above 10% payable by him or 60% of the Basic Salary, as house rent allowance shall be given. b) The expenditure incurred by the Company for gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary.
4.	Medical Reimbursement	Subject to ceiling of one month salary in a year or three month salary over a period of 3 years
5.	Leave Travel Concession	For self and family, once in a year incurred in accordance with the Rules specified by the Company
6.	Reimbursement of Club Fees	Payment of Club Membership fees subject to maximum of three clubs
7.	Personal Accident Insurance	Premium not to exceed ₹ 10,000/- per annum.

Sushil Kumar Sethi

Sl. No.	Particulars	Details
1.	Basic Salary	₹ 9 Lakh per month
2.	Commission	1% of the net profit of the Company
3.	House Rent Allowance	a) The expenditure incurred by the Company in hiring unfurnished accommodation will be subject to 60% of the Basic Salary, over and above 10% payable by him or 60% of the Basic Salary, as house rent allowance shall be given. b) The expenditure incurred by the Company for gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary.
4.	Medical Reimbursement	Subject to ceiling of one month salary in a year or three month salary over a period of 3 years
5.	Leave Travel Concession	For self and family, once in a year incurred in accordance with the Rules specified by the Company
6.	Reimbursement of Club Fees	Payment of Club Membership fees subject to maximum of three clubs
7.	Personal Accident Insurance	Premium not to exceed ₹ 10,000/- per annum.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin)**Mr. Subhash Chand Sethi**

The Nomination and Remuneration Committee and the Board of Directors have felt that considering his contribution to the Company, it is more than appropriate that Mr. Sethi be paid the aforementioned remuneration, in accordance with Schedule V of the Act.

Further, the payment of aforesaid remuneration is reasonable and is subject to the limit of remuneration as per Schedule V of the Act

Mr. Sushil Kumar Sethi

The Nomination and Remuneration Committee and the Board of Directors have felt that considering his contribution to the Company, it is more than appropriate that Mr. Sethi be paid the aforementioned remuneration, in accordance with Schedule V of the Act.

Further, the payment of aforesaid remuneration is reasonable and is subject to the limit of remuneration as per Schedule V of the Act

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Besides the remuneration proposed herein, Mr. Subhash Chand Sethi and Mr. Sushil Kumar Sethi do not have any other pecuniary relationship with the Company.

III. Other Information

1. Reasons of loss or inadequate profits

The Company is going through financial distress having cash flow mismatch. The sanction limit wise support not received from the Bank. Bank is not providing BGs so that Company could participate in the tender. Further, the On-going Covid-19 also impacted the operations of the Company.

2. Steps taken or proposed to be taken for improvement

The management of the Company is taking every possible step to improve the operations of the Company. Discussions with bank on Resolution Plan is going on, on a positive note

3. Expected increase in productivity and profits in measurable terms

The Company has been working on various strategic initiatives to infuse additional liquidity and turn around operations of the Company. As Company is an EPC Company, therefore, the Company is taking an additional care to choose and bid the Projects.

On behalf of the Board

Place: Kolkata
Date: 18th August, 2020

Subhash Chand Sethi
Chairman

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

India is at a decisive point in its journey towards prosperity. The economic crisis sparked by COVID-19 pandemic could spur reforms that return the economy to a high-growth track and create job opportunities for millions of people in coming years. The new reform agenda that could be implemented in the next 12 to 18 months will increase productivity keeping India in the ranks of the global outperforming emerging economies. Over the past three decades, India has outpaced many other global economies, propelling the country into the ranks of just 18 outperforming emerging economies that achieved robust and consistent high growth over that period. Yet India's economy was already stalling and showing signs of structural weaknesses even before the COVID-19 crisis.

The impact and spread of Pandemic COVID-19 on global trade and supply chains has significantly undermined the growth prospects of world trade and economy. As per the recent forecast by IMF, the global economy is projected to contract sharply by -3 per cent in 2020, much worse than during the 2008-09 financial crises. For Indian economy too, the times are challenging as the outbreak of COVID-19 has impacted the country's manufacturing, trade and economic growth.

On the market front, most of the key international indices exhibited an increasing trend. India's SENSEX registered a maximum increase of 14 per cent among the other major indices, as on 30th April 2020 as compared to 31st March 2020, followed by US DJIA, which increased by 12 per cent, Germany's DAX that increased by 12 per cent, Japan's NIKKEI with an increase of 7 per cent and China's SHSZ which registered a rise of 6 per cent. Trade balance in major economies in the global ecosystem recorded a mixed trend. While trade deficit of UK widened; Russia trade surplus narrowed; US, India and Canada's trade deficit declined; Brazil's trade surplus widened.

World Bank's report on Global Economic Prospects

The World bank in its June 2020 analysis of the global economic prospects have highlighted that the COVID-19 pandemic has spread with astonishing speed to every part of the world and infected millions of people from developed economy to the poor countries. The health and human casualty is already large and continues to grow, with hundreds of thousands of deaths and many more suffering from diminished prospects and disrupted livelihoods. The pandemic represents the largest economic shock the world economy has witnessed in decades, causing a collapse in global activity. According to World Bank's report the global GDP growth is forecasted at -5.2 per cent in 2020, the deepest global recession in eight decades, despite unprecedented policy support. But the economy is projected to

be rebounding as global growth is projected at 4.2 per cent in 2021.

The International Monetary Fund's (IMF) World Economic Outlook has estimated that COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary lockdown measures are severely impacting economic activity. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. And internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including helping financially constrained countries facing twin health and funding shocks, and for channelling aid to countries with weak health care systems.

Indian Economic Scenario

Prime Minister Shri Narendra Modi has laid down India's vision to become a US\$5 trillion economy by 2024, and to achieve this goal India needs to shift its gears to accelerate and sustain a real GDP growth rate of 8 per cent annually. Such growth can only be sustained by a virtuous cycle of savings, catalysing investment and exports and supported by a favourable demographic phase. Indian economy that had begun to regain momentum with clear signs of uptick in consumption and investment towards the end of Q3 of 2019-20, only to be halted by COVID-19 disruptions that made government enforcing country-wide lockdown in late March 2020. Green shoots had appeared with Index of Industrial Production (IIP), Index of Core Industries (ICI) and merchandize exports rebounding with positive growth in February 2020 along with signs of revival in consumer sentiment. However, sharp negative growth of merchandize exports and imports in March 2020 gave first signs of distress having already entered the country's economic space. With the imposition of lockdown from 24th March, FY 2019-20 closed with a seven-day period of economic inactivity. Besides trade, negative growth in IIP and ICI indices and particularly the decline in electricity generation in March 2020, reflected the economic adversity of the lockdown.

As the lockdown continued, manufacturing and services activity came to a standstill in April and May 2020 resulting in supply side disruptions and demand falling to unprecedented lows that fed into PMI indices going into a free fall. A huge decline in railways freight traffic for April 2020 gave clear evidence that economic inactivity was indeed widespread both

across regions and sectors. Agriculture and allied activities, however, showed continued resilience on the back of all-time production highs and huge buffer stocks of rice and wheat. Above normal rains predicted for 2020-21 also boded well for agricultural production. Amid severe COVID-19 induced supply chain disruptions, harvesting and procurement operations gathered momentum with an active FCI and supportive railways increasing volumes of transferred food grains. The overall inflation outlook remains benign with economic inactivity leading to a broad-based deceleration in price pressures, particularly energy. On the external front, the rupee weakened against the dollar with sharp foreign portfolio investor (FPI) outflows. Yet, rupee outperformed its emerging market peers displaying a new found resilience in the forex market. Further, rupee depreciation did not inflate crude oil import bill as its price crashed in global markets.

As a considerable drop in domestic economic activity significantly curtailing imports, India's current account balance may generate a small surplus in the first quarter of 2020-21. India's CAD is also supported by low levels of external debt servicing. RBI responded to the economic fallout of the lock down by significantly cutting the repo and the reverse repo to a greater extent to discourage banks from parking funds with it. In addition, it flushed the Indian banking system with liquidity in April 2020. Banks responded by cutting their base lending rates and Marginal Cost of Lending Rate (MCLR) but credit to commercial sector continued to see muted growth. Credit creation was possibly limited by public holding more cash for meeting emergencies and continued risk aversion of banks with their preference to park excess funds with RBI. Yet, excess liquidity in the banking system remained high, showing up in the steepening of yield curve in April 2020.

Government of India has so far responded with two stimulus packages, first in late March 2020 and another on 12th May, 2020. The Central government's borrowing program for FY 2020-21 has been raised by more than half to ₹ 12 lakh crore. Subscription to market borrowings by FPIs is likely to be tepid if their present trend of selling-off India's equity and debt were to persist. Further, continued injection of liquidity or surplus liquidity situation will ensure that interest cost of government debt remains low with continuous softening of yields. Indian benchmark equity indices recorded largest gains in April 2020 after plummeting in March 2020, buoyed by optimism over lockdown easing in major global economies, stimulus packages by Central Banks and governments, expanding business activity in China and encouraging COVID-19 drug trial results in the US. IMF has projected India's GDP growth in FY 2020-21 at 1.9 per cent and 7.4 per cent a year later. Government is aware of the severity of lockdown on economic activity in the country and is cautiously optimistic about the revival of growth later in the year.

Construction Industry

The construction industry, and its broader ecosystem, erects buildings, infrastructure, and industrial structures that are

the foundation of our economies and are essential to our daily lives. It has successfully delivered ever more challenging projects, from undersea tunnels to skyscrapers. However, the industry also has performed unsatisfactorily in many regards for an extended period of time. The COVID-19 pandemic may be yet another crisis that wreaks havoc on an industry that tends to be particularly vulnerable to economic cycles.

External market factors, combined with fragmented and complex industry dynamics and an overall aversion to risk, have made changes both difficult and slow. The COVID-19 crisis looks set to dramatically accelerate the ecosystem's disruption that started well before the crisis. In such times, it is more important than ever for actors to find a guiding star for what the next normal will look like in the aftermath and make the bold, strategic decisions to emerge as a winner. Many studies have examined individual trends such as modular construction and sustainability. The research in the field provides an assessment of how the full array of disruptive trends will combine to reshape the industry in earnest.

Construction is the biggest industry in the world, and yet, even outside of crises, it is not performing well. The ecosystem represents 13 per cent of global GDP, but construction has seen a meagre productivity growth of just 1 per cent annually for the past two decades. Time and cost overruns are the norm, and overall earnings before interest and taxes (EBIT) are only around 5 per cent despite the presence of significant risk in the industry.

A combination of sustainability requirements, cost pressure, skills scarcity, new materials, industrial approaches, digitalization, and a new breed of player looks set to transform the value chain. The shifts ahead include productivity and specialization, increased value-chain control, and greater customer-centric and branding activity. Consolidation and internationalization will create the scale needed to allow higher levels of investment in digitalization, R&D and equipment, and sustainability as well as human capital.

The COVID-19 crisis will accelerate change that has already started to occur at different form and scale. Study suggests that the industry will look radically different five to ten years from now. The concrete signs of change are already visible, for example, the permanent modular-construction market share of real-estate construction projects has seen good growth since 2015, R&D spending among the top 2,500 construction companies globally has risen by approximately 77 per cent since 2013, and a new breed of player has emerged to lead the change. The industry trend shows that COVID-19 will lead to an acceleration of the transformation.

The remote working and technical control over things have become more relevant now than ever. The construction industry which is working on traditional methods with insignificant automation and digitalization has started understanding the role of digital technologies. They are no longer mere tools to making things a bit better; they have now fundamentally

changed the way business is done. Digitization permeates every part of a construction business and the industry is aware of the importance of it. The problem lies with adoption and level of implementation. Other industries like manufacturing, medical, music, media, finance and telecommunication services have adopted it in early stage and they reaped the benefits.

The construction industry is considered the least digitalized but with the new development after the COVID-19 outbreak, it is estimated that within the next three to five years there will be a good integration of digital technologies including Internet of Things (IoT), Cloud Computing, BIM, Machine Learning, 3D Printing and Robotics in its workflows. In today's highly competitive world, companies are increasingly being expected to deliver high quality construction projects on time to their clients and provide world class solutions for the requirement. A large majority of companies in the construction field now recognize how non-digitization of processes is affecting every part of their business. The project tendering in India is becoming more digital with e-tendering for most of the government projects as it ensures contract award process is more transparent and efficient. The added advantage with electronic tendering is that it reduce costs of the entire process while increasing efficiency and saving on time. Government has adopted e-procurement solutions for competitive bidding and awarding bids to the lowest bidder meeting specification. This is also helping construction material suppliers to contribute their products to planning processes via digital channels that are a critical success factor and digital platforms are growing in significance for all construction projects procurement.

The next wave of digitization is coming through newer technologies including general ledger technologies like blockchain, automation, and smart artificial-intelligence (AI) that will revolutionize the construction industry as the post pandemic there will be high desire of contact less working with much lesser human intervention to produce better results in less time. The future of construction industry lies in digitalization and automation and those companies that move early to develop and implement their digitization strategy will be the winners as the construction industry goes digital.

The Government of India is very concerned about the impact of raging pandemic in the country. The immediate focus is supporting the doctors and nurses, healthcare warriors, police and administration, as well as ensuring that hospitals and homes have uninterrupted power and water supplies, waste is properly collected and disposed, and food is available to people. Apart from these immediate concerns, it has set up the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) to deal with any kind of emergency arising out of the COVID-19 outbreak and to provide immediate relief to the affected.

But it is going to be a defining event for the government to implement the long-awaited measures in the areas of infrastructure development, labour policy reforms, digitalization of business, technological advancement, privatization of assets

and utility services through which more resilient business models will be developed. The Government of India is taking all necessary steps to protect Indian industry from the threat and announced ₹1.7 lakh crore relief package for those being impacted by the COVID-19 lockdown. The state governments have been asked to use the Building and Construction Workers Welfare Fund to provide relief to construction workers and the relief under the Pradhan Mantri Kisan Yojana will be reaching to over 87 million farmers for their sustenance during the period. The toll collection period in contracts is likely to be extended to compensate operators, moratorium for loan payments, reducing late payment surcharge for discoms, ₹ 150 billion package to enhance the healthcare infrastructure, extension of the existing foreign trade policy (2015-20) for one year till March 31, 2021, extending the timeline for filing financial results and compliance requirements to companies are some other positive initiatives.

The government and RBI are working to combat the slowing GDP growth and help the construction sector as it forms the backbone of several other sectors. The EPF contribution by the Government for some segments of workers in the organized sector will help the affected work force to handle the challenges of the lockdown more conveniently. The RBI has come out with more relief measures for distressed businesses including a long term moratorium on debt repayments and redefinition of non-performing assets for giving an opportunity for distressed businesses across sectors. It is expected that the government and development agencies should increase the spending on infrastructure projects as soon as the situation becomes normal to reinvigorate the industry and regain the momentum of economy. Government of India is likely to announce fresh measures in the coming days, including big-ticket infrastructure projects and policy changes, to make local industry more competitive, as part of efforts to rebuild the economy.

Indian Water Scenario

India, the world's second most populated country is facing severe water crisis in its history. Over 600 million people in the country is currently facing high to extreme water scarcity, alarmed by the policy thinkers at NITI Aayog in its water report last year. It also alerted that the water scenario in the country is distressing and around 100 million people will be affected by the shortage of groundwater in 21 Indian cities including the mega cities of Delhi, Bengaluru, Chennai and Hyderabad. The assessment that about 40 per cent of India's population will have no access to drinking water by 2030 is very alarming.

Inadequate rainfall leading to drought condition and impending water scarcity has become a widespread phenomenon in India. It is a peculiar situation in the country that during summer, there are droughts in major parts of the country whereas during monsoon season, a large part of the country is inundated with flood water. Central Water Commission has issued a drought advisory as water storage in dams and reservoirs are dropping to a critical level in Tamil Nadu and other states including Maharashtra, Gujarat, Karnataka, Andhra Pradesh and Telangana.

It is estimated that India's water demand will exceed supply by two times, indicating severe water scarcity in the country by 2030. In fact, 820 million Indians living in 12 river basins have a per capita water availability close to or lower than 1,000 cubic metres; the official benchmark for water scarcity. The average per capita water availability on the national level is expected to reduce to 1,341 cubic metres by 2025, and touch as low as 1,140 cubic metres by 2050 from the current level of 1,545 cubic metres.

The Composite Water Management Index in its second edition stressed upon developing the strategic tool to assess and improve the performance for efficient management of water resources with focus on policy-oriented decisions. This Niti Aayog report points out that 82 per cent of rural households in India do not have individual piped water supply and 163 million people in the country live without proper access to clean water close to their homes. At the same time, almost 70 per cent of our available water sources is contaminated and about 2,00,000 people die every year due to inadequate access to safe water. With 71 billion litres of wastewater being generated a day in India and continuously growing, the available treatment facility is just a mere 28 billion litres leaving almost 60 per cent of polluted water being released to rivers and other water bodies without any treatment. The situation is expected to worsen as demand for water is continuously increasing with the population growth and high level of economic activities. Considering the intensity of the problem, there is an urgent need to find ways to mitigate the issue of water scarcity and drought.

The water resources in India are under tremendous pressure as rate of groundwater withdrawal is extremely high and unsustainable in comparison to available resources. The current availability of safe drinking water is not sufficient to cater the population demand. The effect of expanding cities, consistent economic activities, and unsustainable agricultural practices will see the demand for fresh water rising exponentially and with limited resources; India may become a water starved nation. The economic effects of mismanaging water resources are well recognized. The United Nation's Intergovernmental Panel on Climate Change report predicts longer period of drought and heavier extreme rainfall. Over-exploitation of groundwater, failure to recharge aquifers, reduction in catchment capacities due to uncontrolled urbanization and no reuse facility for treated wastewater are all causes for the precarious tilt in the water balance. If the present rate of groundwater depletion persists, India will have only 22 per cent of the present daily per capita water available by 2050, possibly forcing the country to import water.

The Indian water sector is quite large in size with a growth rate of about 18-20 per cent per year. There is a vast scope of growth as the Indian water market is estimated to be about ₹ 6.3 trillion in next five years. The much acclaimed 'Jal Jeevan Mission' initiated by the government aims at ensuring potable water supply through functional household tap connections (FHTCs) in adequate quantity (at the rate of 55 litres per person

per day) and of prescribed quality to every rural household of the country on regular and long-term basis by the year 2024. The scheme will benefit all the rural households in the country.

The government is planning an aggressive target of providing piped water to all households by 2024. This indeed is a huge challenge given the massive number of connecting over 140 million remaining rural and urban households in five years' time. Although it is a mammoth task but the intent and funding support for the scheme suggest that the government will be able to achieve this target. This mission will be a game changer as the provision of household tap connection in rural areas will help in removing drudgery of women, especially the girls. It will also improve the ease of living for people and will result in greater economic development in the rural hinterland.

The fund sharing pattern of Jal Jeevan Mission projects between the Centre and states is 90:10 for Himalayan and North-Eastern States, 50:50 for other states, and 100 per cent for Union Territories. The estimated outlay of Jal Jeevan Mission is ₹ 3.60 lakh Crore out of which Central Government will provide ₹ 2.08 lakh Crore. The estimated amount of ₹ 3.60 lakh Crore is proposed to be shared between the Union and State Governments. In addition, to enable individuals, trusts, foundations, corporate and industrial houses to contribute in furthering the objective of the JJM, Rashtriya Jal Jeevan Kosh is being set up. During current year, so far ₹ 8,050 Crore central fund have been made available to states for implementation of Jal Jeevan Mission. In the first quarter of 2020-21, 19 lakh tap connections have been provided in villages across the country. This has happened because of concerted efforts of the states despite adverse working conditions due to Covid-19 pandemic.

National Jal Jeevan Mission is working closely with the states to accomplish the task i.e. 'Har Ghar Jal' in mission mode and in time-bound manner. States are laying emphasis on retrofitting and augmentation of existing water supply schemes to provide household tap connections to remaining households of those villages belonging to poor and marginalized people. States have been asked to start this work in 'campaign mode' as these works could provide household tap connections in least possible time as the basic infrastructure is already in place and the household connections need to be given. States have not only prepared the roadmap to provide household connections for this year, detailed plan has been put in place for complete saturation of all villages by setting a target for themselves.

The mission also aims to ensure a collective effort engaging citizens of the country to achieve Prime Minister's vision of ensuring potable water to every rural household i.e. to make Jal Jeevan Mission, a 'Jan Andolan'- people's movement.

Indian Power Sector

India is becoming an increasingly influential driver in the global power sector. With its energy demand set to double by 2040 and its electricity demand potentially even tripling, it will cement its role as a game-changer in global energy markets. With a

population of 1.4 billion and one of the world's fastest-growing major economies, the Indian government has initiated policies designed to conduct large-scale renewable energy auctions and promote access to oil and gas markets for foreign investors.

The NITI Aayog said that with clear goals in place, the country is making great strides towards affordable, secure and cleaner energy for all its citizens. India is working hard to move towards its aspirations of transforming the energy sector. The report highlights the strong growth of renewables in India, which now account for almost 23 per cent of the country's total installed capacity. It also found that energy efficiency improvements in India avoided 15 per cent of additional energy demand, oil and gas imports, and air pollution – as well as 300 million tonnes of CO² emissions between 2000 and 2018.

In India's renewables-rich states, the share of variable renewables in electricity generation is already above 15 per cent, a level that the IEA says "calls for dedicated policies to ensure they integrate smoothly into the power system". The report also strongly encourages India to institutionalise energy policy coordination across government with a national energy policy framework. NITI Aayog vice-chairman Dr Rajiv Kumar stressed that India's energy goals cannot be achieved without this strong coordination between central and state governments, notably on electricity market design and renewable targets.

The International Energy Agency (IEA) report praises the Indian government for its impressive progress in increasing citizens' access to electricity and clean cooking, as well as a range of energy market reforms and its significant renewables deployment. The study also says India is making great strides towards affordable, secure and cleaner energy and it commends the country for its continuous pursuit of market opening and greater use of market-based solutions through ambitious energy sector reforms. The IEA says increased access to affordable energy has raised the living standards of all segments of the country's population and adds that it believes India now has the institutional framework it needs to attract more investment for its growing energy needs.

By raising the level of its energy efficiency ambition, India could save about \$190 billion per year in energy imports by 2040 and avoid electricity generation of 875 terawatt-hours per year, almost half of India's current annual power generation.

- With a generation of 1,561 terawatt-hour (TWh), India is the third largest producer and the third largest consumer of electricity in the world. Electricity production reached 371.9 GW as of July 2020.
- India ranked sixth in list of countries to make most investment in clean energy at US\$ 90 billion. Renewable energy is fast emerging as a major source of power in India.
- Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.
- Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Indian government's focus on attaining 'Power for all' has accelerated capacity addition in the country.
- India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.
- On the policy and regulatory front, the government and regulatory bodies continued the reform process for improvement in efficiency in various aspects of power supply. Government of India launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to achieve universal household electrification in the country. Under UDAY scheme for financial and operational improvement of Discoms, bonds have been issued by various states for a total amount of ₹ 2,321.6 billion. Ministry of New and Renewable Energy (MNRE) launched competitive bidding for procurement of power from wind projects and so far, bidding for more than 6,000 MW has taken place in four phases.
- The Government of India has targeted to achieve 175 GW renewable energy capacity by 2022, comprising of 100 GW Solar, 60 GW Wind, 5 GW Small Hydro and 10 GW Bio-power (including biomass). Several measures in the renewable energy sector such as (i) Guidelines for Tariff Based Competitive Bidding Process for procurement of power from grid connected solar PV and wind power projects, (ii) Solar-wind hybrid policy are intended to create investment opportunities in the sector.
- With many bilateral nuclear agreements in place, India is expected to become a major hub for manufacturing nuclear reactors and associated components. Foreign participation in the development and financing of generation and transmission assets, engineering services, equipment supply and technology collaboration in nuclear and clean coal technologies is also expected to increase.
- India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come.
- In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.
- Going forward, it is expected that the demand will grow to cater to the continued economic growth of the country, creating more volume in the power market with strengthening of financials of Discoms.

- The demand is also likely to come from shift of usage from fuel to electricity in transport and agriculture sector in particular from distributed generation with solar installations.

Outlook

A clarion call is sounding for India to put growth on a sustainably faster track and meet the aspirations of its growing economic power and increasing workforce. Over the decade to 2030, India needs to accelerate economic development, create new opportunities and build robust and sustainable infrastructure to support the development agenda. The COVID-19 crisis is an urgent reminder that India is at a turning point; it needs to take decisive reform steps to get the economy back to a stronger growth track to boost economic development and creates millions of gainful jobs.

Only a return to rapid and sustained GDP expansion of 8.0 to 8.5 per cent annually that is fuelled by high productivity growth will enable the country to achieve the \$ 5 trillion economy. Experience suggests that this is possible. India has delivered rapid economic growth, productivity increases, and poverty alleviation over much of the past quarter-century, and its innovative companies can help achieve high economic aspirations—if the right policies and incentives for growth are in place. Manufacturing and construction are the two sectors that would need to amplify the most, adding 9.6 and 8.5 per

cent annual GDP growth and 11 million and 24 million jobs respectively from 2023 to 2030.

The three growth boosters foresee an India with a stepped-up global role in manufacturing and services, an efficient and competitive foundation for economic growth, and new ways of living and working that create value. Indian companies would play a critical role in achieving these goals, including through more than 1,000 midsized, dynamic companies that could climb the ladder of scale to become large and more than 10,000 small companies that could become midsized. To enable these opportunities, the centre and state governments would need to adopt a pro-growth reform agenda in product markets of critical sectors like manufacturing and construction, agriculture, retail, and others, and in factor markets like capital, labour, land, and power.

Improving India's regulatory framework for business is a key prerequisite for increasing investment in India. The Government of India has already embarked on an ambitious agenda to improve India's Doing Business rank to under 50 in the forthcoming World Bank's Ease of Doing Business Ranking; however, this effort will only address a small subset of the regulatory burden on investors. Doing Business reforms will only address central regulations, and regulations in Mumbai and Delhi; the rest of the country must also improve simultaneously to convert our reforms into fruitful results.

CORPORATE GOVERNANCE REPORT

1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The principle of Corporate Governance is based on the acceptance by management of the rights of the stakeholders as the true owner of the corporate and of their own status as trustee of the stakeholders. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company philosophy on Corporate Governance is not only about encompassing regulatory and legal requirements but also strives to enhance Stakeholder's value as a whole. The Company is committed to achieve good standards of Corporate Governance on a continuous basis. The Board of SPML has defined a set of corporate governance best practices and guidelines to help fulfill our

corporate responsibility towards our stakeholders. It further ensures the accountability, fairness and transparency in managing the affairs of the Company for maximizing long-term value of the Company. An internal governance structure with defined roles and responsibility has been placed by the Company.

2. BOARD OF DIRECTORS

The Board of Directors of SPML is responsible for good Corporate Governance practices in the Company. The Board provides strategic guidance to the Company and ensures effective monitoring of the management and protects the long and short terms interest of all the stakeholders of the Company.

(a) Composition and Category of Directorship / Chairmanship

The composition of the Board of the Company is in accordance with Regulation 17 of the Listing (Obligations and Disclosures Requirements) Regulations, 2015, which maintains a combination of executive and non-executive directors. As on the date of this report, the Board comprises five Directors, including three Independent Directors. The details of the Directors during as on 31st March 2020 are given below:

SI No	Name of the Directors	Category	Other Directorship ¹	Committee Memberships ²	Committee Chairmanships
1	Mr. Subhash Chand Sethi	Promoter & Executive Director - Whole Time Director, Chairman	12	3	Nil
2	Mr. Sushil Kumar Sethi	Promoter & Executive Director- Managing Director	10	Nil	Nil
3	Mr. Prem Singh Rana	Non- Executive & Independent Director	3	2	2
4	Mr. Dinesh Kumar Goyal	Non- Executive & Independent Director	4	2	Nil
5	Mrs. Pavitra Joshi Singh	Non- Executive & Independent Director	Nil	1	Nil

¹The other directorship excludes the directorship in foreign companies and membership of managing committees of chambers of commerce/professional bodies.

²In accordance with Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/ Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public limited companies (including SPML Infra Limited) have been considered. Membership of Committees includes chairmanship, if any.

Notes:

- None of the Directors except Mr. Subhash Chand Sethi and Mr. Sushil Kumar Sethi is related to any Director.
- During the year, the Company did not have any material pecuniary relationship or transaction with any of the non-executive director's.
- During the year, the Company did not have any material pecuniary relationship or transaction with the Independent Directors other than the payment of fees for attending meetings of the Board and/or its Committee(s).
- None of the non-executive director serves as independent director in more than seven listed companies and none of the Executive or Whole-time Directors serve as independent director in not more than three listed companies.
- Company has appointed Mr. Abhinandan Sethi as an Executive (additional) Director on 12th November, 2019 which would take effect only from the date of approval by the Banks. The company has intimated to the stock exchanges regarding the said/proposed appointment

(b) Attendance of Directors at the meeting of Board of Directors and the last Annual General Meeting:

During the year under review the Board of the Company met five times on 18th May, 2019, 30th May, 2019, 14th August, 2019, 12th November, 2019 and 11th February, 2020 respectively. The maximum time gap between any two consecutive meetings did not exceed more than 120 days in compliance with the provision of Companies Act, 2013 and listing regulations.

SI No	Name of the Directors	No of board meetings held during the tenure of Directors ¹	No. of Board Meetings attended	Whether attended the last AGM
1	Mr. Subhash Chand Sethi	5	5	No
2	Mr. Sushil Kumar Sethi	5	3	Yes
3	Mr. Deepak Sethi ²	3	Nil	No
4	Mr. Prem Singh Rana	5	5	No
5	Mr. Sarthak Behuria ³	4	3	Yes
6	Mr. Dinesh Kumar Goyal	5	5	No
7	Mr. Supriyo Kumar Chaudhuri ⁴	3	3	N.A.
8	Mrs. Pavitra Joshi Singh	5	4	No

¹Excludes the separate meeting of Independent Directors

²Mr. Deepak Sethi vacated from the office of the Director w.e. f. 12.11.2019

³ Mr. Sarthak Behuria resigned from the Board of the Company w.e.f. 06.02.2020

⁴ Mr. Supriyo Kumar Chaudhuri resigned from the Board of the Company w.e.f. 11.09.2019

(c) Name of the other listed entities where a director is director and the category of directorship:

SI No	Name of the Director	Name of Other Listed Entities	Category of Directorship
1.	Mr. Dinesh Kumar Goyal	H.G. Infra Engineering Limited	Wholetime Director
		The Byke Hospitality Limited	Independent Director

(d) Details of equity shares of the Company and convertible instruments, if any, held by non- executive directors:

SI No	Name of the Directors	Category	Number of equity shares
1	Mr. Prem Singh Rana	Non-Executive & Independent Director	Nil
2	Mr. Dinesh Kumar Goyal	Non-Executive & Independent Director	Nil
3	Mrs. Pavitra Joshi Singh	Non-Executive & Independent Director	Nil

(e) **Familiarisation Programme for Independent Directors:** The Company follows familiarization programme for the Independent Directors as per the requirement of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this program is to provide insights into the Company and make them understand the business so that they can contribute significantly to the Company. The detail of such familiarization programs framed by the board for its Independent directors can be accessed on the Company's website at www.spml.co.in

(f) **Details of Skills, Expertise and Competence identified by the Board:** The Board has identified the following core skills and competencies, available with the Board that are essential for effective functioning of the business of the Company:

SI No	Name of the Directors	Category
Leadership	Having leadership experience, judgment on issues of strategy, performance, risk management, resources and standards of conduct;	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Dinesh Kumar Goyal Mrs. Pavitra Joshi Singh
Expertise & Experience	Relevant expertise and experience relating to the business of the Company and project understanding, general management, business development	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Dinesh Kumar Goyal Mrs. Pavitra Joshi Singh
Knowledge	Understands the business of the Company, resulting in knowledge for reviewing the proposed tender, increasing the brand value, achieving agreed goals and objectives and monitor the reporting of performance	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Dinesh Kumar Goyal Mrs. Pavitra Joshi Singh
Financial Skill	Having depth knowledge of financial management, capital allocation, dealing with Banks and supervise the auditor or any other person who deals with financials if required	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Dinesh Kumar Goyal Mrs. Pavitra Joshi Singh

(g) **Confirmation on Independence of the Independent Director:** As per the disclosure received from the Independent Directors and in the opinion of the Board, the Independent Directors fulfill the conditions specified in Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

(h) **Reason for resignation of Independent Directors before expiry of their tenure:** Mr. Sarthak Behuria, Independent Directors of the Company has resigned from the position of independent director of the Company w.e.f. 06th February, 2020 due to his personal commitment. Mr. Sarthak Behuria was appointed as an Independent Director by the Company for the 2nd term of five consecutive years w.e.f. 26th September, 2019 till the 43rd Annual General Meeting to be held in calendar year 2024.

3. COMMITTEES OF THE BOARD

As on 31st March, 2020, the Board has six Committees for uninterrupted operation of the Company. The committees have been constituted to focus on the specific areas and make decisions with the delegated authorities. All the decisions and recommendation made by the various Committees are to be placed before the Board for their approval or record. The following Committees have been constituted by the Board. The detail of such committees viz Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Finance Committee, Corporate Social Responsibility Committee and Committee of Directors provided herein below:

i) Audit Committee

Brief description of terms of reference: Audit Committee has been constituted in conformity with the provisions of Section 177 of the Companies

Act, 2013 and rules framed thereunder and in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of the Committee is to overview the Company's financial reporting processes, monitor and provide an effective supervision to ensure accurate and timely disclosures, compliance with legal and statutory requirements, the adequacy of internal control systems, review of related party transaction, functioning of Whistle Blower Mechanism, adequacy of internal audit function etc. within the given time frame.

Composition, meetings and attendance: During the financial year 2019-20 Mrs. Pavitra Joshi Singh,

Independent Director of the Company was inducted as a Member of the Audit Committee w.e.f 12th November, 2019. Mr. Deepak Sethi and Mr. Sarthak Behuria ceased to be Member of the Audit Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively due to their resignation from the Board of the company. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review five Meetings of the Audit Committee has been held on 18th May, 2019, 30th May, 2019, 14th August, 2019, 12th November, 2019 and 11th February, 2020.

The Composition of the Audit Committee as on March 31, 2020 and details of attendance for the Meetings of the Audit Committee are as under:

SI No	Name of the Director	Category	No of Meetings held	No. of Meetings attended
1	Mr. Sarthak Behuria*	Chairman / Independent Director	4	3
2	Mr. Prem Singh Rana	Chairman/ Independent Director	5	5
3	Mr. Deepak Sethi*	Member/ Non-Executive Director	3	Nil
4	Mr. Dinesh Kumar Goyal	Member/ Independent Director	5	5
5	Mrs. Pavitra Joshi Singh*	Member/ Independent Director	1	1

* Mr. Deepak Sethi and Mr Sarthak Behuria were ceased to be the member of the Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively.

**Mrs. Pavitra Joshi Singh inducted as the member of the Committee w.e.f. 12th November, 2019.

ii) Stakeholders' Relationship Committee

The Stakeholder Relationship Committee oversees, review and redress the grievances of shareholders in compliance with the Section 178 of Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is responsible for resolving shareholder's complaint with regard to share transfers, dividend, non-receipt of Annual Report, Shares Transfer, Duplicate Share Certificates and other queries related to them.

During the year under review 3 Meetings of the Stakeholder Relationship Committee were held on 18th May, 2019, 14th August, 2019 and 12th November, 2019.

During the financial 2019-20 Mr. Dinesh Kumar Goyal, Independent Director of the Company was inducted as a Member of the Stakeholder Relationship Committee w.e.f 11th February, 2020. Mr. Deepak Sethi and Mr. Sarthak Behuria ceased to be Member of the Stakeholder Relationship Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively due to their resignation from the Board of the company.

The composition and the details of the attendance for the Meetings of the Stakeholder Relationship Committee are as under:

SI No	Name of the Director	Category / Position	No of Meetings held	No. of Meetings attended
1.	Mr. Deepak Sethi*	Chairperson/Non-Executive Director	3	Nil
2.	Mr. Subhash Chand Sethi	Member/Executive Director	3	3
3.	Mr. Sarthak Behuria*	Member/Independent Director	3	2
4.	Mr. Prem Singh Rana	Chairperson/Independent Director	3	3
5.	Mr. Dinesh Kumar Goyal**	Member/Independent Director	Nil	Nil

* Mr. Deepak Sethi and Mr Sarthak Behuria were ceased to be the member of the Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively.

**Mr. Dinesh Kumar Goyal inducted as the member of the Committee w.e.f. 06th February, 2020

Mr. Laxmi Narayan Mandhana, Company Secretary of the Company acts as the Compliance Officer of the Company.

The Company attends to the investors' grievances/ correspondence expeditiously, except in the cases that are constrained by disputes or legal impediments.

The status of investors' grievances/correspondence during the year is as under:

(a) No. of Shareholders complaints received during the year	:	0
(b) No. of complaints disposed of during the year	:	0
(c) No. of complaints not resolved to the satisfaction of the Shareholders	:	0
(d) No. of pending complaints as on 31.03.2020	:	0

iii) Nomination and Remuneration Committee:

Brief description of terms of reference: The purpose of Nomination and Remuneration Committee is to review the performance of the individuals whether to qualify to be an executive, non-executive and independent Director and to recommend to the Board

The following is the Composition of the Committee & the details of the attendance for the Meetings of the Nomination and Remuneration Committee:

Sl No	Name of the Director	Category / Position	No of Meetings held	No. of Meetings attended
1	Mr. Sarthak Behuria*	Chairperson /Independent Director	3	2
2	Mr. Prem Singh Rana	Member/Independent Director	3	3
3	Mr. Deepak Sethi*	Member/Non-Executive Director	3	Nil
4	Mr. Dinesh Kumar Goyal**	Member/Independent Director	Nil	Nil
5	Mrs. Pavitra Joshi Singh**	Member/ Independent Director	Nil	Nil

* Mr. Deepak Sethi and Mr Sarthak Behuria were ceased to be the member of the Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively.

**Mr. Dinesh Kumar Goyal and Mrs. Pavitra Joshi Singh were inducted as the member of the Committee w.e.f. 12th November, 2019

Performance Evaluation criteria for Independent Directors: In Compliance with provisions of Section 134, 149 and Schedule IV of the Companies Act, 2013 read with Schedule V and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Performance Evaluation of Independent Directors was carried out by the entire Board. The Performance Evaluation is based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee

for the approval of the same. The committee is also responsible to review the compensation programme for the individuals and other senior managerial personnel. In addition to above the committee makes recommendation to the Board the annual base salary, incentive, bonus employment agreement etc. of Executive Directors and other Senior Managerial Personnel. The powers, role and terms of reference of the Nomination & Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2019 and Listing Regulations.

The Company Secretary of the Company acts as a Secretary to the Committee.

Composition and attendance: During the financial year 2019-20 Mr. Dinesh Kumar Goyal, and Mrs. Pavitra Joshi Singh, Independent Directors of the Company were inducted as a Member of the Nomination and Remuneration Committee w.e.f 12th November, 2019. Mr. Deepak Sethi and Mr. Sarthak Behuria ceased to be Member of the Nomination and Remuneration Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively due to their resignation from the Board of the company.

During the year under review three meetings of the Nomination and Remuneration Committee were held on 30th May, 2019, 14th August, 2019 and 12th November, 2019.

meetings and other relevant parameters such as decision making, independent judgment on issues of strategy, performance, risk management, standards of conduct, safeguard of confidential information, adherence to code of conduct, ethics, integrity.

iv) Corporate Social Responsibility ("CSR") Committee.

As on 31st March, 2020 CSR Committee comprises of two independent directors and one executive director. Mr. Prem Singh Rana is the Chairman of the Committee whereas Mr. Dinesh Kumar Goyal and Mr.

Subhash Chand Sethi are the members of the CSR Committee of the Board of Directors.

During the year under review Mr. Dinesh Kumar Goyal, Independent Director and Mr. Subhash Chand Sethi, Wholetime Director of the Company were inducted in the Committee w.e.f 11th February, 2020 and Mr. Deepak Sethi and Mr. Sarthak Behuria ceased to be the Member of the CSR Committee w.e.f. 12th November, 2019 and 06th February, 2020 respectively due to their resignation from the Board of the company.

The Committee formulates and monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company pursuant to the provision of Companies Act, 2013.

v) Finance Committee

The Finance Committee has been constituted by the Board to carry on day to day matters relating to banking, availing the loans, investments, tendering and other transactions as per the terms of the reference to the Committee by the Board.

Composition and Meetings

The Committee comprises of two Directors namely, Mr. Sushil Kumar Sethi and Mr. Subhash Chand Sethi. The Committee meets as and when it is required. The Company Secretary of the Company acted as the secretary to the Committee.

vi) Committee of Directors

The Board of Directors of the Company has also constituted its sub-committee viz. "Committee of Directors" in order to transact the business arising out of day to day business affairs of the Company

and is also inter alia delegated with the power and authority to allot equity Shares and other Securities of the Company to the Shareholder and persons other than the Shareholders of the Company, Appointment of various intermediaries relating to capital increase, fund raising, purchase and sell of equipment's or any other assets on lease/rent or otherwise. Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi, Mr. Deepak Sethi and Mr. Sarthak Behuria are the members of the Committee. Mr. Subhash Chand Sethi is the Chairman of the Committee.

4. REMUNERATION OF DIRECTORS

Nomination, Remuneration and Performance Evaluation Policy:

SPML's remuneration policy aims at attracting and retaining high caliber talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly. Wholetime Director's Remuneration payment is governed by their terms of appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of Shareholders and the Central Government, if applicable. Independent Directors of the Company are paid sitting fees for attending the meetings of the Board/ Committees subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder. The Nomination and Remuneration Committee recommends and approves the remuneration of Directors and Key Managerial Personnel, subject to approval of board or shareholders, wherever necessary. The Policy on Nomination, remuneration and performance evaluation of Directors, Key Managerial Personnel and other employees of the Company is provided in the website of the Company www.spml.co.in.

(a) Details of the remuneration for the financial year 2019-20

(i) Executive Directors:

Name of Director	Salary (₹)	Commission (₹)	Benefits, Perquisites and Allowances (₹)	Term
Mr. Subhash Chand Sethi	11,520,000	-	640,000	5 Years w.e.f. 01.01.2020
Mr. Sushil Kumar Sethi	11,520,000	-	640,000	5 Years w.e.f. 01.01.2020

The above remuneration is excluding the liability towards payment of Personal Accident Insurance Premium and Gratuity.

(ii) Non-Executive Directors:

Sl No	Name of Director	Sitting Fees (₹)
1	Mr. Prem Singh Rana	3,40,000
2	Mr. Dinesh Kumar Goyal	3,00,000
3	Mrs. Pavitra Joshi Singh	2,10,000
4	Mr. Supriyo Kumar Chaudhuri ¹	1,20,000
5	Mr. Sarthak Behuria ²	1,90,000
6	Mr Deepak Sethi ³	-

¹ Resigned from the Board of the Company w.e.f. 11th September, 2019

² Resigned from the Board of the Company w.e.f. 06th February, 2020

³ Mr Deepak Sethi has abstained from receiving sitting fees and vacated the office of the Director w.e.f. 12th November, 2019

5. GENERAL BODY MEETINGS**a. Location and time of the last three Annual General Meetings held:**

Year	Venue	Date	Time	Special Resolution passed
2018-19	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	24th September, 2019	03:30 PM	<ol style="list-style-type: none"> Special Resolution under Section 149 of the Companies Act, 2013 to re-appoint Mr. Sarthak Behuria as an Independent Director of the Company. Special Resolution under Section 149 of the Companies Act, 2013 to re-appoint Mr. Prem Singh Rana as an Independent Director of the Company. Special Resolution under Section 196 & 203 of the Companies Act, 2013 to re-appoint Mr. Suhash Chand Sethi as Chairman & Whole time Director of the Company Special Resolution under Section 196 & 203 of the Companies Act, 2013 to re-appoint Mr. Sushil Kumar Sethi as Managing Director of the Company.
2017-18	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	29th September, 2018	03:30 PM	<ol style="list-style-type: none"> Special Resolution under Section 180 (1)(c) of the Companies Act, 2013 to borrow in excess of paid up capital and free reserves of the Company. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to mortgage, hypothecate or create charge on all or any part of the movable and immovable properties of the Company. Special Resolution under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to reclassification of status of some of the existing Promoters as Public shareholders
2016-17	-do-	29th September, 2017	3:30 PM	<ol style="list-style-type: none"> Special Resolution Under Section 14 of the Companies Act, 2013 for alteration of the Articles of Association of the Company

*Mr. R. S Bhatia, Company Secretary in whole-time practice, New Delhi was appointed by the Board as the Scrutinizer for e-voting and conducting the ballot process at the venue of the Annual General Meetings held for FY 2016-17, 2017-18 and 2018-19 in a fair and transparent manner.

b. Location and the time of Extraordinary General Meetings held during the FY 2019-20: There was no Extraordinary General Meetings held during the financial year under review.

c. Detail of Special Resolution passed during FY 2019-20 through Postal Ballot: During the FY 2019-20, no Special Resolution was passed through Postal Ballot

- d. Person who conducted the Postal Ballot exercise:** Not Applicable
- e. Whether any Special Resolution is proposed to be conducted through postal ballot:** None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.
- f. Procedure for Postal Ballot:** Not applicable, as there was no postal ballot carried out during the FY 2019-20.

6. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are published in leading newspaper usually Business Standard in English & Hindi editions. The financial results, annual report, notices to the shareholders meetings, results of postal ballots, results of e-voting, news releases, press releases, any presentations made to Institutional Investors or Analysts and other important announcements are sent to the stock exchanges and are also displayed on Company's website at www.spml.co.in.

7. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting for FY 2019-20

Date	: 17th December 2020
Time	: 02.30 PM
Venue	: The Company is conducting meeting through VC/OVAM pursuant to the MCA Circular dated 05th May, 2020 and as such there is no requirement to have a venue for the AGM.,

ii) Financial Calendar (tentative)

: Financial Year- 1st Apr 2020 to 31st Mar 2021

Adoption of Results for the Quarter ending:

- a) 30th Jun 2020 - 2nd week of September, 2020
 - b) 30th Sep 2020 - 2nd week of November, 2020
 - c) 31st Dec 2020 - 2nd week of February, 2021
 - d) 31st Mar 2021- 4th week of May, 2021
- Annual General Meeting - Sep, 2021

iii) Dividend Payment Date

: Not Applicable.

iv) Book Closure Date

: from 11th December, 2020 to 17th December, 2020 (both days inclusive)

v) Listing on Stock Exchanges

: **The BSE Limited (BSE)**
(BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd. (NSE),
Exchange Plaza, Bandra Kurla Complex, Bandra (E),
Mumbai - 400051

The annual listing fee for the year 2020-21 has been paid to the NSE& BSE.

The confirmation of delisting from Calcutta Stock Exchange is awaited.

vi) Stock Code

: BSE - '500402', NSE - 'SPMLINFRA'

vii) ISIN No

: INE937A01023

viii) Registrar & Transfer Agents

: Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road Kolkata - 700001
Phone: +91-033-2248 2248
email: mdpldc@yahoo.com

ix) Debenture Trustee

: SBICAP Trustee Company Limited
6th Floor, Apeejay House
3, Dinshaw Wachha Road,
Churchgate, Mumbai- 400020

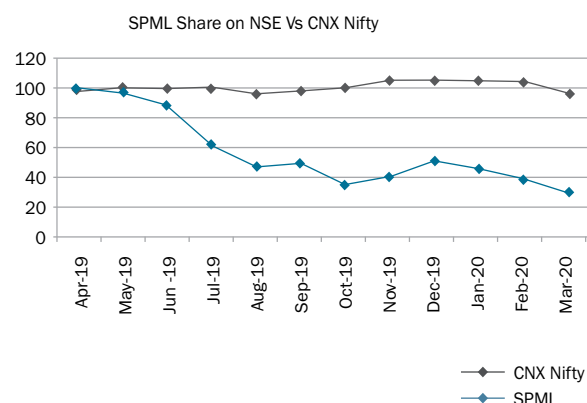
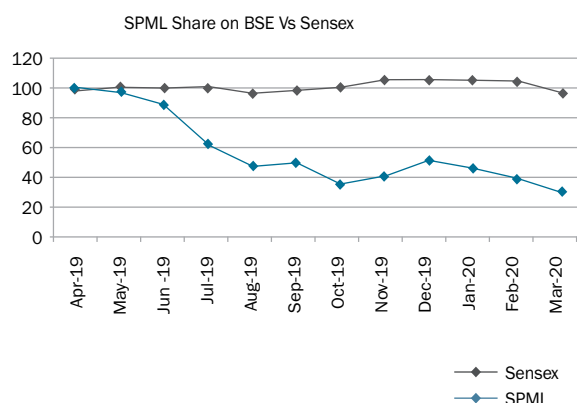
x) **Stock Prices data and performance of Company's share prices vis-à-vis Nifty & Sensex;**

a) **Share Price Data at BSE and NSE**

(₹ Per share)

Month	National Stock Exchange		BSE Limited	
	High	Low	High	Low
April, 2019	31.90	26.10	31.60	25.70
May, 2019	31.20	23.15	31.00	22.55
June, 2019	28.00	15.65	28.00	16.00
July, 2019	19.80	12.70	19.50	12.90
August, 2019	14.25	10.95	14.50	11.07
September, 2019	15.50	10.90	15.45	11.02
October, 2019	10.75	6.30	10.85	6.32
November, 2019	13.55	9.60	12.45	9.78
December, 2019	15.40	10.35	15.44	10.62
January, 2020	14.65	11.00	14.29	10.83
February, 2020	12.60	8.20	12.40	8.39
March, 2020	9.30	5.15	9.25	5.00

b) **Performance of Company's Share Price (monthly basis) vis-à-vis Sensex and CNX Nifty**



xi) **Trading of Securities of the Company and detail of suspension during the Financial Year 2019-20**

The Equity Shares of the Company were traded continuously at the National Stock Exchange Limited (NSE) and BSE Limited under the Scrip Code "SPMLINFRA" at NSE and "500402" at BSE and there was no event of suspension of trading during the year.

xii) **Share Transfer System**

The Board has constituted the Stakeholder Relationship Committee and delegated the power of transfer to the Committee. The Committee holds its meeting as and when required, to consider all matters concerning transfer and transaction of shares. The shares received for transfer in physical mode by the Company are transferred expeditiously and the share certificates, duly transferred, are sent to the transferee(s).

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

xiii) **Reconciliation of Share Capital Audit Report**

As required under Regulation 76 of SEBI (Depositories and Participants), Regulations, 2018, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2020 was carried out. The audit reports confirm that the total issued / paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

xiv) Distribution of Shareholding by size as on March 31, 2020

Shares held From - To	Number of Shareholders	Number of Shares	% of Total Shares
1- 500	5691	805640	2.1982
501-1000	576	478754	1.3063
1001-2000	343	528483	1.4420
2001-3000	150	390064	1.0643
3001-4000	61	219057	0.5977
4001-5000	56	266164	0.7262
5001-10000	99	744090	2.0302
>10000	147	33218024	90.6351
Total	7123	36650276	100.0000

xv) Dematerialization of Shares and Liquidity

The Company has arrangements with both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL), to establish electronic connectivity for trading of Company's shares. As on 31st March, 2020 Equity Shares of the Company, forming 99.57% of total shareholding stands dematerialized. The International Securities Identification Number (ISIN) allotted to the Company's shares is 'INE937A01023'.

The shares of the Company are traded in compulsory Demat Mode at National Stock Exchange Limited (NSE) and BSE Limited (BSE).

xvi) Share Ownership Pattern as on March 31, 2020.

Category	No. of Shares held	% shareholding
Promoter and Promoter Group	14001260	38.20
Financial Institutions / Banks / Foreign Institutional Investors	4982896	13.60
Corporate Bodies	5242901	14.31
Indian Public	6400726	17.46
Non Resident Individual	306338	0.84
Clearing Members	16018	0.04
Investor Education and Protection Fund Authority	139261	0.38
Foreign Company	5493876	14.99
Trusts	67000	0.18
Total :	36650276	100.00

xvii) Outstanding Global Depository Receipt (GDR) or American Depository Receipt (ADR) or Warrants or any convertible instruments: The Company has not issued any GDR, ADR, or Warrant. However, as on 31st March 2020 there are 5,453,517 Optionally Convertible Debentures (OCDs) of ₹ 1000 each are outstanding, which were issued to the lender banks of the Company in pursuance of Scheme for Sustainable Structuring of Stressed Assets (SPML S4A Scheme) as approved by the Overseeing Committee formed under the aegis of Reserve Bank of India. These OCDs can be converted within a period of 10 years from the date of allotment, in case of occurrence of any event of defaults as defined under the S4A documents at a price to be determined at the time of conversion of

OCD into Equity shares of the Company. As the date and rate of conversion is not known at present and therefore, the impact of conversion on equity cannot be ascertained.

xviii) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: The Company do not deal with commodities and in the foreign market. Hence, no Commodity price risk or foreign exchange risk was involved during the period under review.

xix) Plant Locations: As the company is in the business of providing infrastructure services, it operates from various project / site offices across India.

xx) Address for Correspondence:

The Shareholders may address their communication / suggestion / grievances / other queries to:

The Company Secretary
 SPML Infra Limited
 22, Camac Street, Block-A,
 3rd Floor, Kolkata- 700016
 E-mail : info@spml.co.in
 Website: www.spml.co.in

xxi) Credit Ratings

The company has obtained Credit Rating for the credit facilities availed by the Company from M/s Acute Ratings & Research Limited (formerly known as SMERA Ratings Ltd). As on 31st March 2020, the Company has BB+ credit rating.

8. OTHER DISCLOSURES**a. Related Party Transactions:**

Pursuant to the provisions of Section 188 of the Companies Act, 2013, rules framed thereunder read with Regulation 23 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the related party transaction entered during the year under review were on an arm's length basis and in the ordinary course of business and have been approved by the Audit Committee as well as Board wherever required.

Further, for the transactions which are repetitive in nature, prior omnibus approval has also been obtained from the Audit Committee. All the Related Party Transactions are placed on quarterly basis before the Audit Committee and Board for their review. The Board has approved and adopted a policy on Related Party Transactions, which is available on the website of the Company at www.spml.co.in.

The significant accounting policies which are applied have been set out in the Notes to Financial Statements. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The detail on related party transaction has been provided in the Directors Report.

b. Detail of Non Compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market:

There was no instance of non-compliance by the Company on any matter related to Capital markets during the last three years.

c. Detail of Non Compliance under any requirement of Corporate Governance:

There was no instance of non-compliance by the Company on any requirement of Corporate Governance during the year under review.

d. Whistle Blower Policy:

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy as defined under Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to provide a formal mechanism to the Directors and Employees under which they are free to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Policy to the Chairman of the Audit Committee. The Company affirms that no person has been denied access to the Chairman of Audit Committee. The whistle blower policy is available at Company's website at www.spml.co.in.

e. Compliance with mandatory & non-mandatory requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**i. Mandatory Requirements:**

The Company has complied with all mandatory requirements laid down by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. Non Mandatory Requirements:

The Non-mandatory requirements complied with has been disclosed at the relevant places.

f. Policy for determining material subsidiaries

In terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at www.spml.co.in.

g. Utilization of funds raised through preferential allotment:

During the year under review the Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

h. Certificate from Practicing Company Secretary:

A Certificate from Mr. Tumul Maheshwari, Practicing Company Secretary has been received that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

i. Detail of any instances for not accepting any recommendations of any committee by the Board:

During the financial 2019-20, there was no instances recorded where the Board of the Company has not accepted any recommendations of any committee.

j. Details of fees paid to Statutory Auditors

During the Financial year 2019-20, a total fees of ₹ 77,24,413/- for all services was paid by the Company and its Subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor.

k. Disclosure in relation to sexual harassment of women at workplace

During the year under review Company has not received any complaint from any of the women employee in relation to Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013.

The status of complaints received, disposed of and pending during the FY 2019-20 is as under:

- (a) No. of complaints filed during the financial year : Nil
- (b) No. of complaints disposed of during the year : Nil
- (c) No. of complaints pending as on end of the financial year : Nil

l. Compliance with regard to dealing with Unclaimed Shares pursuant to Section 124 and SEBI's Listing Regulations - Uniform Procedure for Unclaimed Shares:

Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124 (6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of unclaimed shares to Investor Education and Protection Fund (IEPF), the Company has complied with all the required formalities by transferring the Unclaimed Shares in pursuance of the requirements of the aforesaid rules.

m. Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

9. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

Not Applicable

10. DISCRETIONARY REQUIREMENTS:

- (a) The Board: As the Chairman of the Board is an Executive Director and therefore, the discretionary requirements for re-imbursalment of expenses incurred in performance of his duties is not applicable.
- (b) Shareholder's Right: The quarterly and half yearly financial results of the Company are published in the newspaper and also posted on the website of the Company.
- (c) Modified Opinion in the Auditor's Report: The financial Statement of the Company for the year ended 31st March, 2020 contains modified audit opinion. The management is putting all efforts to achieve regime of financial statements with unmodified audit opinions.

- (d) Separate post of Chairman & CEO: The Post of Chairperson of the Company is separate from the post of Managing Director or Chief Executive officer.
- (e) Reporting of Internal Auditor: The Internal Auditor of the Company makes quarterly presentation to the Audit Committee on their reports.

11. CEO / CFO CERTIFICATION

The Managing Director (CEO) and CFO have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO certification for the financial year ended 31st March, 2020.

12. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by as per Part E of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is annexed to this report.

13. CODE OF CONDUCT

The SPML Code of Business Conduct and Ethics, as adopted by the Board of Directors is a comprehensive Code applicable to all executive and non-executive directors and members of Senior Management. A copy of the Code has been put on the Company's website www.spml.co.in and circulated to all members of the Board and Senior Management.

A declaration by the Managing Director of the Company that all the Board members and senior management personnel have affirmed compliance with Company's Code of Conduct forms part of this report.

For SPML Infra Limited

Place: Kolkata
Date : 18th August, 2020

Subhash Chand Sethi
Chairman
DIN 00464390

DECLARATION BY THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the SPML Code of Business Conduct and Ethics as applicable to them for the financial year 2019-20.

For SPML Infra Limited

Place: Kolkata
Date: 18th August, 2020

Sushil Kumar Sethi
Managing Director

CEO/CFO CERTIFICATION

To,
The Board of Directors
SPML Infra Limited

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in internal control over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud of which we have become aware.

Place: Kolkata
Date: 18th August, 2020

Sushil Kumar Sethi
Managing Director

Laxmi Narayan Mandhana
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SPML Infra Limited

We have examined the compliance of conditions of Corporate Governance by SPML Infra Limited ("the Company") for the year ended 31st March 2019, as stipulated under Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulation").

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representation made by the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulation for the year ended 31st March 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Maheshwari & Associates
Chartered Accountants
Firm Registration No 311008E

CA Bijay Murmuria

Partner

Membership No 055788

UDIN: 20055788AAAAAL1344

Place: Kolkata

Date: 18th August, 2020

**STANDALONE
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITORS' REPORT

To the Members of SPML Infra Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of SPML Infra Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 other auditors in respect of certain joint operations, as referred to in the *Other Matters* section of our report below, except for the effects/possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As stated in:

- a. Note no.42 to the standalone financial statements, interest on YTM basis amounting to ₹ 5143.45 lakhs (31st March, 2019: ₹ 4731.86 lakhs) was not provided on Optionally Convertible Debentures ('OCDs') issued to lenders under S4A scheme. Had such interest provision been made as required under the accrual basis of accounting, for the year ended 31st March, 2020 the finance cost would have been higher and profit before tax would have been lower by ₹ 5143.45 lakhs. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs 11,726.69 lakhs as at 31st March, 2020. The Auditor's Report for the year ended 31st March, 2019 was also qualified in respect of this matter.
- b. Note no. 43 to the standalone financial statements, regarding the Company's trade receivables (net of ECL) and inventories as at 31st March, 2020 of ₹ 6,142.27 lakhs and ₹ 1,040.62 lakhs respectively (31st March,2019: ₹ 3402.74 lacs and ₹ 1040.62 Lacs respectively) relating to certain projects foreclosed by clients in earlier years and where the claims are presently under arbitration/ litigation proceedings. Pending the ultimate outcome of these matters (fate of which is presently unascertainable), we are unable to comment on the recoverability thereof. The Auditor's Report for the year ended 31st March, 2019 was also qualified in respect of this matter.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

We draw attention to the following notes to the standalone financial statements:

- (i) Note no. 44, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2020 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Company.
- (ii) Note no. 41, regarding write back of ₹ 4,692.01 lakhs in respect of certain credit balances.
- (iii) Note no. 24 on 'Other Income', regarding ECL reversal (net) of ₹ 2,118.42 lakhs in respect of Trade Receivables.
- (iv) Note no. 29 on 'Other Expenses', regarding impairment loss and expected credit loss in respect of investments made in and loans provided to certain subsidiaries, associates and a joint venture, by the Company.
- (v) Note no. 6.1, regarding initiation of Corporate Insolvency Resolution Process under IBC wef 23rd December, 2019 in respect of Luni Power Company Ltd., a subsidiary of the Company and matters arising therefrom.
- (vi) Note no. 47, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak

on the Company's operations and management's evaluation of its impact on the standalone financial statements.

- (vii) Note no. 48 , which indicates that the Company has defaulted in payment of dues to financial creditors, is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note no. 48 , the Company's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the standalone financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section hereinabove, we have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of impairment of non-current investments (refer Note no. 6 to the standalone financial statements)</p> <p>The Company, as at 31st March, 2020, had non-current investments of ₹ 15,523.61 Lacs (prior to impairment provision), almost entirely comprising of investments in subsidiaries, associates and joint ventures.</p> <p>Due to the significance of the carrying amounts of the non-current investments and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the standalone financial statements.</p> <p>Also refer Note no. 29 to the standalone financial statements in this regard.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for identification of possible impairment indicators and process followed by the management for impairment testing of non-current investments; • Discussed extensively with management regarding impairment indicators and evaluated the design and testing operating effectiveness of controls; • Assessed the methodology used by the management to estimate the recoverability of investment and ensured that it is consistent with applicable accounting standards; • Verified the appropriateness of the key assumptions considered by the management/independent valuer as part of the impairment assessment. • Evaluated the management's assessment of the ultimate outcome of the ongoing legal proceedings, if any, impacting a particular investment, including analysis of the latest judgment pronounced relating to such proceedings or any legal opinion obtained by the management; • Compared the carrying value of the non-current investment with the realizable value determined by the independent valuer to ensure there is no impairment/provision required to be recognized.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the

current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements / financial information of 6 (six) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of ₹ 7,828.10 lakhs as at 31st March, 2020, total revenues of ₹ 11,884.46 lakhs and total net profit/(loss) after tax of ₹ (300.51) lakhs for the year ended on that date, as considered in the standalone financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Company's management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the audit reports of such other auditors and on the procedures performed by us as stated in the section *Auditor's Responsibilities for the Audit of the Standalone Financial Statements hereinabove*.
- b. We did not audit the financial statements / financial information of 3 (three) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of ₹ 9,245.27 lakhs as at 31st March, 2020, total revenues of ₹ 4,035.71 lakhs and total net profit/(loss) after tax of ₹ (31.99) lakhs for the year ended on that date, as considered in the standalone financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Company's management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such un-audited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Company's management, these financial statements / financial information are not material to the Standalone Financial Statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government

of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure – A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and except for the possible effect of the matters described in the *Basis for Qualified Opinion* section hereinabove, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the possible effects of the matters described in the *Basis for Qualified Opinion* section hereinabove, 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matters described in the *Basis for Qualified Opinion* section hereinabove, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) In view of the matters described in the *Basis for Qualified Opinion* section hereinabove, we are unable to comment whether these may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.;
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the *Basis for Qualified Opinion* section hereinabove;
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure - B**";

- i) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 30 to the standalone financial statements;
- ii. Except for the possible effects of the matters described in the Basis for Qualified Opinion section hereinabove, the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. In our opinion, according to the information and explanations given to us, remuneration paid by the Company to its directors for the year ended 31st March, 2020 has been in accordance with the provisions of section 197 read with Schedule V to the Act;

For **Maheshwari & Associates**
Chartered Accountants
FRN: 311008E

CA. Bijay Murmuria
Partner

Place: Kolkata
Date: 18th August, 2020

Membership No. : 055788
UDIN: 20055788AAAAAJ4889

Annexure-A to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SPML Infra Limited on the standalone Ind AS financial statements for the year ended 31st March,2020]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular program of physical verification of its fixed assets under which the fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were physically verified after closure of the current financial year and no material discrepancies between the book records and the physical inventory have been noticed on such verification
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of Company.
- (ii) According to the information and explanations given to us and in our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies and other parties covered in the register maintained under section 189 of the Act; and with respect to the same:
 - a) in our opinion and according to the information & explanations given to us, the terms and conditions of grant of certain loans are prima facie, prejudicial to the Company's interest on account of the fact that the loans have been granted at an interest rate which is lower than the cost of funds to the company;
 - b) the schedule of repayment of principal and payment of interest has been stipulated but the repayments or receipts in some cases towards interest are irregular;
 - c) there is no overdue for more than 90 days in respect of loans granted to such parties
- (iv) In our opinion, Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information & explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act. or any other relevant provisions of the Act. and the rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) In our opinion and according to the information & explanations given to us, the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the Company's products and services and are being made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the books and records as produced before and examined by us and the information and explanations given to us :
 - (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable

in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they become payable are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due date	Date of payment
Professional Tax	Professional Tax	5.95	June 2016 to August 2019	15th day of the subsequent month	Not yet paid
Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund Dues	31.08	April 2018 to August 2019	15th day of the subsequent month	Not yet paid
Employee State Insurance,1948	Employee State Insurance Dues	20.71	June 2016 to August 2019	15th day of the subsequent month	Not yet paid
Income Tax Act, 1961	Tax Deducted at Source	93.33	July 2019 to August 2019	7th day of the subsequent month	Not yet paid
Chhattisgarh Value Added Tax Act, 2003	Value Added Tax	5.96	April 2017 to June 2017	15th day of the subsequent month	Not yet paid
Gujarat Value Added Tax Act, 2003	Works Contract Tax	3.82	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Uttar Pradesh Value Added Tax Act, 2008	Works Contract Tax	140.97	Mar 2016 to June 2017	15th day of the subsequent month	Not yet paid
Delhi Value Added Tax Act, 2005	Works Contract Tax	11.94	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Jharkhand Value Added Tax Act, 2005	Works Contract Tax	4.19	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Tripura Value Added Tax Act, 2005	Works Contract Tax	1.22	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Bihar Value Added Tax Act, 2005	Works Contract Tax	155.11	Apr 2015 to August 2016	15th day of the subsequent month	Not yet paid
Rajasthan Value Added Tax Act, 2003	Works Contract Tax	2.09	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
West Bengal Value Added Tax Act, 2003	Works Contract Tax	44.01	Apr 2015 to June 2017	15th day of the subsequent month	Not yet paid
The Orissa Value Added Tax Act, 2004	Works Contract Tax	1.76	Apr 2015 to June 2017	15th day of the subsequent month	Not yet paid

- (b) The dues of sales-tax, service tax and value added tax that have not been deposited with the appropriate authorities on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non production of C and E forms	105.10	-	FY 2005-06	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Claim exemption u/s 6(2)of Central Sales Tax Act,1956	293.97	-	FY 2007-08	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Non production of C and E forms	105.34	-	FY 2007-08	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Claim exemption u/s 6(2)of Central Sales Tax Act,1956	404.98	-	FY 2008-09	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non production of C and E forms	285.55	-	FY 2009-10	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Denial of deduction u/s18(2) of the WB VAT Act	335.63	-	FY 2009-10	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Exemption under RGGVY scheme & Denial of deduction u/s18(2) of the WB VAT Act	95.74	-	FY 2008-09	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Disallowance of input tax credit, interest charged and demand of purchase and output tax	75.27	-	FY 2012-13	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Bihar VAT Act, 2005	Disallowance of labour component	43.13	-	FY 2007-08	JCCT Appeals, Patna
Bihar VAT Act, 2005	Denied the exemption u/s 6(2) of the CST Act, on the grounds of pre-determined sales and non-production of statutory forms	234.27	-	FY 2010-11	JCCT Appeals, Patna
Central Sales Tax Act, 1956	Our CST Sales u/s 6(2) IS accepted and taxed where Form C and E1 are due to be received and produced, interest added	82.12	-	FY 2011-12	JCCT Appeals, Patna
UP VAT Act, 2008	Tax Liability on Exempted project RGGVY sales	44.13	8.82	FY 2007-08	Additional Commissioner, Agra
Jharkhand VAT Act, 2005	Tax Demand on receipts and suppression of turnover	193.41	-	FY 2005-06 to 2010-11	JCCT (Appeals) Jamshedpur
Jharkhand VAT Act, 2005	Tax Demand on receipts and suppression of turnover	38.24	-	FY 2011-12	JCCT (Appeals) Jamshedpur
Central Sales Tax Act, 1956	Tax Demand on receipts and suppression of turnover	61.53	-	FY 2011-12	JCCT (Appeals) Jamshedpur
Delhi VAT Act, 2004	Miscellaneous Demand	26.00	-	FY 2012-2013	Commissioner DVAT, Delhi
Rajasthan VAT Act, 2003	Tax liability on interstate Sales	9.37	-	FY 2009-10	Deputy Commissioner, Appeals-II Jaipur
Rajasthan VAT Act, 2003	Tax liability on interstate Sales	110.64	-	FY 2011-12	Deputy Commissioner, Appeals-II Jaipur
Bihar VAT Act, 2005	Denied the exemption u/s 6(2) of the CST Act, on the grounds of pre-determined sales and non-production of statutory forms	163.49	20.00	FY 2013-14	JCCT Appeals, Patna
Finance Act, 1994	Service Tax	23.13	-	FY 2005-06 to 2006-07	Commissioner Service Tax, Kolkata

(viii) In our opinion and according to the information and explanations given to us, the Company has no loans or borrowings payable to government.

As at year ended 31st March 2020 The Company has defaulted in repayment of loans/ borrowings to the following banks and financial institution as detailed below:

Name of Lender	Amount of default (₹ in Lakhs)	
	Upto 90 days	More than 90 days
Banks:		
Canara Bank	9312.92	-
State Bank of India	960.51	1544.46
ICICI Bank Limited	-	556.43
Bank of Baroda	-	1391.84
Union Bank of India	113.77	995.71
Punjab National Bank	7,193.88	2032.96
YES Bank Ltd.	66.26	-
Financial Institution:		
IFCI Limited	139.00	-

The Company has not defaulted in repayment of dues to debenture holders.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule 5 to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transaction with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone Ind AS financial statements as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Maheshwari & Associates**
Chartered Accountants
FRN: 311008E

CA. Bijay Murmuria
Partner

Place: Kolkata
Date: 18th August, 2020

Membership No. : 055788
UDIN: 20055788AAAAAJ4889

Annexure-B to the Independent Auditors' Report

[Referred to in paragraph 2(h) under “Report on Other Legal and Regulatory Requirements” section in our Independent Auditors' Report of even date to the members of SPML Infra Ltd. on the standalone financial statements for the year ended 31st March, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **SPML Infra Limited** (“the Company”) as of 31st March, 2020 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 Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with

reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Maheshwari & Associates**
Chartered Accountants
FRN: 311008E

CA. Bijay Murmuria

Partner

Place: Kolkata
Date: 18th August, 2020

Membership No. : 055788
UDIN: 20055788AAAAAJ4889

BALANCE SHEET

as at March 31, 2020

₹ In Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	9,999.59	10,357.67
(b) Right of Use Assets	4	252.26	-
(c) Intangible Assets	5	20.65	20.81
(d) Financial Assets			
(i) Investments	6	12,798.86	16,167.29
(ii) Trade Receivables	7	29,683.34	29,285.77
(iii) Loans	8	13,200.93	12,678.05
(iv) Other Bank Balances	9	4,440.34	5,278.52
(v) Other Financial Assets	10	363.84	208.26
(e) Deferred Tax Assets	39	10,566.58	11,098.51
(f) Other Non-Current Assets	11	29,145.42	26,491.09
		110,471.81	111,585.97
Current assets			
(a) Inventories	12	6,273.73	5,464.14
(b) Financial Assets			
(i) Trade Receivables	7	33,912.90	31,687.51
(ii) Cash and Cash Equivalents	13	1,927.63	747.41
(iii) Other Bank Balances	9	1,358.97	8,450.85
(iv) Other Financial Assets	10	104,895.44	102,172.35
(c) Other Current Assets	11	10,522.12	12,044.93
		158,890.79	160,567.19
TOTAL ASSETS		269,362.60	272,153.16
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	14	819.45	819.45
(b) Other Equity	15	37,823.86	37,124.05
TOTAL EQUITY		38,643.31	37,943.50
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	65,098.36	66,280.09
(ii) Trade Payables	17		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		9,475.04	12,120.39
(iii) Other Financial Liabilities	18	6,157.35	5,973.12
(b) Provisions	19	314.22	438.92
		81,044.97	84,812.52
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	81,473.17	62,802.45
(ii) Trade Payables	17		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		92.03	193.67
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		48,340.09	65,568.99
(ii) Other Financial Liabilities	21	17,619.00	18,554.86
(b) Other Current Liabilities	22	1,938.32	2,113.82
(c) Provisions	19	211.71	163.35
		149,674.32	149,397.14
TOTAL LIABILITIES		230,719.29	234,209.66
TOTAL EQUITY AND LIABILITIES		269,362.60	272,153.16

Notes to Financial Statements (including Significant Accounting Policies)

1 to 51

The notes referred to above form an integral part of the Financial Statements

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

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

**For and on behalf of Board of Directors of
SPML Infra Limited****CA Bijay Murmuria**

Partner

Membership No - 055788

Subhash Chand Sethi

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Place: Kolkata

Date: 18th August 2020

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

₹ In Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations	23	97,190.26	143,336.06
Other Income	24	10,118.43	5,989.50
Total Income		107,308.69	149,325.56
Expenses			
Materials Consumed and Other Construction Expenses	25	63,684.94	88,966.37
Purchase of Traded Goods		14,383.76	26,685.49
Employee Benefits Expense	26	4,219.59	4,877.16
Finance Costs	27	14,655.45	15,252.35
Depreciation and Amortisation Expenses	28	562.13	371.97
Other Expenses	29	9,644.53	6,438.48
Total Expenses		107,150.40	142,591.82
Profit/(loss) before Tax (I)		158.29	6,733.74
Tax Expenses			
Current Tax		259.15	1,539.36
Deferred Tax		(342.66)	232.55
Income Tax Expense		(83.51)	1,771.91
Net Profit/(Loss) after Tax (II)		241.80	4,961.83
Other Comprehensive Income/(Expenses)			
Items not to be reclassified subsequently to Profit or Loss			
- Gain/(Loss) on Fair valuation of Equity instruments measured at FVOCI		571.86	(638.22)
- Income Tax effect on above		(190.89)	147.25
- Gain/(Loss) on fair value of defined benefit plans		115.64	81.81
- Income Tax effect on above		(38.60)	(28.31)
Total Other Comprehensive Income/(Expenses) (III)		458.01	(437.47)
Total Comprehensive Income/(Loss) for the year, net of tax (IV) = (II+III)		699.82	4,524.36
Earnings/(Loss) per equity share (par value ₹ 2 each) - Basic and Diluted (in ₹)	40	0.66	13.54

Notes to Financial Statements (including Significant Accounting Policies)

The notes referred to above form an integral part of the Financial Statements
This is the Statement of Profit and Loss referred to in our report of even date

1 to 51

For Maheshwari & Associates

Chartered Accountants
ICAI Firm Registration No. 311008E

For and on behalf of Board of Directors of SPML Infra Limited

CA Bijay Murmuria

Partner
Membership No - 055788

Subhash Chand Sethi

Chairman
DIN: 00464390

Sushil Kr. Sethi

Managing Director
DIN: 00062927

Place: Kolkata

Date: 18th August 2020

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A) Equity Share Capital (also refer Note 14)

₹ In Lakhs

Particulars	Subscribed and Fully Paid-up		Total Equity share capital
	No. of Shares	Amount	Amount
As at March 31, 2019	36,650,276	819.45	819.45
As at March 31, 2020	36,650,276	819.45	819.45

B) Other Equity (also refer Note 15)

₹ In Lakhs

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	
Balance as at March 31, 2019	885.73	15,263.80	5,929.05	15,045.46	37,124.05
Profit for the year	-	-	-	241.80	241.80
Other comprehensive income for the year, net of tax	-	-	-	458.01	458.01
Total comprehensive income for the year	-	-	-	699.82	699.82
Balance as at March 31, 2020	885.73	15,263.80	5,929.05	15,745.27	37,823.86

Notes to Financial Statements (including Significant Accounting Policies)

1 to 51

The notes referred to above form an integral part of the Financial Statements

This is the Statement of Changes in Equity referred to in our report of even date

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

For and on behalf of Board of Directors of SPML Infra Limited

Subhash Chand Sethi

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

STATEMENT OF CASH FLOW

for the year ended March 31, 2020

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	158.29	6,733.74
Adjustments for:		
Depreciation and Amortisation expenses	562.13	371.97
Interest Expenses	10,461.12	11,446.01
Commission income	(550.90)	(849.15)
Sundry Balances written off	1,755.69	1,320.66
Expected credit loss on loans	240.55	-
Impairment of investment in equity shares of subsidiaries and associates	2,193.79	-
Expected credit loss on investment in preference shares	368.00	-
Impairment of investment in equity shares of company fair valued through profit and loss	168.96	-
Expected credit loss charge /(reversal) on Trade Receivable	(2,118.42)	430.35
Profit on sale of property plant and equipment	1.29	-
Profit on sale of investment	-	(781.54)
Liabilities no longer required written back	(4,692.01)	(60.21)
Interest Income	(2,414.75)	(4,132.99)
Operating Profit before Working Capital changes	6,133.74	14,478.85
Adjustment for:		
Increase/(decrease) in trade payables	(15,283.88)	9,911.34
Increase/(decrease) in provisions	381.67	(547.85)
Increase/(decrease) in other current liabilities	(957.92)	(3,021.95)
(Increase)/decrease in trade receivables	(3,977.40)	2,971.57
(Increase)/decrease in inventories	(809.59)	(1,517.60)
(Increase)/decrease in loans and advances	257.23	983.15
(Increase)/decrease in other current assets	1,385.98	(7,643.01)
Cash generated/(used) from operations	(12,870.16)	15,614.50
Taxes Paid (net of refunds)	(460.65)	(6,203.82)
Net Cash from Operating Activities	(13,330.81)	9,410.68
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including capital work in progress	(88.81)	(184.52)
Proceeds from sale of PPE	4.60	-
Fixed Deposits encashed/ (invested)	6,338.13	(2,830.42)
Sale/(purchase) of non-current investments	-	2,276.76
Loans (given)/repayment received	249.13	(2,058.88)
Interest received	1,322.63	2,309.20
Net Cash generated/(used) in Investing Activities	7,825.68	(487.86)

STATEMENT OF CASH FLOW for the year ended March 31, 2020...(Contd.)

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in Long Term Borrowings	(1,178.46)	(4,768.06)
Net movement in Short Term Borrowings	18,670.72	7,553.45
Interest paid	(10,805.94)	(12,580.21)
Net Cash generated/(used) in Financing Activities	6,686.32	(9,794.82)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,181.19	(872.00)
Cash & Cash Equivalents at the beginning of the year	746.44	1,618.44
Cash & Cash Equivalents at the end of the year	1,927.63	746.44
Cash & Cash Equivalents includes :		
Balance with Banks	1,919.43	730.73
Cash-in- Hand	8.20	15.71
Total Cash & Cash Equivalents at the end of the year	1,927.63	746.44

Note : The above Cash Flow statement has been prepared under the Indirect Method as setout in Indian Accounting Standard 7 (Ind AS 7) "Statement of Cash Flows"

This is the Cash Flow Statement referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

**For and on behalf of Board of Directors of
SPML Infra Limited****Subhash Chand Sethi**

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020. (All amount in INR lakhs, unless otherwise stated)

1. CORPORATE INFORMATION

SPML Infra Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on premier stock exchanges of India viz. BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of infrastructure development which inter-alia includes water management, water infrastructure development, waste water treatment, power generation, transmission and distribution, solid waste management, and other civil infrastructures.

These standalone financial statements for the year ended 31st March, 2020 have been approved by the Board of Directors on 18th August, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation and compliance with the Indian Accounting Standards (Ind AS)

These financial statements for the year ended 31st March 2020 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

(ii) 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 & 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 recognized in the period in which they are determined.

(iii) Current and Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent treated as current unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

(iv) Basis of Measurement

These Ind AS Financial Statements have been prepared on an accrual basis of accounting and going concern basis using historical cost convention, except for certain financial instruments measured at fair value, Freehold Land measured at Fair value and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS (refer Accounting Policies for Financial Instruments, Property, Plant and Equipment and Employee Benefits).

(v) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional and presentation currency.

(vi) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance cost, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

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 recognized 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.

(vii) Intangible Assets and Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Company's intangible assets constitutes software which has finite useful economic lives and these are amortized on a straight line basis, over their useful life of 5 years. The amortization period and the amortization method are reviewed at the end of each reporting period.

(viii) Depreciation/Amortisation

Depreciation on items of Property, Plant & Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

The Company has used the following useful economic lives to provide depreciation on its property, plant & equipment:

Block of Assets	Useful economic life (in years)
Buildings (including temporary structure)	3- 60
Furniture & Fixtures	10
Plant & Equipment	9- 20
Computers	3 - 6
Vehicles	8- 10
Office Equipment	5
Software (Intangible asset)	5

The useful economic lives of buildings and plant and equipment as estimated by the management and supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

The Company's intangible assets constitutes software which has finite useful economic lives and these are

amortized on a straight line basis, over their useful life of 5 years. The amortization period and the amortization method are reviewed at the end of each reporting period.

(ix) Impairment of Property, Plant & Equipment and Intangible Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

(x) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings measured at Effective Interest rate (EIR).

Borrowing costs 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 as part of the cost of the respective asset.

All other borrowing costs are expensed in the period they are incurred.

(xi) Financial Instruments

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:

a) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

b) Initial Recognition

Financial assets are recognised initially at fair value considering the concept of materiality. Transaction costs that are directly attributable to the acquisition of

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

the financial asset (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets.

c) Subsequent Measurement of Financial Assets

Financial assets are subsequently measured at amortized cost if they 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 (FVTOCI): Financial assets are subsequently measured at fair value through other comprehensive income (FVTOCI), if it is held within a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

d) Impairment of Financial Assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to the Statement of Profit and Loss.

e) Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company

has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Financial Liabilities:

a) Classification

The company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost using the effective interest method.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

b) Initial Recognition

Financial liabilities are recognized at fair value on initial recognition considering the concept of materiality. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities.

c) Subsequent Measurement of Financial Liabilities

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

Amortised cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

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.

d) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(xii) Inventories

Materials, components and stores & spares to be used in contracts are valued at lower of cost, or net realizable value. Cost is determined on weighted average basis.

Stock of trading goods is valued at lower of cost, or net realizable value. Cost is determined on First in First out (FIFO) basis.

Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

(xiii) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(xiv) Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been

adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

(I) Revenue from operations

- a) Revenue from sale of goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue from sale of traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

- b) Revenue from construction/project related activity is recognised as follows:

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled Revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as

part of contract asset and is reclassified as trade receivables when it becomes due for payment.

- c) Commission income is recognised as and when the terms of the contract are fulfilled.

(II) Other income

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through Other Comprehensive Income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

(xv) Liquidated Damages

No provision is made for liquidated damages deducted by the customers, wherever these have been refuted by the Company and it expects to settle them without any loss. Pending settlement of these claims, the relative trade receivables are shown in the accounts as fully recoverable and the corresponding amounts are reflected as contingent liability.

(xvi) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

The Company as lessee:

The Company's lease asset classes primarily consist of leases for buildings or part thereof. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet.

(xvii) Foreign Currency Translations

Initial Recognition

In the financial statements of the Company, transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements and / or on conversion of monetary items, are recognized at income or expense in the year in which they arise.

Forward Exchange Contracts (not intended for trading or speculation purpose)

The premium or discount arising at the inception of forward exchange contracts is amortized at expense or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

(xviii) Retirement and Other Employee Benefits

Employee benefits

(A) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such short-term compensated absences are provided for in the Statement of Profit and Loss based on estimates.

(B) Post-employment benefits

The Company operates the following post-employment schemes:

- i) Employee benefits in the form of Provident Fund is made to a government administered fund and charged as an expense to the Statement of Profit and Loss, when an employee renders the related service. There are no obligations other than the contributions payable to the fund.
- ii) Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

iii) Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(xix) Income Taxes

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns Vis a Vis position taken in books of account which are subject to interpretation and creates provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognized in OCI or equity, deferred / current tax is also recognized in OCI or equity.

(xx) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

(xxi) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(xxii) Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxiii) Accounting for Interests in Joint Operations

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. In case of Interests in joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

(xxiv) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ In Lakhs							TOTAL
	Freehold land	Buildings	Temporary site sheds and shuttering materials	Plant and machinery	Furniture and fixtures	Vehicles	Site office/equipments	
GROSS BLOCK								
As at March 31, 2018	7,435.52	1,460.32	2,358.82	6,670.49	1,598.82	1,201.49	2,386.48	23,111.94
Additions	-	-	1.80	14.25	12.72	107.35	35.62	171.73
Adjustments	-	-	-	13.40	-	-	-	13.40
Deductions	-	-	-	-	-	-	-	-
As at March 31, 2019	7,435.52	1,460.32	2,360.62	6,698.14	1,611.54	1,308.84	2,422.10	23,297.07
Additions	-	-	-	36.81	2.83	3.38	45.77	88.79
Adjustments	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	(49.43)	(18.56)	(67.99)
As at March 31, 2020	7,435.52	1,460.32	2,360.62	6,734.95	1,614.37	1,262.79	2,449.31	23,317.87
DEPRECIATION								
As at March 31, 2018	-	292.15	2,330.43	5,346.41	1,444.24	1,007.70	2,146.77	12,567.70
Charge for the year	-	25.53	10.08	213.94	39.21	65.21	17.72	371.70
Deductions	-	-	-	-	-	-	-	-
As at March 31, 2019	-	317.68	2,340.51	5,560.35	1,483.45	1,072.91	2,164.49	12,939.40
Charge for the year	-	25.52	0.57	307.22	24.58	47.18	35.91	440.98
Deductions	-	-	-	-	-	(44.46)	(17.64)	(62.10)
As at March 31, 2020	-	343.20	2,341.08	5,867.57	1,508.03	1,075.63	2,182.76	13,318.28
NET BLOCK								
As at March 31, 2019	7,435.52	1,142.64	20.10	1,137.79	128.09	235.92	257.61	10,357.67
As at March 31, 2020	7,435.52	1,117.12	19.53	867.38	106.34	187.15	266.55	9,999.59

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 4: RIGHT OF USE ASSETS

₹ In Lakhs

Particulars	As at March 31, 2020
GROSS BLOCK	
As at March 31, 2019	154.49
Additions	218.74
Deductions	-
As at March 31, 2020	373.23
ACCUMULATED DEPRECIATION	
As at March 31, 2019	-
Charge for the year	120.97
Deductions	-
As at March 31, 2020	120.97
NET BLOCK	
As at March 31, 2019	-
As at March 31, 2020	252.26

NOTE 5: INTANGIBLE ASSETS

₹ In Lakhs

Particulars	As at March 31, 2020
GROSS BLOCK	
As at March 31, 2018	409.47
Additions	0.38
Deductions	-
As at March 31, 2019	409.85
Additions	-
Deductions	-
As at March 31, 2020	409.85
ACCUMULATED AMORTISATION	
As at March 31, 2018	388.77
Charge for the year	0.27
Deductions	-
As at March 31, 2019	389.04
Charge for the year	0.18
Deductions	-
As at March 31, 2020	389.22
NET BLOCK	
As at March 31, 2019	20.81
As at March 31, 2020	20.65

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 6: NON- CURRENT INVESTMENTS

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) In Quoted Equity Instruments at FVOCI		
Indian Acrylics Limited	0.01	0.01
100 (Previous year 100) equity shares of ₹ 10/- each		
Less: Impairment loss	0.01	0.01
	-	-
Best and Crompton Engineering Limited	0.10	0.10
200 (Previous year 200) equity shares of ₹ 10/- each		
Less: Impairment loss	0.10	0.10
	-	-
Net quoted Investments	-	-
(b) In Unquoted Equity Shares in Subsidiaries (Fully paid up) at Cost		
Subhash Kabini Power Corporation Limited*	-	2,063.16
13,172,000 (Previous year 13,172,000) equity shares of ₹ 10/- each. Of the above, 13,122,000 (Previous year 13,122,000) equity shares are under first pari passu charge with State Bank of India against Loan.		
SPM Holdings Pte Limited*	-	392.28
Madurai Municipal Waste Processing Company Private Limited *	587.80	587.80
5,878,000 (Previous year 5,878,000) equity shares of ₹10/- each		
Less: Impairment loss	587.80	587.80
	-	-
Bhagalpur Electricity Distribution Company Private Limited	1.03	1,219.93
10,000 (Previous year 10,000) equity shares of ₹ 10/- each		
Mizoram Infrastructure Development Company Limited	5.00	5.00
34,500 (Previous year 34,500) equity shares of ₹ 10/- each		
Less: Impairment loss	5.00	5.00
	-	-
SPML Infra Developers Limited	-	5.00
250,000 (Previous year 250,000) equity shares of ₹ 2/- each		
Less: Impairment loss	-	5.00
	-	-
Delhi Waste Management Limited*	-	838.27
292,500 (Previous year 292,500) equity shares of ₹ 10/- each		
Neogal Power Company Private Limited*	-	66.61
1,136,774 (Previous year 1,136,774) equity shares of ₹ 1/- each		
Awa Power Company Private Limited*	-	203.28
2,639,605 (Previous year 2,639,605) equity shares of ₹ 1/- each		
IQU Power Company Private Limited	-	412.57
2,580,500 (Previous year 2,580,500) equity shares of ₹ 1/- each. Of the above, 2,506,875 (Previous year 2,506,875) equity shares are pledged with Punjab National Bank against loans obtained by the said investee Company.		

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 6: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Binwa Power Company Private Limited	436.09	436.09
2,948,340 (Previous year 2,948,340) equity shares of ₹ 1/- each		
Less: Impairment loss	436.09	436.09
	-	-
Luni Power Company Private Limited (refer note 6.1)	-	337.92
7,049,597 (Previous year 7,049,597) equity shares of ₹ 1/- each		
SPML Energy Limited	-	466.94
99,550,000 (Previous year 99,550,000) equity shares of ₹ 1/- each		
SPML Infrastructure Limited	2,946.62	2,946.62
7,432,000 (Previous year 7,432,000) equity shares of ₹ 1/- each		
Less: Impairment loss	1,326.44	-
	1,620.18	2,946.62
Subhas Urja Private Limited	-	1.00
10,000 (Previous year 10,000) equity shares of ₹ 10/- each		
Less: Impairment loss	-	1.00
	-	-
SPML Utilities Limited	762.30	762.30
200,000,000 (Previous year 200,000,000) equity shares of ₹ 1/- each		
Less: Impairment loss	682.30	-
	80.00	762.30
Doon Valley Waste Management Private Limited	2.50	2.50
25,000 (Previous year 25,000) equity shares of ₹ 10/- each		
Less: Impairment loss	2.50	2.50
	-	-
Mathura Nagar Waste Processing Company Limited*	2.55	2.55
255,000 (Previous year 255,000) equity shares of ₹ 1/- each		
Less: Impairment loss	2.55	2.55
	-	-
Allahabad Waste Processing Company Limited*	2.55	2.55
255,000 (Previous year 255,000) equity shares of ₹ 1/- each		
Less: Impairment loss	2.55	2.55
	-	-
	1,701.21	9,709.88
(c) In Unquoted Equity Shares in Associates (Fully paid up) at Cost		
Bhilwara Jaipur Toll Road Private Limited*	5,191.39	5,191.38
3,520,302 (Previous year 3,520,302) equity shares of ₹ 10/- each. Of the above, 12,49,336 (Previous year 12,49,336) equity shares are pledged with ICICI Bank and Punjab National Bank against loans obtained by the said investee Company.		
Subhash Kabini Power Corporation Limited*	2,063.16	-
13,172,000 (Previous year 13,172,000) equity shares of ₹ 10/- each. Of the above, 13,122,000 (Previous year 13,122,000) equity shares are under first pari passu charge with State Bank of India against Loan.		

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 6: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Delhi Waste Management Limited*	838.27	-
292,500 (Previous year 292,500) equity shares of ₹ 10/- each		
SPML Energy Limited	466.94	-
99,550,000 (Previous year 99,550,000) equity shares of ₹ 1/- each		
IQU Power Company Private Limited	412.57	-
2,580,500 (Previous year 2,580,500) equity shares of ₹ 1/- each. Of the above, 2,506,875 (Previous year 2,506,875) equity shares are pledged with Punjab National Bank against loans obtained by the said investee Company.		
Less: Impairment loss	167.16	-
	245.41	-
Awa Power Company Private Limited*	203.27	-
2,639,605 (Previous year 2,639,605) equity shares of ₹ 1/- each		
Less: Impairment loss	13.23	-
	190.04	-
Neogal Power Company Private Limited*	66.61	-
1,136,774 (Previous year 1,136,774) equity shares of ₹ 1/- each		
Less: Impairment loss	4.66	-
	61.95	-
Binwa Power Company Private Limited	436.09	-
2,948,340 (Previous year 2,948,340) equity shares of ₹ 1/- each		
Less: Impairment loss	436.09	-
	-	-
SPML Bhiwandi Water Supply Infra Limited	2.25	2.25
224,700 (Previous year 224,700) equity shares of ₹ 1/- each		
SPML Bhiwandi Water Supply Management Limited	2.50	2.50
250,000 (Previous year 250,000) equity shares of ₹ 1/- each		
	9,061.91	5,196.13
(d) In Unquoted Equity Shares in Joint Ventures (Fully paid up) at Cost		
Malviya Nagar Water Services Private Limited	220.50	220.50
2,205,000 (Previous year 2,205,000) equity shares of ₹ 10/- each		
Gurha Thermal Power Company Limited	2.50	2.50
25,000 (Previous year 25,000) equity shares of ₹ 10/- each		
Aurangabad City Water Utility Limited	104.77	104.77
MVV Water Utility Private Limited TYPE A Shares	1.00	1.00
10,000 (Previous year 10,000) equity shares of ₹ 10/- each		
MVV Water Utility Private Limited TYPE B Shares	0.42	0.42
364,693 (Previous year 364,693) equity shares of ₹ 10/- each		
	329.19	329.19
(e) In Unquoted Equity Instruments (Fully paid up) at FVTPL		
Luni Power Company Private Limited (refer note 6.1)	337.92	-
7,049,597 (Previous year 7,049,597) equity shares of ₹ 1/- each		
Less: Impairment loss	168.96	-
	168.96	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 6: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(f) In Unquoted Equity Instruments at FVOCI		
Bharat Hydro Power Corporation Limited	1,047.86	476.00
3,294,150 (Previous year 3,294,150) equity shares of ₹ 10/- each		
Arihant Leasing and Holding Limited	0.75	0.75
24,000 (Previous year 24,000) equity shares of ₹ 10/- each		
Less: Impairment loss	0.75	0.75
	-	-
SPML India Limited	1.50	1.50
10,000 (Previous year 10,000) equity shares of ₹ 10/- each		
Less: Impairment loss	1.50	1.50
	-	-
Petrochem Industries Limited	0.14	0.14
500 (Previous year 500) equity shares of ₹ 10/- each		
Less: Impairment loss	0.14	0.14
	-	-
Hindustan Engineering & Industries Limited (Bonus Shares)	-	-
4 (Previous year 4) equity shares of ₹ 10/- each		
Om Metal - SPML Infraproject Private Limited	0.50	0.50
4,999 (Previous year 4,999) equity shares of ₹ 10/- each		
Pondicherry Port Limited	0.01	0.01
100 (Previous year 100) equity shares of ₹ 10/- each		
Jarora Nayaganv Toll Road Company Private Limited	0.05	0.05
500 (Previous year 500) equity shares of ₹ 10/- each. The equity shares are pledged with OBC Bank against loans obtained by the said investee Company.		
	1,048.42	476.56
(g) In Unquoted Debt Instruments at Amortised Cost (fully paid-up)		
Escorts Tractors Limited	0.01	0.01
25 (Previous year 25) Debentures of ₹ 1/- each		
Hindustan Engineering & Industries Limited	0.06	0.06
110 (Previous year 110) Debentures of ₹ 1/- each		
Less: Impairment loss	0.06	0.06
	-	-
	0.01	0.01
(h) In Unquoted Debt Instruments at Amortised cost		
Allahabad Waste Processing Company Private Limited*	450.00	450.00
5,000,000 (Previous year 5,000,000) Preference Shares of ₹ 1/- each		
Less: Impairment loss	368.00	-
	82.00	450.00
MVV Water Utility Private Limited		
18,380 (Previous year 18,380) Debentures of ₹ 100/- each	-	-
	82.00	450.00
(i) In Others		
SPM Holdings Pte Limited*	392.28	-
(j) In Others at FVTPL		
National Saving Certificate	0.52	0.52
Mutual funds	14.36	5.00
50,000 units of ₹ 10/- each		
	14.88	5.52
TOTAL	12,798.86	16,167.29

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 6: NON- CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate value of investments		
Quoted (net of Impairment loss)	-	-
Unquoted (net of Impairment loss)	12,798.86	16,167.29
Market value of quoted investment	-	-

* The Investments in these companies include the impact of IND AS adjustments on account of fair valuation of Financial Guarantees extended by the Company (SPML Infra Limited) against the financial assistance availed by them. Details as below:-

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Awa Power Company Private Limited	-	27.45
Neogal Power Company Private Limited	-	11.76
SPM Holdings Pte Limited	392.28	392.28
Madurai Municipal Waste Processing Company Private Limited	77.13	77.13
Delhi Waste Management Limited	-	1.45
Allahabad Waste Processing Company Limited	-	10.67
Mathura Nagar Waste Processing Company Limited	-	5.57
Subhash Kabini Power Corporation Limited	79.28	79.28
Bhilwara Jaipur Toll Road Private Limited	554.06	554.06
TOTAL	1,102.75	1,159.65

6.1 An application for initiation of Corporate Insolvency Resolution Process ('CIRP'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 has been admitted against Luni Power Company Pvt. Ltd. ('Luni'), a subsidiary of the Company, on 23rd December, 2019 by the Hon'ble NCLT, Chandigarh Bench. Consequently, since the said date, the Company is not exercising control or significant influence over Luni so as to treat it as its subsidiary or associate and is carrying its equity investment in Luni at FVTPL as at 31st March, 2020. Accordingly, as a matter of prudence, the Company has impaired its equity investment of ₹ 337.92 lakhs in Luni to the extent of 50% (i.e ₹ 168.96 lacs) during the quarter and year ended 31st March, 2020. Further, the recoverability of the Company's remaining direct exposure in Luni as at 31st March, 2020 (₹ 168.96 lakhs by way of equity, ₹ 331.64 lakhs by way of loan and ₹ 59.51 lakhs by way of trade receivables) would be assessed on an ongoing basis since the CIRP process is in its initial stages now and the consequent impairment, if any, will be dealt with appropriately in the subsequent financial results.

6.2 On Pledge of Investments as held by SPML Infra Ltd. in other Group Companies:

Investments of SPML Infra Ltd. i.e. 19,99,99,700 Equity Shares in SPML Utilities Limited; 74,32,000 Equity Shares in SPML Infrastructure Limited; 2,55,000 Equity Shares in Allahabad Waste Processing Company Limited; 9,999 Equity Shares in Bhagalpur Electricity Distribution Company Private Limited; 29,48,340 Equity Shares in Binwa Power Company Private Limited; 2,92,500 Equity Shares in Delhi Waste Management Limited; 25,000 Equity Shares in Doon Valley Waste Management Private Limited; 2,55,000 Equity Shares in Mathura Nagar Waste Processing Company Limited; 2,24,700 Equity Shares in SPML Bhiwandi Water Supply Infra Limited; 2,49,700 Equity Shares in SPML Bhiwandi Water Supply Management Limited; 58,78,000 Equity Shares in Madurai Municipal Waste Processing Company Pvt. Ltd has been pledged as on the Balance Sheet signing date in favour of the SBICAP Trustee/ S4A Lenders for securing the due repayment of the Debts as restructured under the "SPML S4A Scheme" as approved by the Overseeing Committee (governed under RBI) with the super majority of the Lenders Banks.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 7 : TRADE RECEIVABLES

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Receivables	41,236.04	42,956.89	30,136.86	25,364.08
Trade Receivables - Related Parties	-	-	3,776.04	6,323.43
Trade Receivables - which have significant increase in credit risk	-	-	-	-
Trade Receivables - Credit Impaired	3,447.95	4,331.68	-	-
Less: Allowance for Expected Credit Loss	(15,000.65)	(18,002.80)	-	-
TOTAL	29,683.34	29,285.77	33,912.90	31,687.51

Break- up for Security details:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Receivables				
Secured, considered good		-		-
Unsecured, considered good	41,236.04	42,956.89	33,912.90	31,687.51
considered doubtful	3,447.95	4,331.68		-
	44,683.99	47,288.57	33,912.90	31,687.51
Allowance for Expected Credit Loss				
on unsecured, considered good	(11,552.70)	(13,671.12)	-	-
on considered doubtful	(3,447.95)	(4,331.68)	-	-
	(15,000.65)	(18,002.80)	-	-
TOTAL	29,683.34	29,285.77	33,912.90	31,687.51

Note 7.1: Trade Receivable from private limited companies in which Company 's director(s) is/ are director(s)/ member(s)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Madurai Municipal Waste Processing Company Private Limited	-	-	-	118.51
MVV Water Utility Private Limited	-	-	557.34	416.04
TOTAL	-	-	557.34	534.55

NOTE 8: LOANS

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security Deposits	894.77	596.08	-	-
Loans to related parties (Refer Note 35)	11,855.32	11,420.13	-	-
Loans to Others	450.84	661.84	-	-
TOTAL	13,200.93	12,678.05	-	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 8: LOANS (CONTD..)

Break-up:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Loans considered good - Secured	-	-	-	-
Loans considered good - Unsecured	7,736.80	9,866.44	-	-
Loans which have significant increase in credit risk	6,977.96	4,084.89	-	-
Loans credit Impaired	-	-	-	-
	14,714.76	13,951.33	-	-
Less:- Allowance for Expected Credit Loss	1,513.83	1,273.28	-	-
TOTAL	13,200.93	12,678.05	-	-

Note 8.1. Loans and receivables are non- derivative financial assets which generate a fixed or variable interest income for the Company. The carrying values may be affected by changes in the credit risk of the counterparties.

8.2 Disclosure of outstanding loans and advances due from Related Parties to the company together with maximum amount thereof pursuant to schedule V of Security and Exchange Board of India (Listing Obligations and Disclosures Requirements Regulations, 2015 are as below:

₹ In Lakhs

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Balance Outstanding	Maximum Amount Outstanding during the year	Balance Outstanding	Maximum Amount Outstanding during the year
Subhash Kabini Power Corporation Limited	192.06	1,437.53	1,291.12	1,405.58
Spml Energy Limited	197.46	198.30	180.38	180.38
SPML Infrastructure Limited	462.81	809.54	809.54	887.96
Awa Power Company Private Limited	1,642.55	1,642.55	884.68	1,114.61
IQU Power Company Private Limited	861.40	861.40	774.54	774.54
Neogal Power Company Private Limited	628.93	990.61	496.68	496.68
Luni Power Company Private Limited (refer note 6.1)	-	-	293.00	293.00
Subhash Urja Private Limited	-	0.01	0.01	0.01
Binwa Power Corporation Private Limited	92.38	92.38	-	-
Spml Utilities Limited	127.31	127.31	185.21	185.90
Bhagalpur Electricity Distribution Company Private Limited	4,799.68	4,799.68	4,447.34	4,447.34
Allahabad Waste Processing Co. Limited	31.14	31.14	27.98	31.45
Madurai Municipal Waste Processing Company Private Limited	90.79	90.79	-	-
Doon Valley Waste Management Private Limited	37.90	37.90	34.07	34.07
Spml Bhiwandi Water Supply Infra Limited	886.64	1,043.11	977.04	977.04
Spml Bhiwandi Water Supply Management Limited	40.50	47.65	44.44	44.44
Gurha Thermal Power Co Limited	1,295.73	1,295.73	1,190.94	1,190.94

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 8: LOANS (CONTD..)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Balance Outstanding	Maximum Amount Outstanding during the year	Balance Outstanding	Maximum Amount Outstanding during the year
Aurangabad City Water Utility Co. Limited	194.39	215.99	215.99	215.99
Meena Holding Limited	0.77	0.77	-	-
Hydro-comp Enterprises (India) Private Limited	0.62	0.62	0.51	0.51
International Construction Limited	1,151.70	1,151.70	1,046.20	1,047.45
Peacock Pearl Business Solution Pvt. Ltd.	-	-	-	0.13
20th Century Engineering Limited	0.20	0.20	-	-
Bharat Hydro Power Corporation Limited	173.83	173.83	159.71	159.71
Acropolis Properties Pvt. Ltd.	-	-	-	1.08
	12,908.79		13,059.37	
Less : Interest accrued and due on above	1,053.47		1,639.24	
TOTAL	11,855.32		11,420.13	

NOTE 9 : OTHER BANK BALANCES

(at Amortised Cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Deposits with Maturity more than 12 months*	4,440.34	5,278.52	-	-
Deposits with Maturity more than 3 months but less than 12 months*	-	-	1,358.97	8,450.85
TOTAL	4,440.34	5,278.52	1,358.97	8,450.85

* lying with banks as security against Letters of Credits, Guarantees and Demand Loan facilities issued by them.

NOTE 10 : OTHER FINANCIAL ASSETS

(at Amortised Cost, unless otherwise stated)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Interest Accrued on Fixed Deposits/Loans	363.84	208.26	1,887.94	1,812.26
Unbilled Revenue	-	-	77,034.38	77,459.94
Retention Money	-	-	25,107.45	21,964.78
Other Receivables	-	-	183.80	177.32
Receivable against sale of Investments	-	-	200.00	200.00
Earnest Money Deposit	-	-	481.87	558.05
TOTAL	363.84	208.26	104,895.44	102,172.35

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 11 : OTHER ASSETS

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital advances	251.25	251.25	-	-
Advances recoverable in cash or kind	-	-	4,871.05	5,925.66
Prepaid expenses	-	-	360.60	272.89
Balance with Revenue Authorities	-	-	5,290.47	5,846.39
Advance income-tax (net of provision for taxation)	5,494.25	5,292.75	-	-
Interest accrued on arbitration awards	23,399.92	20,947.09	-	-
TOTAL	29,145.42	26,491.09	10,522.12	12,044.93

NOTE 12 : INVENTORIES

(Valued at lower of Cost and Net Realisable Value)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Project materials	6,105.63	5,277.63
Stores and spares	85.06	103.47
Work in progress	83.04	83.04
Total inventories at the lower of cost and Net realisable value	6,273.73	5,464.14

NOTE 13 : CASH AND BANK BALANCES

(at Amortised Cost)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with banks :		
On current accounts	1,919.43	730.73
Cash on hand	8.20	15.71
	(A) 1,927.63	746.44
Other bank balances		
Balances in unpaid dividend account	-	0.97
	(B) -	0.97
TOTAL (A+B)	1,927.63	747.41

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 14 : SHARE CAPITAL

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Authorized capital		
200,000,000 equity shares ₹ 2 par value per share	4,000.00	4,000.00
1,000,000 preference shares ₹ 100 par value per share	1,000.00	1,000.00
	5,000.00	5,000.00
Issued, subscribed and paid-up capital		
36,650,276 equity shares ₹ 2 par value per share	733.01	733.01
Add : Forfeited shares (amount originally paid up)	86.44	86.44
	819.45	819.45

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Equity Shares

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Calls in arrears	-	-	-	-
Outstanding at the end of the year	36,650,276	733.01	36,650,276	733.01

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% equity shares of the Company

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Client Rosehill Limited	5,493,876	14.99	5,493,876	14.99
State Bank of India	-	-	2,241,848	6.12
Zoom Industrial Services Limited	2,500,000	6.82	2,500,000	6.82
SPML India Limited	2,119,055	5.78	2,119,055	5.78

- d. In pursuance of the implementation of "SPML S4A Scheme", the Promoters of the Company had diluted their shareholding in the Company to the extent of "Principle of Proportionate loss sharing by Lenders (S4A Lenders)" in favour of the Lender Banks to entitle them to hold 21.44 % stake in the Company. As on balance sheet dated 31.03.2020 Lenders are holding 13.60% shareholding in the Company.
- e. In terms of the "SPML S4A Scheme" as approved by the Overseeing Committee (constituted under the aegis of Reserve Bank of India) the entire debt of the Company as bifurcated into Part A Debt and Part B Debt together with all interest thereon is also inter-alia secured by pledge of the Shares of the Company held by Promoters in favour of SBICAP Trustee Ltd. for the benefit of the Secured Parties. The Promoters & the Promoter Group of the Company as on the balance sheet dated 31.03.2020 had pledged 38.20% of the Shares as held by them in the Company in favour of the Security Trustee.
- f. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 15 : OTHER EQUITY

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
A. Capital reserve	885.73	885.73
B. Securities premium account	15,263.80	15,263.80
C. General reserve	5,929.05	5,929.05
D. Retained Earnings (movements given below)	15,579.74	15,337.95
E. Other Comprehensive Income	165.54	(292.47)
TOTAL - Other Equity	37,823.86	37,124.05

Movement in Retained Earnings

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	15,337.94	20,519.64
Add: Profit for the year	241.80	4,961.82
Less: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	-	(10,143.52)
Closing Balance	15,579.74	15,337.95

NOTE 16 : BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term loans		
from banks (refer note 16.1)	1,310.73	2,656.12
from financial institutions (refer note 16.2)	-	169.18
0.01% Optionally Convertible Debentures		
issued to banks (Refer Note 16.3.3)	52,858.17	52,858.17
issued to financial institutions (Refer Note 16.3.3(d))	1,677.00	1,677.00
Deferred payment credits (refer note 16.4)		
from others	59.48	70.35
Unsecured		
Term loans		
from related parties (refer note 16.5)	8,556.63	8,149.27
from Body Corporate (Refer Note 16.6)	636.35	700.00
Current maturities of Long term Borrowings	1,983.84	1,980.57
Less: Amount clubbed under "Other Current Liabilities"	(1,983.84)	(1,980.57)
TOTAL	65,098.36	66,280.09

16.1 Security and repayment terms in respect of term loans from banks

- a. Term loan of ₹ NIL lakhs (P.Y. ₹ 31.25 lakhs) from Yes Bank carries interest @ 11.75 % p.a. (YBL +1.50% p.a.) and is repayable in 5 quarterly instalments of ₹ 7.75 lacs each along with interest thereon starting from February 2019 and ending by February 2020. The said loan is secured by way of Subservient charge on all movable fixed assets and current assets (both present and future) of the Company. Further, loan is backed by the personal guarantee of the Chairman of the Company and pledge of shares of the Company by the promoters/ associates.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 16 : BORROWINGS (CONTD..)

- b.** Corporate Loan of ₹ 3,003.69 lakhs (P.Y. ₹ 3,999.41 lakhs) from Consortium Member-Banks carries interest @ 12.65% p.a. and are repayable in uneven quarterly instalments along with interest thereon by FY 2022-2023. The said loans are secured on pari-passu basis by (i) Extension on all the current and non-current assets of the Company (both present and future) (ii) Exclusive mortgage on two Immovable Properties situated at Sarita Vihar, New Delhi owned by relatives of the Promoters (iii) Negative lien on one property at New Delhi owned by one of the associates (iv) Pledged shares of the Company held by Promoters/Associates, the value of that shares and immovable properties as mentioned above to be atleast 50% of the outstanding corporate loan. In addition, these loans are also secured by Personal Guarantee of two property owners to the extent of the value of the mortgaged properties as well as Personal Guarantees of the Promoters of the Company.
- c.** As at the year ended March 31, 2020, the Company has defaulted in repayment of dues upto 90 days amounting to ₹ 17,647.36 Lakhs (PY ₹193.64 Lakhs) and dues exceeding 90 days amounting to ₹ 6,521.40 lakhs (PY NIL) in respect of Banks. The Company has also defaulted in repayment of dues upto 90 days amounting to ₹ 139.00 Lakhs (PY ₹ 10.89 Lakhs) in respect of financial institution.

16.2 Security and repayment terms in respect of term loans from financial Institutions

Term Loan of ₹ 270.81 lakhs (P.Y. ₹ 606.68 lakhs) from a Financial Institution carries interest @ 13.55% p.a. (IBR +2.80% p.a.) and is repayable in twelve equated quarterly instalments by April 2021. The said loan is secured against an exclusive charge on (i) the Immovable Property situated at Faridabad owned by one of group entities (ii) Immovable Property of the Company situated in Gangapur, Sawai Madhopur in Rajasthan (iii) Pledge of shares of the Company held by Promoters/Group entities giving coverage of 1x of Loan amount. Further, the Loan is also backed by Personal Guarantee of Main Promoters, Corporate Guarantee & PDCs given by one of group entities. (Name of the entity is SPML Industries Limited)

16.3.1 Restructuring of entire Debts as availed from the Banks/Financial Institutions under Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme")

In terms of the Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme") as approved by the Super Majority of the Lender Banks with Reference Date as 22nd March, 2017 which was further agreed and approved by the Overseeing Committee (constituted under the aegis of the RBI) on 6th October, 2017 and by the Shareholders of the Company at their meeting held on 20th November, 2017, the entire crystallized fund-based debts of the Company had been bifurcated into "Part A" i.e. sustainable part of debt to be serviced as per existing terms and conditions of those debts and "Part B" i.e. non-sustainable part of debt, which has been adjusted against by virtue of transfer of 78,59,575 Equity Shares as held by Promoters and Promoters group in the company to the extent of the principal of Proportionate loss sharing by Lenders in favour of the lender banks to entitle them to hold 21.44% stake in the company & balance of Part B debt converted into unlisted, unrated, redeemable 54,53,517 Optionally Convertible Debentures (OCDs) of ₹ 1000 each (carrying coupon rate @0.01 % p.a. with an YTM @8.15% p.a.) in favour of the lender Banks based on their subscription to the OCDs.

16.3.2 Note for Right of Re-compensation:

In the instant arrangement, the Company acknowledges that the S4A Lenders reserves a right of recompense ("RoR") for Concessional Interest Rates. The recompense payable by the Company after the final redemption date depends on various factors such as improved performance of the Company, Cash Inflow & other conditions. Further the quantum of the recompense amount would be ascertained/determined by the Steering Committee of Lenders within a period of one Month from the Final Redemption Date. However, the same is adjustable with the Upside Gain in the event the Member Banks decide to sell the shares transferred/sold by Promoters to Lenders pursuant to the SPML S4A Scheme at any time prior to the final settlement date.

16.3.3 Security and repayment terms in respect of Optionally Convertible Debentures (OCDs)

The Company had allotted Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (OCDs) of the ₹ 1000/- each under eight series to the Lender Banks in proportion to their participation in the S4A restructuring scheme against conversion of part of their dues. The said eight series of OCDs are secured by way of:

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 16 : BORROWINGS (CONTD..)

- a. OCDs issued under Series A, B, C & H are secured by way of first ranking charge in favour of the Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) on (i) Hypothecation of Stocks and Book Debts of the Company, both present and future and all other current assets and non-current receivable (ii) Hypothecation of Plant and Machinery, Furniture & Fixtures and office equipment (iii) Lien on Fixed Deposit having issue value of ₹ 38 Lakhs in favour of Lead Bank. These loans are additionally secured by the Personal Guarantee of three Promoter Directors of the Company and Corporate Guarantee of one of the associates of the Company, except for OCDs issued to ICICI Bank under Series B & under Series C to Yes Bank which are also secured by extension of exclusive securities with them.
- b. OCDs issued under Series D are secured by way of exclusive charge in favour of Yes Bank Ltd. on Pledge of shares of the Company held by Promoters/ Associates as well as subservient charge on moveable fixed assets and all current assets of the Company, both present and future. Further, these OCDs are also backed by Personal Guarantee of one Promoter of the Company
- c. OCDs issued under Series E are secured by way of first ranking charge in favour of the Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) (i) on all the current and non-current assets of the Company (both present and future)(ii) Exclusive charge on two Immovable Properties situated at Sarita Vihar, New Delhi, (iii) Pledge of Shares of the Company held by Promoters/Associates. The value of the shares & immovable properties as mentioned above to be atleast 50% of the outstanding corporate loan. (iv) Negative lien on one property at New Delhi owned by one of the Associates. In addition, these OCDs are also secured by Personal Guarantee of two property owners to the extent of the value of the properties as well as Personal Guarantee of Promoters.
- d. OCDs issued under Series F are secured by way of exclusive charge in favour of IFCI Ltd. on (i) the Immovable Property owned by one of group entities situated in Faridabad (ii) Immovable Property owned by the Company situated in Gangapur, Sawai Madhopur, Rajasthan (iii) Pledge of shares of the Company held by Promoters/ Group entities giving coverage of 1x of Loan amount . Further, the Loan is also backed by Personal Guarantee of Main Promoters, Corporate Guarantee & PDCs given by one of Associates of the Company
- e. OCDs issued under Series G are secured by way of exclusive charge in favour of ICICI Bank Ltd. on the Immovable Property of the company situated in Gurugram.
- f. OCDS carry Coupon Rate of 0.01% p.a. to be paid in the first instance from November 1, 2017 to March 31, 2018 and thereafter at the end of each financial quarter commencing from last coupon payment date and ending on the next coupon payment date. OCDs also carry Yield-to-Maturity (YTM) of 8.15% p.a. are redeemable after a moratorium period of five years from the date of issue starting from quarter ending December, 2022 and ending on quarter ending September, 2027.

16.4. Deferred payment credits from financial companies is secured against hypothecation of vehicle purchased against such loans which are repayable in 48 equated monthly installments carrying compounding interest rate of 10.81% p.a.

16.5 Loans from related parties carry interest @8.60% - 14.5% and are repayable within a maximum period of 10 years.

16.6 Loans from body corporates are repayable within a maximum period of 10 years

NOTE 17 : TRADE PAYABLES

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Payables				
i) Total outstanding dues of micro enterprises and small enterprises	-	-	92.03	193.67
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,475.04	12,120.39	48,340.09	65,568.99
TOTAL	9,475.04	12,120.39	48,432.12	65,762.66

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 17 : TRADE PAYABLES (CONTD..)

Note: Information in terms of section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

₹ In Lakhs

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal	61.62	19.51
-Interest	30.41	174.16
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
-Principal	-	-
-Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

NOTE 18: OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers including interest	5,479.41	5,248.30
Lease Liability	88.63	-
Financial Guarantee Obligation	589.31	724.82
TOTAL	6,157.35	5,973.12

NOTE 19 : PROVISION

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Gratuity (refer note 32)	314.22	438.92	164.26	162.68
Compensated absences	-	-	47.45	0.67
TOTAL	314.22	438.92	211.71	163.35

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 20 : BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
From banks		
Cash Credit and demand loan facilities from bank (refer note 20.1)	56,292.66	54,098.65
Working Capital Demand Loan	17,016.59	-
Unsecured		
from bodies corporate (refer note 20.2)	8,163.92	8,703.80
TOTAL	81,473.17	62,802.45

20.1 - Demand loan and working capital facilities in Indian rupees are secured by hypothecation of stocks and book debts of the Company, both present and future, hypothecation of certain specific plant and machinery, furniture/fixtures and office equipments and also the lien on fixed deposit having value of ₹ 38 Lakhs in favour of One member bank as a pari passu charge with other consortium banks, along with exclusive charge in favour of the lead banker of fixed deposit amounting to ₹ 773 lakhs. These loans are additionally secured by the guarantees of three promoter directors of the Company and corporate guarantee of SPM Engineers Limited (related party). The demand loans and cash credit and working capital facilities carry interest @ 12.65% to 15.75% p.a.

20.2 - Loans from bodies corporate carry interest @ 12% p.a to 18% p.a.

NOTE 21 : OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings (refer note 16)	1,983.84	1,980.57
Interest accrued and due on borrowings	111.21	48.05
Interest accrued and not due on borrowings	4.03	5.63
Unpaid dividend*	-	0.97
Lease Liability	174.47	-
Salaries and other employee benefit payable	1,452.64	1,268.03
Advance from Customers	12,240.75	13,566.45
Interest accrued on Advances from Customers	1,652.06	1,685.14
TOTAL	17,619.00	18,554.84

* there is no amount due and outstanding which is to be transferred to investor education & protection fund.

NOTE 22 : OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues payable	1,460.32	1,697.06
Other Liabilities	478.00	416.76
TOTAL	1,938.32	2,113.82

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 23 : REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating Revenue		
- Construction/EPC Contracts	78,101.13	112,772.98
- Sale of Traded Goods	14,765.98	27,163.56
- Operation and Maintenance	1,801.06	980.92
Other operating revenue		
Interest Income as per Arbitration Awards	2,522.09	2,418.60
TOTAL	97,190.26	143,336.06

23.1 The Company recognises revenue from contracts with customers (long-term construction contracts), which are mainly with Government parties, for construction / project activities over a period of time. During the year under report, substantial part of the Company's business has been carried out in India. Hence no dis-agregation of revenue has been presented.

23.2 Contract balances

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	63,596.24	60,973.28
Contract assets	102,141.83	99,424.72
Contract liabilities	17,720.16	18,814.74

The credit period towards trade receivables generally ranges between 30 to 60 days. Further the customer retains certain amounts as per the contractual terms which usually fall due on the completion of contract. These retentions are made to protect the customer from the Company failing to adequately complete all or some of its obligations under the contract.

Contract assets are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has not met requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Contract liabilities include advances received from customers towards mobilisation of resources, purchase of materials and machineries.

Increase in the trade receivables, contract assets and decrease in contract liabilities as at March 31, 2020 from April 01, 2019 is on account of changes in operations of the Company. Expected credit loss recognized on trade receivables have been disclosed in note 7. No Impairment loss has been recognised on contract assets since the management is of the opinion that the contract assets are fully recoverables.

Changes in contract assets are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	99,424.72	98,789.12
Revenue recognised in the reporting period	24,488.88	71,324.11
Amount Received against Contracts during the year	(21,771.77)	(55,385.07)
Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	-	(15,303.43)
Balance at the end of the year	102,141.83	99,424.72

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 23 : REVENUE FROM OPERATIONS (CONTD..)

Changes in contract liabilities are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	18,814.74	22,617.27
Amount Received against Contracts during the year	4,027.75	4,198.02
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(5,122.33)	(8,000.55)
Balance at the end of the year	17,720.16	18,814.74

NOTE 24 : OTHER INCOME

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on		
Loans given	1,210.50	1,637.53
Bank deposits	765.47	814.12
Income tax refund	302.93	878.09
Others	135.85	803.25
Other Non Operating Income		
Sundry balances / liabilities no longer required written back (refer note 41)	4,692.01	60.21
Commission received	550.90	849.15
Profit on sale of investment (net)	-	781.54
Expected Credit Loss Reversals on Trade Receivables	2,118.42	-
Others	342.35	165.62
TOTAL	10,118.43	5,989.50

NOTE 25 : MATERIALS CONSUMED AND OTHER CONSTRUCTION EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Construction materials and stores and spare consumed		
Inventory at the beginning of the year	5,381.09	3,863.49
Add: Purchases	39,918.12	58,035.34
	45,299.21	61,898.83
Less: Inventory at the end of the year	6,190.69	5,381.09
	39,108.52	56,517.74
Construction Expenses		
Subcontractor charges	22,167.14	31,126.96
Drawing and designing charges	23.81	43.63
Equipment hire and running charges	213.52	268.41
Others	2171.95	1,009.63
	24,576.42	32,448.63
TOTAL	63,684.94	88,966.37

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages and Bonus	3,821.51	4,400.43
Contribution to Provident and Others Funds	226.74	259.26
Gratuity expense	90.80	109.17
Staff Welfare Expenses	80.54	108.30
TOTAL	4,219.59	4,877.16

NOTE 27 : FINANCE COSTS

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	10,435.16	11,446.01
Finance Cost on Lease	25.95	-
Other borrowing costs	4,194.34	3,806.34
TOTAL	14,655.45	15,252.35

NOTE 28: DEPRECIATION / AMORTIZATION

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Tangible Assets	440.98	371.70
Depreciation on Right of Use Assets	120.97	-
Amortisation of Intangible Assets	0.18	0.27
TOTAL	562.13	371.97

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 29 : OTHER EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent (Refer Note 33)	296.13	497.36
Rates and taxes	141.44	46.39
Repairs and maintenance:		
-Building	92.27	16.41
-Plant and machinery	87.65	100.81
-Others	26.78	26.07
Insurance	271.60	232.12
Professional charges and consultancy fees	1,855.91	1,810.65
Vehicle running charges	220.54	340.58
Travelling and conveyance	364.46	537.78
Security Charges	216.55	235.62
Communication expenses	44.97	62.96
Power and fuel	233.04	118.05
Printing & Stationery Expenses	80.92	35.17
Charity and donations	4.11	24.37
Auditor's remuneration (refer note 29.1)	37.96	33.63
Loss on sale of fixed assets (net)	1.29	-
Expected Credit Loss on loans to a subsidiary, a joint venture and to associates (refer note 29.2)	240.55	-
Impairment of equity investments in certain subsidiaries and associates (refer note 29.3)	2,193.79	-
Expected Credit Loss on investment in preference shares of a subsidiary	368.00	-
Impairment of investment in equity shares of company fair valued through profit and loss (refer note 6.1)	168.96	-
Bad debts/sundry balances written off	1,755.69	1,320.66
Miscellaneous expenses	941.92	569.50
Expected Credit Loss on Trade Receivables	-	430.35
TOTAL	9,644.53	6,438.48

Note 29.1: Payment to Auditors

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditors		
- Audit fees	22.00	17.00
- Tax Audit fees	4.50	4.50
- Limited review	10.50	10.50
- Reimbursement of expenses	0.28	0.18
In other capacity:		
- Other services (certification fees)	0.68	1.45
TOTAL	37.96	33.63

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

Note 29.2: Expected Credit Loss on loans

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
SPML Utilities Limited (Subsidiary)	55.33	-
SPML Bhiwandi Water Supply Infra Limited (Associate)	156.47	-
SPML Bhiwandi Water Supply Management Limited (Associate)	7.15	-
Aurangabad City Water Utility Limited (Joint Venture)	21.60	-
TOTAL	240.55	-

Note 29.3: Impairment of equity investments

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Neogal Power Company Private Limited	4.66	-
Awa Power Company Private Limited	13.23	-
IQU Power Company Private Limited	167.16	-
SPML Infrastructure Limited	1,326.44	-
SPML Utilities Limited	682.30	-
TOTAL	2,193.79	-

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
A. Contingent Liabilities		
i Claims against the Company not acknowledged as debts :		
(a) Demand for license fees raised by Mines and Minerals Department, Government of Bihar	83.41	83.41
(b) Legal suits filed against the Company by third parties towards claims disputed by the Company relating to supply of goods and services	102.00	837.15
(c) Legal suits filed against the Company by ex-employees towards claims disputed by the Company relating to non payment of their dues	4.36	4.36
	189.77	924.92
ii Claims towards liquidated damages not acknowledged as debts by the Company (Against the above, debts of the like amounts are withheld by the customers. However, the Company expects no material liability to accrue on account of these claims)	14,111.78	13,825.58
iii Disputed Demands :		
(a) Excise/ Service tax	23.13	23.13
(b) Sales tax/ VAT	2,707.91	2,707.91
iv Performance bank guarantees, given on behalf of a Joint Venture - MVV Water Utilities Private Limited	281.00	56.00
v Corporate Financial Guarantees given to banks for financial assistance extended to Subsidiaries and Associates :	29,845.94	30,757.58
B. Commitments		
i Capital Commitments (Net of Advances)	48.65	48.65

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 31 THE DISAGGREGATION OF CHANGES TO OCI BY EACH TYPE OF RESERVES IN EQUITY IS SHOWN BELOW :

During the year ended March 31, 2020

₹ In Lakhs

Particulars	Retained Earnings
Opening Balance	(292.47)
Fair valuation Loss on Investments at FVOCI	380.97
Re measurement gains/ (losses) on Defined Benefit Plan	77.05
Closing Balance	165.54

During the year ended March 31, 2019

₹ In Lakhs

Particulars	Retained Earnings
Opening Balance	145.00
Fair valuation Gain on Investments at FVOCI	(490.97)
Re measurement gains/ (losses) on Defined Benefit Plan	53.50
Closing Balance	(292.47)

NOTE 32 EMPLOYEE BENEFITS

(a) Contribution to defined Contribution Plans recognised as expense are as under

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Provident Fund and other Funds	226.74	259.26

(b) Defined Benefit Plan

Disclosure for Defined Benefit Plans based on actuarial report

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Changes in Defined Benefit Obligation:		
Present value of defined benefit obligation at the beginning of the year	601.60	563.65
Current Service Cost	20.21	92.67
Interest Cost	44.30	42.80
Re measurements (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	20.41	6.32
Actuarial (gains)/losses arising from changes in experience adjustments	(136.06)	(88.13)
Benefits paid	(71.99)	(15.70)
Present value of defined benefit obligation at the end of the year	478.47	601.60

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 32 EMPLOYEE BENEFITS (CONTD..)

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses Recognized in the Statement of Profit and Loss		
Interest Cost	44.30	42.80
Current Service Cost	20.21	92.67
Total	64.51	135.47
Expenses recognised in other comprehensive income		
Actuarial (gains)/losses arising from changes in financial assumptions	20.41	6.32
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(136.06)	(88.13)
Total Actuarial (Gains)/ losses recognized in other comprehensive income	(115.65)	(81.81)

The Principal actuarial assumption used:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate	7.00%	7.70%
Salary Growth Rate	6.00%	6.00%
Mortality Rate	Indian assured lives mortality (2006-08) modified	Indian assured lives mortality (2006-08) modified
Withdrawal Rate (Per Annum)	1% to 8%	1% to 8%

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

Disclosure for Defined Benefit Plans based on actuarial report

Current and Non Current Classification

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity		
Current	164.26	162.68
Non Current	314.21	438.92

Basis used to determine expected rate of return on assets:

The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 32 EMPLOYEE BENEFITS (CONTD..)

Sensitivity Analysis for significant assumptions for the year ended March 31, 2020 are as follows:

₹ In Lakhs		
Assumptions	Discount Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	451	509

₹ In Lakhs		
Assumptions	Future Salary increase	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	505	454

₹ In Lakhs		
Assumptions	Withdrawal Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	481	476

Sensitivity Analysis for significant assumptions for the year ended March 31, 2019 are as follows:

₹ In Lakhs		
Assumptions	Discount Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	542	613

₹ In Lakhs		
Assumptions	Future Salary increase	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	609	545

₹ In Lakhs		
Assumptions	Withdrawal Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	579	571

The Weighted Average duration of the defined benefit obligation as at 31st March 2020 is 58 years

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 32 EMPLOYEE BENEFITS (CONTD..)

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

NOTE 33 : LEASES

Company as a Lessee

The Company has adopted Ind AS 116 "Leases" effective from 1st April, 2019 retrospectively with the cumulative effect of initially applying the standard recognised on that date of initial application. This has resulted in recognition of Right-of-use Assets and Lease Liability each amounting to ₹ 154.49 Lacs as at 1st April, 2019. Accordingly, the comparative figures have not been retrospectively restated or adjusted. During the current year, the nature of expenses in respect of operating leases, where the Company is lessee and the period of lease is more than 12 months, has changed from lease rent in previous periods to depreciation cost for the Right-of-use Assets and finance cost for interest accrued on Lease Liability. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted. The impact of adoption of Ind AS 116 "Leases" on Profit before Tax is insignificant/not material.

The following is the summary of practical expedients elected on initial application:

- 1 Applied a single discount rate to a portfolio of leases of leases with reasonably similar characteristics.
- 2 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than or equal to 12 months of lease term on the date of initial application. Instead the Holding Company has accounted for these leases as if they were short term leases accounted for in accordance with para 6 of Ind AS 116.
- 3 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4 Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Disclosure in accordance to Ind AS 116 is as below :

Lease Assets and Lease Liabilities

₹ In Lakhs	
Particulars	As at March 31, 2020
Assets	
Right of Use Assets (Refer note 4)	252.26
Liabilities	
Lease Liabilities (Refer note 18 & note 21)	
- Current	88.63
- Non Current	174.47

Depreciation on Right of Use Assets & Interest Expenses on Lease Liabilities

₹ In Lakhs	
Particulars	For the year ended March 31, 2020
Depreciation	120.97
Interest Expenses	25.95
Short Term Lease Payments	296.13

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 33 : LEASES (CONTD..)

Carrying amounts of Right of Use Assets recognised and the movement during the year :

Particulars	₹ In Lakhs As at March 31, 2020
Initial recognition on adoption of Ind AS 116 as at April 01, 2019	154.49
Addition during the year	218.74
Depreciation Expense	(120.97)
Closing Balance as at March 31, 2020	252.26

Carrying amounts of lease liabilities and the movements during the year :

Particulars	₹ In Lakhs As at March 31, 2020
Initial recognition on adoption of Ind AS 116 as at April 01, 2019	154.49
Addition during the year	218.73
Interest expense during the year	296.13
Payments	136.07
Closing Balance as at March 31, 2020	533.28
- Current	174.47
- Non Current	358.81

The effective interest rate for lease liabilities is 12.65%, with maturity between April 2019 & September 2022.

Maturity analysis of lease liabilities are as follows:	₹ In Lakhs As at March 31, 2020
1 Year	174.47
2 to 5 Years	358.81

NOTE 34: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24

List of Related Parties

I. Subsidiary Companies including Step-Down Subsidiary Companies:

Names of related parties

Subhash Kabini Power Corporation Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)

SPML Energy Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)

SPML Infrastructure Limited

SPM Holding Pte. Limited (ceased to be a step-down subsidiary w.e.f. 30th March, 2020)

Binwa Power Corporation Private Ltd (ceased to be a subsidiary w.e.f. 30th March, 2020)

Awa Power Company Private Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)

IQU Power Company Private Ltd (ceased to be a subsidiary w.e.f. 30th March, 2020)

Neogal Power Company Private Ltd (ceased to be a subsidiary w.e.f. 30th March, 2020)

Luni Power Company Private Limited (ceased to be a subsidiary w.e.f. 23rd December, 2019) (Refer note 6.1)

Delhi Waste Management Ltd (ceased to be a subsidiary w.e.f. 1st October, 2019)

Add Energy Management Co. Private Limited (ceased to be a step-down subsidiary w.e.f. 30th March, 2020)

Add Technologies (India) Limited (ceased to be a step-down subsidiary w.e.f. 1st October, 2019)

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 34: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24 (CONTD..)

Madurai Municipal Waste Processing Co. Private. Limited
SPML Utilities Limited
Allahabad Waste Processing Co. Limited
Mathura Nagar Waste Processing Co. Limited
PT Sanmati Natural Resources (ceased to be a step-down subsidiary w.e.f. 30th March, 2020)
Mizoram Infrastructure Development Co. Limited
SPML Infra Developers Limited (Applied for strike off on 13th December, 2019)
Bhagalpur Electricity Distribution Co. Pvt. Ltd.
Doon Valley Waste Management Private Limited
SJA Developers Private Limited (ceased to be a step-down subsidiary w.e.f. 1st October, 2019)
Subhash Urja Private Limited (Applied for strike off on 13th December, 2019)
SPMLIL- Amrutha Constructions Pvt Ltd
Delhi Waste Management Najafgarh Pvt. Ltd. (ceased to be a step-down subsidiary w.e.f. 1st October, 2019)

II. Joint Ventures of the Company

Names of related parties

Malviya Nagar Water Services Private Limited
MVV Water Utility Private Limited
Gurha Thermal Power Co. Ltd
Aurangabad City Water Utility Co. Limited
Hydro Comp Enterprises (India) Limited

III. Associates of the Company

Names of related parties

Awa Power Company Private Limited (w.e.f. 31st March, 2020)
Binwa Power Corporation Private Ltd (w.e.f. 31st March, 2020)
Bhilwara Jaipur Toll Road Private Limited
Delhi Waste Management Ltd (w.e.f. 1st October, 2019)
IQU Power Company Private Ltd (w.e.f. 31st March, 2020)
Neogal Power Company Private Ltd (w.e.f. 31st March, 2020)
PT Bina Insan Sukses Mandiri (ceased to be an associate w.e.f 30th March,2020)
PT Vardhaman Mining Services (ceased to be an associate w.e.f 30th March,2020)
PT Vardhaman Logistics (ceased to be an associate w.e.f 30th March,2020)
Rabaan (S) Pte Limited (ceased to be an associate w.e.f 30th March,2020)
Sanmati Infra Developers (P) Ltd.
SPML Bhiwandi Water Supply Infra Limited
SPML Bhiwandi Water Supply Management Limited
Subhash Kabini Power Corporation Limited (w.e.f. 31st March, 2020)
SPML Energy Limited (w.e.f. 31st March, 2020)

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 34: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24 (CONTD..)

List of Related Parties

IV. Key Management Personnel

Names of related parties	Nature of relationship
Mr. Subhash Chand Sethi	Chairman
Mr. Sushil Kumar Sethi	Managing Director
Mr. Supriyo Kumar Chaudhari (Resigned w.e.f 11.09.2019)	Independent Director
Mr. Dinesh Kumar Goyal	Independent Director
Mr. Prem Singh Rana	Independent Director
Mr. Pavitra Joshi Singh	Independent Director
Mr. Sarthak Behuria (Resigned w.e.f 06.02.2020)	Independent Director
Mr. Abhinandan Sethi	Chief Operating Officer
Mr. Laxmi Narayan Mandhana (Appointed w.e.f 14.08.2019)	Chief Financial Officer and Company Secretary
Mr. Sujit Kumar Jhunjhunwala (Resigned w.e.f 14.08.2019)	Chief Financial Officer
Mr. Abhay Raj Singh (Resigned w.e.f 31.07.2019)	Company Secretary

V. Relatives of Key Management Personnel

Names of related parties	Nature of relationship
Mr. Anil Kumar Sethi	Brother of Chairman & Managing Director
Mr. Harshavardhan Sethi	Son of Chairman
Mrs. Maina Devi Sethi	Mother of Chairman & Managing Director
Mrs. Noopur Jain	Daughter of Managing Director
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
Mrs. Shilpa Sethi	Daughter in law of Chairman
Dr. Ankit Jain	Son-in-law of Managing Director
Mrs. Priyanshi Sethi	Daughter in law of Chairman
Mrs. Aanchal Sethi	Daughter in law of Managing Director

VI. Entities over which Key Management Personnel and/or their relatives have significant influence

Names of related parties
Add Technologies (India) Limited
Add Energy Management Co. Private Limited
Arihant Leasing & Holding Co. Limited
Rishabh Homes Private Limited
Subhash Systems Private Limited
International Construction Limited
SPM Engineers Limited
Zoom Industrial Services Limited
20Th Century Engineering Limited
SPML India Limited
ADD Realty Limited

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 34: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24 (CONTD..)

Sanmati Power Company Private Limited
 Add Eco Enviro Limited
 Meena Holdings Limited
 Pondicherry Special Economic Zone Company Limited
 Bharat Hydro Power Corporation Limited
 Om Metal-SPML Infra Project Private Limited
 Peacock Pearl Business Solution Pvt Ltd
 Sethi Infratech Private Limited
 Acropolis Properties Pvt Ltd
 Niral Enterprises Pvt Ltd
 JWIL Infra Limited
 SPML Industries Limited
 ADD Industrial Park (TN) Limited
 DWMG Software Private Limited
 Delhi Waste Management Najafgarh Pvt Ltd
 Latur Water Supply Management Company Limited
 Meena ADD Charity Initiative Foundation
 Pondicherry Port Limited
 POM POM Recycling Private Limited
 PT Sanmati Natural Resources
 PT Bina Insan Sukses Mandiri
 PT Vardhaman Mining Services
 PT Vardhaman Logistics
 Rabaan (S) Pte Limited
 Sanmati Corporate Investments Private Limited
 SJA Developers Private Limited
 SPM Holding Pte. Limited
 VidyaEdutech Private Limited
 Amrutha Constructions Private Limited

NOTE 35:

A. DURING THE YEAR FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH THE RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS :

		₹ In Lakhs	
Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Goods	Subsidiary companies		
	Subhash Kabini Power Corporation Limited	-	97.66
	Joint ventures		
	MVV Water Utility Pvt Ltd.	38.31	-
	Entities over which significant influence is exercised by KMP and / or relatives		
	JWIL Infra Limited	66.30	3,063.73

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: (CONTD)

₹ In Lakhs

Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	Subsidiary companies		
	Awa Power Company Private Limited	116.67	125.00
	Binwa Power Corporation Private Limited	8.35	5.47
	IQU Power Company Private Limited	96.51	110.49
	Luni Power Company Private Limited	-	49.34
	Neogal Power Company Private Limited	72.95	82.74
	SPML Energy Limited	24.82	28.59
	SPML Infrastrucurte Limited	54.35	91.95
	Allahabad Waste Processing Company Limited	3.51	3.09
	Doon Valley Waste Management Private Limited	4.26	3.73
	Madurai Municipal Waste Processing Company Private Limited	6.19	-
	Bhagalpur Electricity Distribution Com Private Limited	432.60	504.02
	Subhash Kabini Power Corporation Limited	118.29	137.16
	Associate companies		
	SPML Bhiwandi Water Supply Management Limited	3.33	4.91
	SPML Bhiwandi Water Supply Infra Limited	73.16	109.68
	Joint ventures		
	Gurha Thermal Power Co Limited	116.44	133.79
	MVV Water Utility Pvt Ltd.	0.57	2.57
	Entities over which significant influence is exercised by KMP and/or their relatives		
20Th Century Engineering Limited	0.02	0.01	
Bharat Hydro Power Corporation Limited	15.69	7.76	
Interest Expenses	Subsidiary companies		
	Mathura Nagar Waste Processing Company Private Limited	60.65	54.53
	Delhi Waste Management Limited	174.46	360.59
	Associate companies		
	Delhi Waste Management Limited	183.18	-
	Key managerial personnel (KMP)		
	Mr. Sushil Kumar Sethi	15.63	15.48
	Entities over which significant influence is exercised by KMP and/or their relatives		
	Add Eco Enviro Limited	-	0.95
	Pondicherry Special Economic Zone Company Limited	100.40	96.15
	Meena Holdings Limited	-	0.29
	20Th Century Engineering Limited	-	0.00
	SPML India Limited	72.94	101.94
	Subhash Systems Private Limited	33.60	26.31
	Zoom Industrial Services Limited	1.85	77.28
Niral Enterprises Pvt Ltd	126.94	147.35	

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: (CONTD)

		₹ In Lakhs	
Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
	Sethi Infratech Private Limited	0.01	0.01
	SPML Industries Limited	134.01	193.28
	SPM Engineers Limited	3.23	3.84
	Bharat Hydro Power Corporation Limited	-	18.67
Purchase of Goods	Subsidiary Companies		
	Add Technologies (India) Limited	-	12.28
Rent Expenses	Relative of KMP		
	Mrs. Preeti Devi Sethi	-	12.00
	Entities over which significant influence is exercised by KMP and/or their relatives		
	Arihant Leasing & Holding Company Limited	-	6.00
Loan/Advance Given/Repaid	Subsidiary companies		
	Awa Power Company Private Limited	660.84	17.00
	Binwa Power Corporation Private Limited	-	50.45
	IQU Power Company Private Limited	-	17.00
	Neogal Power Company Private Limited	66.60	-
	SPML Energy Limited	0.77	-
	SPML Infrastructure Limited	0.73	32.32
	SPML Utilities Limited	0.30	3.25
	Mathura Nagar Waste Processing Company Private Limited	-	17.79
	Delhi Waste Management Limited	300.00	336.75
	Doon Valley Waste Management Private Limited	-	0.75
	SPML Infra Developers Limited	4.25	-
	Madurai Municipal Waste Processing Company Private Limited	85.54	-
	Bhagalpur Electricity Distribution Com Private Limited	3.00	1,370.34
	Subhash Kabini Power Corporation Limited	180.00	840.61
	Associate companies		
	SPML Bhiwandi Water Supply Management Limited	0.21	1.58
	SPML Bhiwandi Water Supply Infra Limited	0.22	1.58
	Delhi Waste Management Limited	18.00	-
	Joint ventures		
	MVV Water Utility Pvt Ltd.	157.30	97.95
	Hydro-Comp Enterprises (India) Private Limited	0.11	0.19
	Key managerial personnel (KMP)		
	Mr. Sushil Kumar Sethi	-	207.09
	Mr. Subhash Chand Sethi	31.21	19.50
	Relative of KMP		
	Mr. Abhinandan Sethi	1.30	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: (CONTD)

		₹ In Lakhs	
Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
	<u>Entities over which significant influence is exercised by KMP and/or their relatives</u>		
	Pondicherry Special Economic Zone Company Limited	9.16	35.00
	Meena Holdings Limited	-	32.77
	Add Eco Enviro Limited	-	10.97
	Add Realty Ltd.	-	12.47
	Arihant Leasing & Holding Company Limited	-	33.80
	SPML India Limited	136.99	420.25
	Subhash Systems Private Limited	30.05	17.96
	20Th Century Engineering Limited	0.01	0.18
	Zoom Industrial Services Limited	201.59	1,630.52
	Niral Enterprises Pvt Ltd	0.16	26.66
	Sethi Infratech Private Limited	0.07	-
	Acropolis Properties Pvt Ltd	-	1.08
	SPML Industries Limited	209.43	852.21
	International Construction Limited	-	6.75
	SPM Engineers Limited	35.94	3.20
	Bharat Hydro Power Corporation Limited	1.18	607.70
Loan/Advance Taken/Repaid	<u>Subsidiary companies</u>		
	Awa Power Company Private Limited	7.98	2.00
	Binwa Power Corporation Private Limited	4.00	6.11
	SPML Energy Limited	6.00	-
	SPML Infrastructure Limited	396.37	193.50
	Delhi Waste Management Limited	-	180.00
	Mathura Nagar Waste Processing Company Private Limited	-	2.76
	Bhagalpur Electricity Distribution Com Private Limited	40.00	82.96
	Subhash Kabini Power Corporation Limited	1,385.52	499.77
	Subhash Urja Private Limited	0.01	-
	<u>Associate companies</u>		
	Delhi Waste Management Limited	1.08	-
	<u>Joint ventures</u>		
	MVV Water Utility Pvt Ltd.	54.82	56.83
	<u>Key managerial personnel (KMP)</u>		
	Mr. Sushil Kumar Sethi	-	95.85
	Mr. Subhash Chand Sethi	-	9.00
	<u>Entities over which significant influence is exercised by KMP and/or their relatives</u>		
	Meena Holdings Limited	-	40.49
	Add Eco Enviro Limited	-	18.75
	Add Realty Ltd.	-	12.47
	SPML India Limited	158.65	170.00

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: (CONTD)

₹ In Lakhs

Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
	Subhash Systems Private Limited	1.50	343.00
	Zoom Industrial Services Limited	200.00	75.00
	SPML Industries Limited	-	675.00
	International Construction Limited	-	1.25
	Bharat Hydro Power Corporation Limited	-	30.00
Managerial Remuneration/ Sitting Fees	Mr. Sushil Kumar Sethi	121.60	188.65
	Mr. Subhash Chand Sethi	121.60	188.69
	Mr. Abhinandan Sethi	90.00	94.62
	Mr. Supriyo Kumar Chaudhari	1.20	2.40
	Mr. Dinesh Kumar Goyal	3.00	2.30
	Mr. Prem Singh Rana	3.40	3.60
	Mr. Pavitra Joshi Singh	2.10	-
	Mr. Sarthak Behuria	1.90	3.10
	Mr. Laxmi Narayan Mandhana	35.93	-
	Mr. Sujit Kumar Jhunjunwala	8.69	26.09
	Mr. Abhay Raj Singh	5.79	24.00

B. BALANCE OUTSTANDING AT THE YEAR END (CONTD...)

₹ In Lakhs

Outstanding	Related Party	As at March 31, 2020	As at March 31, 2019
Payable	Subsidiary companies		
	Mathura Nagar Waste Processing Company Limited	529.63	475.04
	SPML Infra Developers Limited	-	4.25
	Binwa Power Corporation Private Limited	-	413.82
	Delhi Waste Management Limited	-	3,146.03
	Add Technologies (India) Limited	-	27.42
	Associate companies		
	Delhi Waste Management Limited	3,150.98	-
	Key managerial personnel (KMP)		
	Mr. Sushil Kumar Sethi	169.26	162.35
	Mr. Subhash Chand Sethi	-	31.21
	Relative of KMP		
	Mr. Abhinandan Sethi	-	1.30
	Mrs. Preeti Devi sethi	26.33	26.33
	Entities over which significant influence is exercised by KMP and/or their relatives		
	Add Technologies (India) Limited	27.42	-
	Arihant Leasing & Holding Company Limited	50.37	50.37
	Subhash Systems Private Limited	358.29	356.61
	SPML Industries Limited	1,288.31	1,377.13
	SPM Engineers Limited	0.00	33.03

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: (CONTD)

		₹ In Lakhs	
Outstanding	Related Party	As at March 31, 2020	As at March 31, 2019
	Zoom Industrial Services Limited	20.39	20.32
	SPML India Limited	822.03	734.72
	Pondicherry Special Economic Zone Company Limited	905.51	824.31
	Sethi Infratech Private Limited	0.00	0.07
	Niral Enterprises Pvt Ltd	1,412.55	1,298.46
Receivable	Subsidiary companies		
	SPML Infrastructure Limited	462.81	809.54
	Luni Power Company Private Limited	-	498.71
	SPML Utilities Limited	556.17	555.86
	Allahabad Waste Processing Company Limited	31.14	300.58
	Bhagalpur Electricity Distribution Company Private Limited	6,223.92	5,871.58
	Madurai Municipal Waste Processing Company Private Limited	92.26	118.51
	Doon Valley Waste Management Private Limited	37.90	34.07
	Subhash Urja Private Limited	-	0.01
	Subhash Kabini Power Corporation Limited	-	1,291.12
	SPML Energy Limited	-	254.47
	Awa Power Company Private Limited	-	1,294.07
	IQU Power Company Private Limited	-	990.11
	Neogal Power Company Private Limited	-	818.70
	Add Energy Management co. Private Limited	-	133.96
	Joint ventures		
	Malviya Nagar Water Services Pvt .Ltd	450.16	450.16
	MVV Water Utility Pvt Ltd.	557.34	416.04
	Gurha Thermal Power Co Limited	1,295.73	1,190.94
	Aurangabad City Water Utility Company Limited	215.99	215.99
	Hydro-Comp Enterprises (India) Private Limited	0.62	0.51
	Associate companies		
	Subhash Kabini Power Corporation Limited	192.06	-
	SPML Energy Limited	271.58	-
	Awa Power Company Private Limited	2,051.94	-
	Binwa Power Corporation Private Limited	92.38	-
	IQU Power Company Private Limited	1,076.97	-
	Neogal Power Company Private Limited	950.96	-
	SPML Bhiwandi Water Supply Infra Limited	1,043.11	977.04
	SPML Bhiwandi Water Supply Management Limited	47.65	44.44
	Entities over which significant influence is exercised by KMP and/or their relatives		
	Add Energy Management co. Private Limited	133.96	-
	20Th Century Engineering Limited	0.20	0.16
	International Construction Limited	1,046.20	1,046.20

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: (CONTD)

		₹ In Lakhs	
Outstanding	Related Party	As at March 31, 2020	As at March 31, 2019
	Zoom Industrial Services Limited	-	-
	Sanmati Power Company Private Limited	251.25	251.25
	Meena Holdings Limited	0.77	0.77
	Bharat Hydro Power Corporation Limited	175.01	159.71
	Acropolis Properties Pvt Ltd	1.08	1.08
	JWIL Infra Limited	392.20	1,309.00
	Peacock Pearl Business Solution Pvt Ltd	0.13	0.13
Corporate	Subsidiary companies		
Guarantee	Awa Power Company Private Limited	-	247.57
outstanding	Madurai Municipal Waste Processing Company Private Limited	1,954.23	1,954.23
	SPM Holding Pte. Limited	-	5,923.34
	Subhash Kabini Power Corporation Limited	-	2,449.63
	Associate companies		
	Bhilwara Jaipur Toll Road Private Limited	18,502.08	20,182.82
	Subhash Kabini Power Corporation Limited	1,249.99	-
Performance	Associate companies		
Guarantee	MVV Water Utility Private Limited	281.00	56.00
outstanding			

C. DETAILS OF REMUNERATION TO KEY MANAGERIAL PERSONNEL IS GIVEN BELOW:

₹ In Lakhs		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Short-term employee benefits	367.13	505.36
- Post employment benefits	28.08	28.08
TOTAL	395.21	533.44

Note:

Terms and conditions of transactions with related parties:

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

NOTE 36.1 CATEGORIZATION OF FINANCIAL INSTRUMENTS

₹ In Lakhs		
Particulars	Carrying value/ Fair value	
	As at March 31, 2020	As at March 31, 2019
(i) Financial Assets		
a) Measured at FVTPL		
- Investments in Mutual Fund	14.34	5.00
b) Measured at FVOCI		
- Investments in Equity Instruments	1,048.42	476.56
c) Measured at Amortised Cost*		
- Loans	13,200.93	12,678.05
- Trade Receivables	63,596.24	60,973.28
- Other Financial Assets	105,259.28	132,543.10

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 36.1 CATEGORIZATION OF FINANCIAL INSTRUMENTS (CONTD..)

₹ In Lakhs

Particulars	Carrying value/ Fair value	
	As at March 31, 2020	As at March 31, 2019
(ii) Financial Liabilities		
a) Measured at FVTPL		
- Financial Guarantee Obligation	589.31	724.82
b) Measured at Amortised Cost*		
- Borrowings (Secured and Unsecured)	146,571.53	129,082.54
- Other Financial Liabilities	81,094.20	101,686.20

*Carrying Value of assets / liabilities carried at amortized cost are reasonable approximation of its fair values.

NOTE 36.2 FAIR VALUE HIERARCHY

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a) Financial assets and liabilities measured at fair value at 31 March 2020

₹ In Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL	14.34	-	-	14.34
Investment at OCI	-	-	1,048.42	1,048.42
Financial Liability				
Financial Guarantee obligation at FVTPL	-	-	589.31	589.31

Financial assets and liabilities measured at fair value at 31 March 2019

₹ In Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL	5.00	-	-	5.00
Investment at OCI	-	-	476.56	476.56
Financial Liability				
Financial Guarantee obligation at FVTPL	-	-	724.82	724.82

(b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 36.2 FAIR VALUE HIERARCHY (CONTD..)

(d) Description of Significant Unobservable inputs to Valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity to the input of the fair value
Financial Guarantee Obligation	Discounted Cash Flow approach	Discount rate	1% increase in the discount rate will result in loss of ₹ 19.53 lakhs in Profit and Loss and 1% decrease will have an equal but opposite effect.

NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's Board of Directors assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.

The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

a) Credit Risk Management

The Company provides for the Expected Credit Loss based on the following:

Asset Group	Description	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate Credit Risk	Trade receivables, loans and other financial assets	12 month expected credit loss/life time expected credit loss
High Credit Risk	Trade receivables, loans and other financial assets	Life time expected credit loss

*Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD..)

₹ In Lakhs

Credit Rating	Particulars	As at March 31, 2020	As at March 31, 2019
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	109,270.60	113,748.58
High Credit Risk	Trade Receivables, Loans	93,311.65	92,927.41

b) Credit Risk Exposure

Provision for Expected Credit Loss

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

March 31, 2020

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Loans	14,714.76	1,513.83	13,200.93
Trade Receivables	78,596.89	15,000.65	63,596.24

March 31, 2019

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Loans	13,951.33	1,273.28	12,678.05
Trade Receivables	78,976.08	18,002.80	60,973.28

The Company's allowance for Expected Credit Loss on Trade Receivables is created using Provision Matrix Approach.

₹ In Lakhs

Reconciliation of Loss Allowance	Trade Receivables	Loans
As on March 31, 2018	19,457.04	1,273.28
Allowance for Expected Credit Loss	(1,454.24)	-
As on March 31, 2019	18,002.80	1,273.28
Allowance for Expected Credit Loss	(3,002.15)	240.55
As on March 31, 2020	15,000.65	1,513.83

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD..)

Maturities of Financial Liabilities

The table below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2020

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	81,473.17	1,370.21	63,728.15	146,571.53
Trade Payable	48,432.12	9,475.04	-	57,907.16
Other Financial Liabilities	17,619.00	6,157.35	-	23,776.35

March 31, 2019

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	62,802.45	2,895.65	63,384.44	129,082.54
Trade Payable	65,762.66	12,120.39	-	77,883.05
Other Financial Liabilities	18,554.86	5,973.12	-	24,527.98

C. Market Risk

a. Interest Rate Risk

The Company has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk.

Interest Rate Risk Exposure

₹ In Lakhs

Particulars	March 31, 2020	March 31, 2019
Variable Rate Borrowing	74,679.46	56,994.30
Fixed Rate Borrowing	71,892.07	72,088.24

Interest rate sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ In Lakhs

Particulars	March 31, 2020	March 31, 2019
Interest Sensitivity*		
Interest Rates increase by 100 basis points	572.45	767.72
Interest Rates decrease by 100 basis points	572.45	767.72

*Holding all other variables constant

b. Price Risk

The Company's exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity Analysis

₹ In Lakhs

Particulars	March 31, 2020	March 31, 2019
Price Sensitivity*		
Price increase/ decrease by 5%- FVOCI	19.05	23.81

*Holding all other variables constant

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Borrowings	148,555.38	131,111.16
Trade payables	57,907.16	77,883.05
Less: Cash and Cash equivalents	(1,927.63)	(747.41)
Net debt (i)	204,534.90	208,246.80
Total Capital	38,643.30	37,943.50
Capital and net debt (ii)	243,178.20	246,190.30
Gearing ratio (i)÷(ii)	84%	85%

NOTE 39: DEFERRED TAX ASSET

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets arising out of:		
Provision as per Expected Credit Loss Model	5,422.71	6,019.24
Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	5,368.34	5,368.34
Impact of Fair valuation of Loans	210.36	700.55
Fair valuation of Investments	2,474.45	1,756.94
Impairment of Property, Plant and Equipment	(123.65)	131.36
Gross Deferred Tax Assets	13,352.21	13,976.44
Deferred Tax Liabilities arising out of:		
Fair valuation of Land	1,680.67	1,680.67
Profit on Sale of Investments	230.69	230.69
Interest Income	874.26	966.56
Gross Deferred Tax Liabilities	2,785.62	2,877.92
Net Deferred Tax Assets	10,566.58	11,098.52

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 39: DEFERRED TAX ASSET (CONTD..)

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Reconciliation of deferred tax Assets (net):

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance as at April 01, 2019	11,098.52	5,843.78
Tax income/(expense) during the period recognised in profit or loss	342.66	(232.55)
Tax income/(expense) during the period recognised in OCI	(229.49)	118.94
Tax income/(expense) during the period due to impact of Ind AS 115 in Retained Earnings	-	5,368.35
Tax income/(expense) during the period recognised on Reversal of Interest Free Loan	(645.11)	-
Closing balance as at March 31, 2020	10,566.58	11,098.52

Statement of profit and loss:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit or loss section		
Current income tax:		
Current income tax charge	259.15	1,539.36
Deferred tax:		
Relating to origination and reversal of temporary differences	(342.66)	232.55
Income tax expense reported in the statement of profit or loss	(83.51)	1,771.91
OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Unrealised (gain)/loss on FVTOCI equity securities	190.89	(147.25)
Net loss/(gain) on remeasurements of defined benefit plans	38.60	28.31
Income tax charged to OCI	229.49	(118.94)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2019 and 31st March 2020:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before tax	158.29	6,733.74
At India's statutory income tax rate of 34.608% (31 March 2019: 34.608 %)	54.78	2,330.41
Effect of Income being taxed at different rate (MAT Rate)	(21.00)	(893.32)
Adjustments in respect of items that are exempted from Income tax	(225.37)	(102.27)
Income tax expense reported in the statement of profit and loss	259.15	1,539.36

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 40. EARNING PER SHARE:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit available for Equity Shareholders	241.80	4,961.83
Weighted Average number of Equity shares	366.50	366.50
Basic and Diluted Earnings Per Share	0.66	13.54

NOTE 41. Sundry balances/liabilities written back aggregating ₹ 4,692.01 lakhs (₹ 60.21 lakhs) consisting of certain credit balances of operational creditors, barred by the laws of limitation and not yet claimed by them.

NOTE 42. Interest on account of YTM amounting to ₹ 5,143.45 lakhs (₹ 4,731.86 lakhs as on 31st March 2019) has not been provided on Optionally Convertible Debentures (OCDs) issued to lenders under SPML S4A Scheme, as the same is not payable until maturity of such OCD.

NOTE 43. Clients of the Company have foreclosed certain projects/contracts which are presently under arbitration / litigation proceedings. The management, based on the fact of the case is confident to recover/realise the trade receivables and Inventories as at 31st March, 2020 of ₹ 6,142.27 lakhs (₹ 3,402.74 lakhs as on 31st March 2019) and ₹ 1,040.62 Lakhs (₹ 1,040.62 lakhs as on 31st March 2019) respectively, related to the aforesaid projects/contracts.

NOTE 44. The Company has certain trade and other receivables of ₹ 37,195.44 lakhs as on March 31, 2020 (₹ 26,814.56 lakhs as on March 31, 2019) backed by the arbitration awards pronounced in its favour over the years. Further, the Company has recognised interest income of ₹ 2,522.09 lakhs during the year ended 31st March 2020 (₹ 1,472.59 lakhs during the year ended 31st March 2019) on such arbitration awards. Against these awards, the customers have preferred appeals in the jurisdictional courts and the legal proceedings are going on. Pending the outcome of the said legal proceedings, the above amounts are being carried forward as receivable as the management believes that the final outcome of the appeals would be in favor of the Company based on the facts of the respective cases and is confident to recover the aforesaid claims in full.

NOTE 45. Trade receivables aggregating ₹ 10,195.01 lakhs (31st March, 2019 ₹ 8,216.06 lakhs) are under arbitration proceedings. The management is confident that based on the facts of the respective cases; there is no uncertainty as regards their realization.

NOTE 46. In accordance with the provisions of Section 135 of the Companies Act 2013, the Company was to spend a sum of ₹ 80.96 Lakhs towards the CSR activities during the year ended March 31, 2020. During the year, the Company has spent Nil for the aforesaid activities.

NOTE 47. The outbreak of COVID-19 pandemic has disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Central and State Governments from time to time, because of interruption in the project activities, supply chain disruption, human resource availability constraints etc. The business operations have recommenced on a lower scale post relaxation of lockdowns, as compared to pre-pandemic levels. The management has evaluated the possible impact of known events, upto the date of approval of these standalone financial statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31st March, 2020 and has concluded that no material adjustments are required currently at this stage. However, there exists some uncertainty in relation to the future impact of COVID-19 pandemic on the Company and, accordingly, the actual impact in the future may be different from those presently estimated. The Company will continue to monitor any material change to the future economic conditions and consequential impact on the financial results.

NOTE 48. During the current year, the Company has defaulted in payment of dues to its financial creditors. It is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020. The Company is in the process of formulating a resolution plan with such creditors. Based on the expectation of the implementation of the resolution plan, underlying strength of the Company's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Company, including through monetisation of its assets including arbitration awards, claims etc. which would result in it being able to meet its obligations in due course of time. Accordingly, the Company's Board of Directors considers it appropriate to prepare these standalone financial statements on a going concern basis.

NOTE 49. Previous periods's figures have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year. Certain balances of Trade Receivables, Loans, Unsecured Borrowings and Trade Payables are subject to confirmations and subsequent reconciliations.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 50. INFORMATION ON JOINT ARRANGEMENTS OF THE COMPANY

Description of Company's interest in the joint operations of the entity :

₹ In Lakhs

Name of the entity	As at March 31, 2020		As at March 31, 2019	
	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation
Siddartha - Mahavir-SPML	10%	India	10%	India
SPML - CISC JV	50%	India	50%	India
SPML - Simplex	50%	India	50%	India
SPML - HCIL	100%	India	100%	India
M&P + Subhash JV	40%	India	40%	India
SPML - OM Metal JV	50%	India	50%	India
Suez Environment France & SPML Infra Ltd India JV	48%	India	48%	India
JWIL SPML JV	30%	India	30%	India
Shristi SPML JV*	26%	India	0%	India

*Incorporated on dated 25th September, 2019

Description of Company's interest in the joint ventures of the Company :

₹ In Lakhs

Name of the entity	As at March 31, 2020		As at March 31, 2019	
	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation
Malviya Nagar Water Services Private Limited	26.00%	India	26.00%	India
Gurha Thermal Power Company Limited	50.00%	India	50.00%	India
MVV Water Utility Private Ltd	48.08%	India	47.99%	India
Aurangabad City Water Utility Co. Limited	40.01%	India	40.01%	India
Hydro Comp Enterprises (India) Limited	50.00%	India	50.00%	India

The Company's share of assets, liabilities, income and expenses in the joint Operations as at and for the year ended March 31, 2020 is as follows:-

₹ In Lakhs

Name of the Joint Operation		Company's Share in					Capital expenditure commitments and contingent liabilities
		Assets	Liabilities	Income	Expenses	Profit/(Loss) (-) after tax	
Siddartha-Mahavir-SPML *	2019-20	308.75	294.49	342.94	343.45	(0.51)	-
	2018-19	332.30	288.52	1.41	2.57	(1.16)	-
Shristi SPML JV	2019-20	0.93	0.83	9.59	9.49	0.10	-
	2018-19	-	-	-	-	-	-
SPML CISC JV	2019-20	10.53	3.10	-	0.66	(0.66)	-
	2018-19	11.07	2.98	-	0.76	(0.76)	-
SPML - Simplex	2019-20	65.08	28.33	2.69	0.10	2.59	-
	2018-19	62.73	28.58	2.90	0.08	2.81	121.27
SPML - HCIL JV	2019-20	40.33	124.20	-	0.25	(0.25)	-
	2018-19	13.39	40.99	-	0.14	(0.14)	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 50. INFORMATION ON JOINT ARRANGEMENTS OF THE COMPANY (CONTD..)

₹ In Lakhs

Name of the Joint Operation		Company's Share in					Capital expenditure commitments and contingent liabilities
		Assets	Liabilities	Income	Expenses	Profit/(Loss) (-) after tax	
JWIL - SPML JV	2019-20	1,683.20	1,683.31	2,523.05	2,523.05	(0.01)	-
	2018-19	974.60	974.71	323.38	323.48	(0.11)	-
Suez Environment France & SPML Infra Limited India JV *	2019-20	350.74	357.59	288.68	303.76	(15.08)	-
	2018-19	394.85	388.92	642.33	631.48	10.85	-
M&P + Subhash JV *	2019-20	2,168.79	2,148.93	1.96	0.15	1.81	-
	2018-19	2,166.47	2,148.93	1.74	0.15	1.59	-
SPML - OM Metal JV	2019-20	1,011.16	609.75	1,716.03	1,868.26	(152.23)	-
	2018-19	-	-	-	-	-	-

The Company's share of income and expenses in the joint Ventures as at and for the year ended March 31, 2020 is as follows:-

₹ In Lakhs

Name of the Joint Venture		Company's Share in		
		Income	Expenses	Profit/(Loss) (-) after tax
Malviya Nagar Water Services Private Limited *	2019-20	730.05	731.00	(0.95)
	2018-19	618.35	659.42	(41.07)
Gurha Thermal Power Company Limited	2019-20	-	-	-
	2018-19	-	-	-
MVV Water Utility Pvt Limited	2019-20	652.27	588.36	63.91
	2018-19	219.63	207.58	12.05
Hydro Comp Enterprises (India) Limited	2019-20	-	4.02	(4.02)
	2018-19	-	5.66	(5.66)
Aurangabad City Water Utility Co. Limited**	2019-20	-	-	-
	2018-19	0.48	220.92	(220.44)

* These financial statement have been accounted for based on the management certified financial statement.

** This financial statement not received.

NOTE 51 SEGMENT REPORTING

The Company is primarily engaged in the business of construction. In accordance with IND AS -108 notified pursuant to Companies (Indian Accounting Standards) Rules, 2015, (as amended), the Company has identified two reportable business segments viz. Constuction and Trading. The Company is primarily operating in India which is considered as single geographical segment.

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1 Segment revenue (gross)		
a) Construction	82,424.28	116,172.50
b) Trading	14,765.98	27,163.56
Total Income	97,190.26	143,336.06
2 Depreciation/amortisation		

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

a)	Construction	562.13	371.97
b)	Trading	-	-
3	Segment results [Profit / (Loss) before tax and interest]		
a)	Construction	14,431.52	21,508.02
b)	Trading	382.22	478.07
	Total	14,813.74	21,986.09
i.	Finance Costs	(14,655.45)	(15,252.35)
ii.	Unallocable expenditure net off unallocable income	-	-
	Total Profit/(Loss)before taxes	158.29	6,733.74

₹ In Lakhs

Particulars	As at	As at
	March 31 2020	March 31 2019
4 Segment Assets		
a) Construction	255,510.03	259,299.92
b) Trading	13,852.57	12,853.24
c) Unallocable	-	-
Total Segment Assets	269,362.60	272,153.16
5 Segment Liabilities		
a) Construction	215,652.42	204,444.69
b) Trading	15,066.86	29,764.96
c) Unallocable	-	-
Total Segment Liabilities	230,719.29	234,209.65
6 Capital expenditure	88.79	172.11
7 Investment in Associate and Joint Venture	10,012.23	5,525.33

Signatories to Notes 1 to 51

As per report attached of even date

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

**For and on behalf of Board of Directors of
SPML Infra Limited**

Subhash Chand Sethi

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

Form AOC-1

{Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014}
Statement containing salient features to the financial statements of the subsidiaries/joint ventures/associate Companies

PART 'A' - Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	ADD Energy Management Company Private Limited	-	INR	1	-	-	-	-	-	130,340	(574,100)	(132,832)	(441,268)	-	44.72%
2	Add Technologies (India) Limited	-	INR	1	-	-	-	-	-	42,323,627	(5,761,889)	737,961	(6,499,850)	-	43.38%
3	Allahabad Waste Processing Company Limited	-	INR	1	12,110,000	140,883,900	304,700,516	151,706,630	2,000	28,420,000	12,792,600	7,425,000	5,367,600	-	95.01%
4	Ava Power Company Private Limited	-	INR	1	-	-	-	-	-	3,588,000	(34,592,000)	962,817	(33,629,000)	-	21.90%
5	Bhagalpur Electricity Distribution Company Private Limited	-	INR	1	100,000	(289,050,711)	1,395,455,369	1,684,405,801	102,698	15,021,256	(146,748,363)	-	(146,748,363)	-	99.99%
6	Binwa Power Company Private Limited	-	INR	1	-	-	-	-	-	1,475,000	(1,082,000)	-	(1,082,000)	-	50.79%
7	Delhi Waste Management Limited	-	INR	1	-	-	-	-	-	28,991,760	15,728,131	2,625,340	13,102,791	-	49.39%
8	Delhi Waste Management Najafgarh Private Limited	-	INR	1	-	-	-	-	-	-	(3,933,230)	-	(3,933,230)	-	25.19%
9	Doon Valley Waste Management Private Ltd	-	INR	1	960,000	21,472,580	104,000	20,616,580	-	-	(1,308,400)	(205,230)	(1,103,170)	-	87.49%
10	IQU Power Company Private Limited	-	INR	1	-	-	-	-	-	6,395,047	(28,355,661)	19,971	(28,375,632)	-	23.09%
11	Luni Power Company Private Limited	-	INR	1	32,011,986	267,603,639	642,661,806	342,923,749	16,896,199	-	(66,087)	-	(66,087)	-	43.62%
12	Madurai Municipal Waste Processing Company Private Limited	-	INR	1	228,270,000	(130,546,730)	476,727,200	379,003,930	-	11,753,350	(25,269,600)	(1,207,240)	(24,062,360)	-	92.33%
13	Mathura Nagar Waste Processing Company Limited	-	INR	1	6,193,000	31,334,580	96,961,350	59,433,780	2,700	6,138,200	(125,980)	(38,080)	(87,900)	-	90.25%
14	Mizoram Infrastructure Development Company Limited	-	INR	1	500,000	(500,000)	-	-	-	-	(342,016)	-	(342,016)	-	68.99%

PART 'A' - Summary of Financial Information of Subsidiary Companies (CONTD..)

₹ In Lakhs

Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
15	Neogal Power Company Private Limited	-	INR	1	-	-	-	-	-	8,041,258	(35,163,375)	(471,466)	(35,634,840)	-	15.20%
16	SJA Developers Private Limited	-	INR	1	-	-	-	-	-	-	(145,390)	-	(145,390)	-	42.66%
17	SPM Holdings Pte Ltd	-	USD	75:36	-	-	-	-	-	6,374,484,201	9,616,731	1,631,925	7,984,806	-	44.72%
18	PT Sananti Natural Resources	-	IDR	217:00	-	-	-	-	-	-	(49,823,426)	3,735	(49,827,161)	-	44.27%
19	SPML Energy Limited	-	INR	1	-	-	-	-	-	112,131,310	105,495,908	285,073	105,780,981	-	58.07%
20	SPML Infrastructure Limited	-	INR	1	7,433,042	171,388,130	525,662,040	346,840,870	162,017,661	56,958,980	(64,730,340)	(233,351,810)	(41,378,540)	-	99.99%
21	SPMLIL Amrutha Constructions Private Limited	-	INR	1	100,000	11,772,600	943,741,310	931,868,710	-	704,149,400	314,980	299,850	15,130	-	50.99%
22	SPML Utilities Limited	-	INR	1	200,000,000	(129,084,316)	144,683,737	73,768,063	7,999,907	699,021	451,576	175,944	275,632	-	100.00%
23	SPML Infra Developers Limited	-	INR	1	-	-	-	-	-	-	(5,782)	-	(5,782)	-	100.00%
24	Subhash Kabini Power Corporation Ltd.	-	INR	1	-	-	-	-	-	332,948,136	143,746,286	29,263,750	114,482,536	-	44.72%
25	Subhash Ujja Private Limited	-	INR	1	-	-	-	-	-	4,193	4,075	-	4,075	-	99.99%

PART 'B' - Associates and Joint Ventures

₹ In Lakhs

Name of Entity	Latest Audited Balance Sheet Date	Reporting Currency	No. of Shares held by the Company in associate/joint venture on the year end	Amount of Investment in associate/joint venture	Extent of Holding (%)	significant Influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet	share of profit / loss for the year Considered in Consolidation	Not Considered in Consolidation
A. Joint Ventures										
1	Aurangabad City Water Utility Co. Ltd	31st Mar-20	INR	19,405	10,477,219	40.01%	Controls more than 20% of share Capital	-	-	-
2	Gurha Thermal Power Project	31st Mar-20	INR	25,000	250,000	50.00%	Controls more than 20% of share Capital	-	-	-
3	Hydro Comp Enterprises India Private Limited	31st Mar-20	INR	2,296,265	2,296,265	50.00%	Controls more than 20% of share Capital	(3,822,243)	(565,571)	(565,571)
4	MVV Water Utility Private Limited	31st Mar-20	INR	383,073	10,976,845	48.08%	Controls more than 20% of share Capital	(24,058,542)	1,208,300	1,304,804
5	Malviya Nagar Water Services Private Limited	31st Mar-20	INR	2,205,000	22,050,000	26.00%	Controls more than 20% of share Capital	-	-	-
6	M & P Subhash JV	31st Mar-20	INR	-	-	40.00%	Controls more than 20% of share Capital	1,754,057	159,266	238,900
7	Shristi SPML JV	31st Mar-20	INR	-	-	5.00%	Controls more than 20% of share Capital	-	-	-
8	Suez Environmentment - SPML JV	31st Mar-20	INR	-	-	48.00%	Controls more than 20% of share Capital	-	-	-
9	SPML - HCIL	31st Mar-20	INR	-	-	100.00%	Controls more than 20% of share Capital	(8,362,385)	(42,283)	-
10	SPML - Simplex	31st Mar-20	INR	-	-	50.00%	Controls more than 20% of share Capital	3,415,509	281,434	281,434
11	SPML - CISC	31st Mar-20	INR	-	-	50.00%	Controls more than 20% of share Capital	809,381	(76,300)	(76,300)
12	SIDDHARTH+MAHAVIR+SPML (J.V.)	31st Mar-20	INR	-	-	10.00%	Controls more than 20% of share Capital	6,107,596	(115,908)	(1,043,174)
13	JWIL SPML JV	31st Mar-20	INR	-	-	30.00%	Controls more than 20% of share Capital	-	-	-
14	SPML-Om Metal JV(Ujjain)	31st Mar-20	INR	-	-	50.00%	Controls more than 20% of share Capital	-	-	-

PART 'B' - Associates and Joint Ventures

₹ In Lakhs

Name of Entity	Latest Audited Balance Sheet Date	Reporting Currency	No. of Shares held by the Company in associate/joint venture on the year end	Amount of Investment in associate/joint venture	Extent of Holding (%)	significant Influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet	share of profit / loss for the year Considered in Consolidation	Not Considered in Consolidation
B. Associates										
1 Delhi Waste Management Limited	31st Mar-20	INR	778,000	239,263,302	49.39%	Controls more than 20% of share Capital		(99,090)	-	-
2 Awa Power Company Private Limited	31st Mar-20	INR	2,639,605	19,005,156	17.62%	Controls more than 20% of share Capital		(7,840,223)	-	-
3 Binwa Power Company Private Limited	31st Mar-20	INR	2,948,340	-	50.29%	Controls more than 20% of share Capital				
4 IQU Power Company Private Limited	31st Mar-20	INR	2,580,500	24,541,000	19.05%	Controls more than 20% of share Capital				
5 Neogal Power Company Private Limited	31st Mar-20	INR	1,136,774	6,195,418	17.08%	Controls more than 20% of share Capital				
6 Subhash Kabini Power Corporation Ltd.	31st Mar-20	INR	13,172,000	206,315,660	30.11%	Controls more than 20% of share Capital				
7 SPML Energy Limited	31st Mar-20	INR	99,550,000	46,694,000	48.02%	Controls more than 20% of share Capital				
8 Bhilwara Jaipur Toll Road Private Limited	31st Mar-20	INR	3,520,302	519,138,000	51.00%	Controls more than 20% of share Capital		467,081,401	(24,679,771)	-
9 Sanmati Infra Developers private Limited	31st Mar-20	INR	500,000	5,000,000	25.00%	Controls more than 20% of share Capital		(52,124,021)	(149,703)	-
10 Spml Bhiwandi Water Supply Infra Limited	31st Mar-20	INR	224,700	225,000	44.94%	Controls more than 20% of share Capital		(401,765)	(99,081)	(121,394)
11 Spml Bhiwandi Water Supply Management Ltd.	31st Mar-20	INR	250,000	250,000	50.00%	Controls more than 20% of share Capital		(174,222)	(29,472)	(29,472)

Annexure-6- Companies that have become/ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies

The names of companies which have become subsidiaries, joint ventures or associate Companies During the year:

Sl. No.	Name of Company	Subsidiary/JV/Associate
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The names of companies which have ceased to be subsidiaries, joint ventures or associate Companies During the year:

Sl. No.	Name of Company	Subsidiary/JV/Associate
1	ADD Energy Management Company Private Limited	Subsidiary
2	Add Technologies (India) Limited	Subsidiary
3	Delhi Waste Management Limited	Subsidiary
4	Delhi Waste Management Najafgarh Private Limited	Subsidiary
5	SJA Developers Private Limited	Subsidiary
6	Awa Power Company Private Limited	Subsidiary
7	Binwa Power Company Private Limited	Subsidiary
8	IQU Power Company Private Limited	Subsidiary
9	Neogal Power Company Private Limited	Subsidiary
10	Subhash Kabini Power Corporation Ltd.	Subsidiary
11	SPML Energy Limited	Subsidiary
12	Subhash Urja Private Limited	Subsidiary
13	SPML Infra Developers Limited	Subsidiary
14	SPM Holdings Pte Ltd	Subsidiary
15	PT Sanamti Natural Resoures	Subsidiary
16	PT Bina Insan Sukses Mandiri	Associates
17	PT Vardhaman Logistics	Associates
18	PT Vardhaman Mining Services	Associates
19	Rabaan (S) Pte Limited	Associates

For Maheshwari & Associates

Chartered Accountants
ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner
Membership No - 055788

Place: Kolkata
Date: 18th August 2020

**For and on behalf of Board of Directors of
SPML Infra Limited****Subhash Chand Sethi**

Chairman
DIN: 00464390

Sushil Kr. Sethi

Managing Director
DIN: 00062927

Laxmi Narayan Mandhana
Chief Financial Officer & Company Secretary

**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITORS' REPORT

To the Members of SPML Infra Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of SPML Infra Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st March, 2020, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

As stated in:

- a. Note no 45 to the consolidated financial statements, interest on YTM basis amounting to ₹ 5,143.45 Lakhs (31st March, 2019: ₹ 4,731.86 lakhs) was not provided on Optionally Convertible Debentures ('OCDs') issued to lenders under S4A scheme by the Parent. Had such interest provision been made as required under the accrual basis of accounting, the finance cost would have been higher and profit before tax would have been lower by the aforesaid amounts for the year ended 31st March, 2020. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is ₹ 11,726.69 lakhs as at 31st March, 2020. The Auditor's Report for the year ended 31st March, 2019 was also qualified in respect of this matter.
- b. Note no. 46 to the consolidated financial statements, regarding the Parent's trade receivables (net of ECL) and inventories as at 31st March, 2020 of ₹ 6,142.27 lakhs and ₹ 1040.62 lakhs respectively (31st March, 2019: ₹ 3,402.74 lacs and ₹ 1,040.62 Lacs respectively), relating to certain projects foreclosed by clients in earlier years and where the claims are presently under arbitration/ litigation proceedings. Pending the ultimate outcome of these matters (fate of which is presently unascertainable), we are unable to comment on the recoverability thereof. The Auditor's Report for the year ended 31st March, 2019 was also qualified in respect of this matter.
- c. The Independent Auditor's Report dt.29 July, 2020 of SPM Holdings Pte. Ltd., a sub-subsidiary company of the Parent upto 30th March, 2020, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following *Basis for Disclaimer of Opinion* appears:
 - 1) **Trade and other receivables**

The total assets of the Company as at 31 March 2020 include trade and other receivables amounting to US\$ 29,030,547 (2019: US\$ 34,546,962) [₹ 21,877.42 lakhs (2019: ₹ 23,989.41 lakhs)]. As at the Balance sheet date, the past due debts amounted to US\$ 18,387,245 (₹ 13,856.63 lakhs) out of which US\$ 1,797,148 (₹ 1,354.33 lakhs) is collected subsequently till the report date.

At the reporting date, the Company assessed that there is no expected credit loss to be recognised and accordingly did not make any provision for expected credit loss. However we are unable to obtain sufficient and appropriate evidence for the basis of the Company's assessment. Consequently, we are unable to determine whether any adjustment to the company's financial statements for the financial year ended 31 March 2020 was necessary.

Also, Included in the above trade and other receivables, discount receivable amounting to US\$ 2,569,306 (₹ 1,936.23 lakhs) and other receivables amounting US\$ 5,263,183 (₹ 3,966.33 lakhs) for which we were unable to verify accuracy, existence and completeness as no balance confirmation was obtained. We were not able to carry out alternative auditing procedures in relation to these receivables. Consequently, we are unable to determine whether any adjustment to the company's financial statements was necessary.

Our audit report for the year ended 31 march 2019 dated 26 June 2019 contained qualification for the above reasons.

2) Interest expense

The Statement of profit or loss and other comprehensive income of the Company for the year include interest paid to its holding company amounting to US\$ 1,057,500 (₹ 749.66 lakhs) on an interest fee loan that was settled during the year ended 31 March 2018. The company has accounted for the interest in the current year as the holding company has calculated interest and charged the same in the current year. However, we are unable to verify the accuracy, completeness of interest expense and whether the interest should be accounted in the current year or prior years. There were no other alternative audit procedures we could perform to satisfy ourselves as to the appropriateness of interest amount recorded in the income statement of the year.

3) Secretarial records

We have been informed that the secretarial records are in the custody of erstwhile service provider and the company is unable to get access for our verification of records. Consequently, we are unable to determine whether any adjustments to, or disclosures in the financial statements may have been found necessary; had we been given access to the secretary records.

Our independent auditor's report for the financial years ended 31 March 2019 and 31 March 2018 contained a qualified opinion for the similar reasons as above." **(Figures in ₹ Lakhs inserted by us based on the applicable exchange rate, as INR is the reporting currency for the Parent).**

d. The Independent Auditor's Report dt. 16th June, 2020 of Bhilwara Jaipur Toll Road Pvt. Ltd., an associate company of the Parent, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following Basis of Qualified Opinion appears:

1. We draw attention to note no. 39 (a) in the financial statements, the company has terminated concession agreement w.e.f. 03.10.2018 and afterward no revenue and expenses are booked in relation to concession agreement, which indicates material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and possible effect cannot be estimated. Our opinion is modified and we qualify the financial statements in this regard.
2. We draw your attention to note no.39 (b) of financial statements that the company has incurred a Profit of ₹ 4.18 Lacs subject to non provision of interest in current year and subject to note no. 41 which mentioned that company did not book any expenses or income on or after 3rd October, 2018 as company filed termination of concession agreement. Company is regularly incurring losses which are accumulated till 31.03.2020 amounting to ₹ 4,547.45 Lacs which

eroded more than 40% capital invested by company. Further as of date your attention is invited to point no. 39(c) of financial statements, company's current liabilities exceeded its current assets by ₹ 11,417.75 Lacs, which indicates material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. And possible effect cannot be estimated. Our opinion is modified and we qualify the financial statements in this regard.

3. It has been observed that the provision of interest on inter corporate deposit has not been provided in the books of accounts company, Since the Matter is pending under arbitration therefore the provision was not made till the final award of arbitration."
- e. The Independent Auditor's Report dt. 25th June, 2020 of Gurha Thermal Power Company Ltd., a joint venture company of the Parent, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following Basis for Disclaimer of Opinion appears:

"We draw attention to the following matter in the Notes to the financial statements:

1. Note 20 in the financial statements which indicated that the Company has terminated the Power Purchase Agreement (PPA) with Rajasthan Rajya Vidhyut Prasaran Nigam Ltd (RRVPLN). The company was solely formed for the purpose of Business of Power generation and selling the same to the RRVPLN. As the agreement is terminated by the company and the Company has also filed the claim against the RRVPLN for the recovery of the amount invested by the Company of ₹ 8,94,85,115/- plus interest. The Company has filed petition before the Rajasthan Electricity Regulatory Commission, Jaipur. RERC vide its order dated 09.01.2018 dismissed the petition. The Company challenged the order of RERC, Jaipur by filing appeal before the APTEL (Appellate Tribunal for Electricity), New Delhi. The case is pending for adjudication.
2. Bank Accounts and one Joint Venturer (SPML Infra Limited) statement are not made available and Interest on borrowings is also not provided by the company. So we are unable to comment on financial statements of the company."

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the

Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

We draw attention to the following notes to the consolidated financial statements:

- (i) Note no.48, regarding unavailability of financial statements/ financial information/financial results of 1 (one) joint venture entity, namely, Aurangabad City Water Utility Co. Ltd. According to the information and explanations given to us by the management, the financial statements/financial information/financial results of the said joint venture are not material to the Group.
- (ii) Note no.47, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2020 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Parent.
- (iii) Note no.7.1, regarding initiation of Corporate Insolvency Resolution Process under IBC w.e.f. 23rd December, 2019 in respect of Luni Power Company Ltd., a subsidiary of the Parent Company and matters arising therefrom.
- (iv) Note no.44, regarding write back of ₹ 5,311.76 lakhs by the group including ₹ 4,692.01 lakhs by the Parent in respect of certain credit balances.
- (v) Note no.26, on 'Other Income', regarding ECL reversal (net) of ₹ 2,118.42 lakhs by the Parent in respect of Trade Receivables.
- (vi) Note no.49, regarding change in status of a material / significant subsidiary of the Parent on cessation of "control" and matters arising therefrom.
- (vii) Note no.53, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Group's operations and the evaluation by the Parent's management of its impact on the consolidated financial statements.
- (viii) Note no.52, which indicates that the Parent has defaulted in payment of dues to its financial creditors, it is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note no.52, the Parent's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the consolidated financial statements.
- (ix) We draw attention to the following Emphasis of Matter included in the independent auditor's reports on the audited financial statements for the financial year 2019-20 of a subsidiary, two associates and a joint venture of the

Parent, issued by their respective statutory auditors and reproduced by us as here under:

- a) In respect of Madurai Municipal Waste Processing Co. Pvt. Ltd., a subsidiary of the Parent, audit report dt.24th July, 2020:

"We draw your attention to the following:

The Company incurred a net loss of ₹ 2,40,62,350/- during the year ended 31st March 2020 and the accumulated losses incurred by the company is ₹ 19,61,13,842/- as on that date. As stated in Note 2.16, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is strongly of the view that the arbitration proceedings would be in favourable to the company's view point, thereafter the company would augment finances and pursue other infrastructure projects in the near to medium term. Hence, the management, in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate."

- b) In respect of SPML Bhiwandi Water Supply Management Ltd., an associate of the Parent, audit report dt.20th July, 2020:

"Attention is drawn to Note 22 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note. Our opinion is not modified in respect of these matters."

- c) In respect of SPML Bhiwandi Water Supply Infra Ltd., an associate of the Parent, audit report dt.20th July, 2020:

"Attention is drawn to Note 17 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note. Our opinion is not modified in respect of these matters."

- d) In respect of Hydro-Comp Enterprises (India) Pvt. Ltd., a joint venture of the Parent, audit report dt.20th July, 2020:

"Attention is drawn to Note 19 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note. Our opinion is not modified in respect of these matters."

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the

consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section hereinabove, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of impairment of non-current investments (reported by us as auditor of the Parent)</p> <p>The Parent, as at 31st March, 2020, had non-current investments of ₹ 15,523.61 lakhs (prior to impairment provision).</p> <p>Due to the significance of the carrying amounts of the non-current investments and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the consolidated financial statements.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for identification of possible impairment indicators and process followed by the management for impairment testing of non-current investments; • Discussed extensively with management regarding impairment indicators and evaluated the design and testing operating effectiveness of controls; • Assessed the methodology used by the management to estimate the recoverability of investment and ensured that it is consistent with applicable accounting standards; • Verified the appropriateness of the key assumptions considered by the management/independent valuer as part of the impairment assessment. • Evaluated the management's assessment of the ultimate outcome of the ongoing legal proceedings, if any, impacting a particular investment, including analysis of the latest judgment pronounced relating to such proceedings or any legal opinion obtained by the management; • Compared the carrying value of the non-current investment with the realizable value determined by the independent valuer to ensure there is no impairment/provision required to be recognized.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Associates and Joint Ventures in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/other relevant applicable regulations, for safeguarding the

assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates and joint ventures (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- I. We did not audit the financial statements/financial information / financial results of 8 (eight) subsidiaries included in the consolidated financial statements, whose financial statements / financial information / financial results reflect total assets of ₹ 46,008.58 lakhs as at 31st March, 2020, total revenues of ₹ 64,785.80 lakhs, total net loss after tax of ₹ 1,058.17 lakhs, total comprehensive loss of ₹ 1,064.58 lakhs and cash inflows (net) of ₹ 1,359.87 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 313.44 lakhs and total comprehensive income of ₹ 313.66 lakhs for the year ended 31st March, 2020, in respect of 8 (eight) associates and 3 (three) joint ventures, whose financial statements / financial information / financial results have not been audited by us. These annual financial statements / financial information / financial results have been audited by other auditors, whose audit reports have been furnished to us by the Parent's 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, is based solely on the audit reports of such other auditors and on the procedures performed by us as stated in the section *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* hereinabove.
- Our opinion on the consolidated financial statements is not modified in respect of the above matters, regarding our reliance on the work done by and the reports of the other auditors.
- II. We did not audit the financial statements / financial information/ financial results of 2 (two) subsidiaries included in the consolidated financial statements, whose financial statements / financial information / financial results reflect total assets of ₹ 13,954.55 lakhs as at 31st March, 2020, total revenues of ₹ 150.21 lakhs, total net loss after tax of ₹ 1,470.90 lakhs, total comprehensive loss of ₹ 1,470.90 lakhs and cash inflows (net) of ₹ 95.79 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit after tax of ₹ 66.93 lakhs and total comprehensive income of ₹ 55.58 lakhs for the year ended 31st March,

2020, in respect of 6(six) associates and 1(one) joint ventures, whose financial statements / financial information / financial results have not been audited by us. These annual financial statements/ financial information/ financial results are unaudited and have been furnished to us by the Parent's 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 is based solely on such unaudited, management certified financial statements / financial information / financial results. In our opinion and according to the information and explanations given to us by the Parent's Board of Directors, these unaudited and management certified financial statements / financial information / financial results are not material to the consolidated financial statements.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 sought and, except for the possible effect of the matters described in the *Basis for Qualified Opinion* section hereinabove, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) Except for the possible effects of the matters described in the *Basis for Qualified Opinion* section hereinabove, 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;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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) Except for the effects of the matters described in the *Basis for Qualified Opinion* section hereinabove, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.;
 - e) In view of the matters described in the *Basis for Qualified Opinion* section hereinabove, we are unable to comment whether these may have an adverse effect on the functioning of the Group;

- f) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.;
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the *Basis for Qualified Opinion* section hereinabove;
- h) With respect to the adequacy of internal financial controls over financial reporting of the Parent and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in the **Annexure** ;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note no.33, to the consolidated financial statements;
- ii. Except for the possible effects of the matters described under the Basis for Qualified Opinion section hereinabove, the Group has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint ventures incorporated in India.
2. According to the information and explanations given to us and the records of the Parent examined by us and the reports of the statutory auditors of its subsidiary companies incorporated in India, remuneration paid by the Parent Company and its subsidiaries incorporated in India to their directors for the year ended 31st March, 2020 has been in accordance with the provisions of section 197 read with Schedule V to the Act.

For **Maheshwari & Associates**
Chartered Accountants
FRN: 311008E

CA. Bijay Murmuria

Partner

Membership No. : 055788

UDIN: 20055788AAAAAK8220

Place: Kolkata

Date: 18th August, 2020

Annexure to the Independent Auditors' Report

[Referred to in paragraph 1(h) under "Report on Other Legal and Regulatory Requirements" section in our Independent Auditors' Report of even date to the members of SPML Infra Ltd. on the consolidated financial statements for the year ended 31st March, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of SPML Infra Limited ("the Parent") as of and for the year ended on 31st March, 2020, we have audited the internal financial controls with reference to financial statements of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its 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 with reference to financial statements criteria established by the Parent 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with

reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 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 audit opinion on the internal financial controls with reference to financial statements of the Parent, its subsidiary companies, its associate companies and joint ventures.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to

future periods are subject to the risk that the internal financial controls with reference to financial statements 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, to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to:

- (i) certain subsidiaries, associates and joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India;
- (ii) certain subsidiaries, associates and joint ventures, is based solely on the representation provided by the management.

For **Maheshwari & Associates**
Chartered Accountants
FRN: 311008E

CA. Bijay Murmuria
Partner

Place: Kolkata
Date: 18th August, 2020

Membership No. : 055788
UDIN: 20055788AAAAAK8220

CONSOLIDATED BALANCE SHEET

as at March 31, 2020

₹ In Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	10,399.76	23,370.83
(b) Capital Work in Progress	4	5,634.72	4,630.14
(c) Right of Use Assets	5	252.26	-
(d) Intangible Assets	6	1,567.92	4,799.79
(e) Investment Property		-	943.66
(f) Financial Assets			
- Investments	7	9,474.44	14,735.37
- Trade receivables	9	29,683.34	29,292.97
- Loans	10	9,739.81	4,815.58
- Other Financial Assets	11	4,818.29	6,345.48
(g) Non Current Tax Assets	12	5,462.76	5,261.26
(h) Deferred Tax Assets	24	9,284.67	11,259.90
(i) Other Non-Current Assets	13	29,004.00	33,803.30
		115,321.98	139,258.28
Current Assets			
(a) Inventories	14	6,273.73	6,662.14
(b) Financial Assets			
- Investments	8	2,442.32	2,442.32
- Trade Receivables	9	46,773.80	67,772.58
- Cash and Cash Equivalents	15	2,027.98	3,685.41
- Other Bank Balances	15	1,358.97	8,452.27
- Loans	10	514.97	1,573.72
- Other Financial Assets	11	105,694.27	104,695.36
(c) Current Tax Assets	12	499.44	293.73
(d) Other Current Assets	13	18,940.42	14,727.81
		184,525.90	210,305.34
TOTAL ASSETS		299,847.88	349,563.62
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	819.45	819.45
(b) Other Equity	17	37,612.16	41,193.73
Equity attributable to Owners of the parent		38,431.61	42,013.18
(c) Non-Controlling Interests		1,583.58	18,484.45
TOTAL EQUITY		40,015.19	60,497.63
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
- Borrowings	18	67,349.31	67,619.53
- Trade Payables	19	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		9,475.04	12,120.41
- Other Financial Liabilities	22	6,116.13	5,248.30
(b) Provisions	20	329.70	563.78
		83,270.18	85,552.02
Current Liabilities			
(a) Financial Liabilities			
- Borrowings	21	82,084.67	71,861.66
- Trade payables	19	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		92.03	193.67
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		62,969.29	93,864.69
- Other Financial Liabilities	22	25,181.02	29,431.07
(b) Other Current Liabilities	23	6,023.54	7,276.68
(c) Provisions	20	211.72	195.35
(d) Current Tax Liabilities	12	0.24	690.85
		176,562.51	203,513.97
TOTAL LIABILITIES		259,832.69	289,065.99
TOTAL EQUITY AND LIABILITIES		299,847.87	349,563.62

Significant Accounting Policies & Notes to Consolidated Financial Statements 1 to 55

The Notes referred to above form an integral part of the Consolidated Balance Sheet. This is the Consolidated Balance Sheet referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants
ICAI Firm Registration No. 311008E

CA Bijay Murmura

Partner
Membership No - 055788

Subhash Chand Sethi

Chairman
DIN: 00464390

For and on behalf of Board of Directors of SPML Infra Limited

Sushil Kr. Sethi

Managing Director
DIN: 00062927

Place: Kolkata

Date: 18th August 2020

Laxmi Narayan Mandhana
Chief Financial Officer & Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

as at March 31, 2020

₹ In Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations	25	170,647.73	201,152.08
Other Income	26	10,866.24	6,511.72
Total Income		181,513.97	207,663.80
Expenses			
Materials Consumed and Other Construction Expenses	27	70,733.33	97,681.14
Purchase of Traded Goods		76,033.86	71,776.26
Employee Benefits Expense	28	5,356.27	6,197.44
Finance Cost	29	15,692.41	16,063.53
Depreciation and Amortisation Expenses	30	1,118.07	1,087.76
Other Expenses	31	10,132.21	8,638.74
Total Expenses		179,066.15	201,444.87
Profit/(Loss) before share of (Profit)/Loss of Associate and Joint Venture, & Tax		2,447.82	6,218.93
Share of Profit/(Loss) from Investment in Associates and Joint Ventures		(388.82)	302.67
Adjustments for Non-Controlling Interests		53.34	63.66
Profit/(Loss) Before Tax (I)		2,112.36	6,457.94
Tax Expenses			
Current Tax		646.76	2,035.89
Minimum Alternate Tax Credit		(134.29)	80.50
Deferred Tax		899.70	335.17
Tax for Earlier Years		41.06	33.04
Total Tax Expense		1,453.23	2,484.60
Profit for the Year (II)		659.13	3,973.34
Other Comprehensive Income/(Expense)			
Items not to be reclassified to subsequently Profit or Loss			
-Gain/(Loss) on Fair Value of Defined Benefit Plans		99.20	103.09
-Income Tax Effect on the above		(33.11)	(35.68)
-Gain/(Loss) on Fair Value of Equity instruments measured at FVOCI		576.22	(638.22)
-Income Tax Effect on above		(192.34)	147.25
Total Other Comprehensive Income/ (Expenses)		449.97	(423.56)
Total Comprehensive Income / (Loss) for the year, net of tax (IV) = (II+III)		1,109.10	3,549.78
Earnings/(Loss) per equity share (par value of ₹ 2 each) - Basic and Diluted EPS (in ₹)	32	1.80	10.84

Significant Accounting Policies & Notes to Consolidated Financial Statements

1 to 55

The Notes referred to above form an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

For and on behalf of Board of Directors of**SPML Infra Limited****Subhash Chand Sethi**

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A) Equity Share Capital (also refer Note 16)

₹ In Lakhs

Particulars	Subscribed and Fully Paid-up		Total Equity share capital
	No. of Shares	Amount	Amount
As at March 31, 2019	36,650,276	819.45	819.45
As at March 31, 2020	36,650,276	819.45	819.45

B) Other Equity (also refer Note 17)

₹ In Lakhs

Particulars	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Foreign Currency Translation Reserve	Retained earnings (including Other Comprehensive Income)	TOTAL
Balance as at March 31, 2019	1,102.63	2,612.88	16,171.43	5,929.05	2,257.67	13,120.07	41,193.73
Profit for the year	-	-	-	-	-	659.13	659.13
Other comprehensive income for the year, net of tax	-	-	-	-	-	449.97	449.97
Total comprehensive income for the year	-	-	-	-	-	1,109.10	1,109.10
Other Additions/ (deductions)	(149.74)	(1,855.18)	(501.66)	0.00	(2,257.67)	73.57	(4,690.68)
Balance as at March 31, 2020	952.89	757.70	15,669.77	5,929.05	-	14,302.75	37,612.16

Significant Accounting Policies & Notes to Consolidated Financial Statements 1 to 51

The Notes referred to above form an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

For and on behalf of Board of Directors of

SPML Infra Limited

Subhash Chand Sethi

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2020

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before share of (profit)/loss of associate and joint venture & tax	2,447.82	6,218.93
Adjustments for:		
Depreciation and Amortisation expenses	1,118.07	1,087.76
Interest Expenses	15,663.38	16,034.17
Bad debts written off	2,046.36	1,335.27
Provision for doubtful debts	1,105.89	446.66
Profit on sale of property plant and equipment	2.00	1.22
Liabilities no longer required written back	(5,311.76)	(288.25)
Interest Income	(1,667.35)	(3,045.73)
Operating Profit before Working Capital changes	15,404.41	21,790.02
Adjustment for:		
Increase/(decrease) in trade payables	(28,330.66)	4,824.91
Increase/(decrease) in provisions	285.60	(453.90)
Increase/(decrease) in other current liabilities	(2,650.13)	2,439.63
(Increase)/decrease in trade receivables	14,313.49	(3,433.78)
(Increase)/decrease in inventories	388.41	1,073.65
(Increase)/decrease in loans and advances	(5,923.05)	487.58
(Increase)/decrease in other current assets	6,931.07	(1,894.07)
Cash generated/(used) from operations	419.14	24,834.05
Taxes Paid (net of refunds)	(575.81)	(7,068.76)
Net Cash from Operating Activities	(156.67)	17,765.29
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including capital work in progress	(476.74)	(4,334.04)
Proceeds from sale of PPE	16,392.56	1,382.04
Fixed Deposits encashed/ (Invested)	8,984.18	(634.79)
Sale / (purchase) of non-current investments:	5,260.93	(1,953.27)
Loans (given)/repayment received	(3,716.07)	(1,285.45)
Interest received	1,729.14	3,921.88
Net Cash generated/(used) in Investing Activities	28,174.00	(2,903.63)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in Minority Interest	(19,616.01)	(3,828.40)
Net movement in Long Term Borrowings	(2,020.91)	(10,216.33)
Net movement in Short Term Borrowings	10,223.01	14,240.16
Interest paid	(15,896.50)	(17,009.19)
Net Cash generated/(used) in Financing Activities	(27,310.41)	(16,813.76)

STATEMENT OF CASH FLOW for the year ended March 31, 2020...(Contd.)

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
D. Exchange differences on translation of foreign subsidiaries	(2,257.66)	3,156.89
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,550.74)	1,204.79
Cash & Cash Equivalents at the beginning of the year	3,685.41	2,480.62
Cash & Cash Equivalents at the end of the year	2,134.68	3,685.41
Cash & Cash Equivalents includes :		
Balance with Banks	2,009.97	3,630.94
Cash-in- Hand	18.01	32.71
Term Deposits with original maturity of less than three months	-	21.76
Total Cash & Cash Equivalents at the end of the year	2,027.98	3,685.41

Note : The above Consolidated Cash Flow Statement has been prepared under the Indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

For and on behalf of Board of Directors of**SPML Infra Limited****Subhash Chand Sethi**

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprised Financial Statements of SPML Infra Limited (the 'Company') and its Subsidiaries (collectively, the 'Group'), its Associates and Joint Arrangements for the year ended 31 March 2020.

The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two stock exchanges - The BSE Limited and the National Stock Exchange of India Ltd. in India. The Company is engaged in the business of infrastructure development which inter-alia includes water management, water infrastructure development, waste water treatment, power generation, transmission and distribution, solid waste management, and other civil infrastructures. Information about the Group Structure is given in Note 43.

The Consolidated financial statements were authorized for issue in accordance with a resolution of the directors on August 18, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and compliance with Ind AS

These financial statements for the year ended 31st March 2020 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

Basis of measurement

These Consolidated Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention, except for certain financial instruments measured at fair value, Freehold Land measured at Fair value and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS (refer accounting policies for financial instruments, Property, plant and Equipment and employee benefits).

Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional and presentation currency.

2.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, Joint operations and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the

ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of any entity, the entity prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the entity.

In term of Ind AS 110- "Consolidated Financial Statements", the financial statements of the Group are consolidated on a line- by- line basis by adding together the book/ fair value of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized Profit/ Loss included therein. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The excess/shortfall of the cost to the Company of its investments in Subsidiaries over its proportionate share in the equity of the respective investee companies as at the date of acquisition of stake is recognised in the Financial Statement as Goodwill /Capital Reserve, as the case may be.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

Subsidiaries are entities over which the group has control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Investments in associates and Joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI").

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The financial statements of certain subsidiaries and associates have been prepared in accordance with the following Accounting Standards:

Name of the Company	Accounting Standards
Subsidiaries till 30/03/2020	
SPM Holdings Pte Ltd.	Singapore Financial Reporting Standards
PT Sanmati Natural Resources	Indonesian Financial Accounting Standards
Associates till 30/03/2020	
PT Vardhaman Mining Services	Indonesian Financial Accounting Standards
PT Vardhaman Logistics	Indonesian Financial Accounting Standards
Rabaan (S) Pte Ltd.	Singapore Financial Reporting Standards
PT Bina Insan Sukses Mandiri	Indonesian Financial Accounting Standards

The impact on account of any differences due to adoption of different accounting standards as stated above, in comparison to the Indian Accounting Standards is not material.

2.2 Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the entities that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the entities sharing control.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity.

2.3 The Consolidated Financial Statements are based on the audited financial statements of subsidiaries, associates and joint ventures except in the following cases where figures have been incorporated based on unaudited financial statements as certified by the management:

Nature of Entity	Name of Entity
Subsidiaries	Bhagalpur Electricity Distribution Co. Pvt Ltd
	Mizoram Infrastructure Development Company Limited
Associates	Awa Power Company Private Limited
	IQU Power Company Pvt Ltd
	Neogal Power Company Pvt Ltd
	SPML Energy Limited
	Binwa Power Corporation Pvt Ltd
	Sanmati Infra Developers (p) Ltd.
Joint Ventures	Malviya Nagar Water Services Pvt. Ltd.

2.4 Interests in Joint Operations

When the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation. Interests in joint operations are included in the segments to which they relate.

2.5 Summary of significant accounting policies

a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance cost, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipments capitalised only when it is probable that future economic benefits associated with the item will flow to the Company 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 recognized 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 elected to use the fair value of certain assets on the date of transition and designate the same as deemed cost on the date of transition..

b) Intangible assets and Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The Group's intangible assets constitutes software which has finite useful economic lives and these are amortized on a straight line basis, over their useful life of 5 years. The amortization period and the amortization method are reviewed at the end of each reporting period

Depreciation/Amortisation

Depreciation on items of Property, Plant & Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

The Group has used the following useful economic lives to provide depreciation on its property, plant & equipment.

	Useful economic life (years)
Buildings (including temporary structure)	3- 60
Furniture & Fixtures	10
Plant & Equipment	9- 20
Computers	3 - 6
Vehicles	8- 10
Office Equipment	5
Software (Intangible asset)	5

The useful economic life of buildings and plant and equipment as estimated by the management, is supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are re

The useful economic lives of buildings and plant and equipment as estimated by the management, and supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

The Group's intangible assets constitutes software which has finite useful economic lives and these are amortized on a straight line basis, over their useful life of 5 years. The amortization period and the amortization method are reviewed at the end of each reporting period.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

On transition to Ind AS, The Company has applied Ind AS retrospectively, from the date of their acquisition for Intangible Assets

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

d) Impairment of property plant and equipment and intangible assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

e) Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable

based on the expected total contract cost as at the reporting date.

(I) Revenue from operations

a) Revenue from sale of goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue from sale of traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer.

b) Revenue from construction/project related activity is recognised as follows:

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled Revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as

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contract liability and termed as “Advances from customer”. The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

c) Commission income is recognised as and when the terms of the contract are fulfilled.

(II) Other income

- a) Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through Other Comprehensive Income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- b) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

f) Foreign Currency Translations

In the financial statements of the Group, transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the date of the transaction. Foreign currency monetary items are translated into the functional currency at exchange rates prevailing on the reporting date. Exchange differences arising on settlement or translations of monetary items are recognized in statement of profit and loss.

g) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants received against fixed assets are netted off from the cost of the related asset and the depreciation is provided on the net carrying value of those assets.

h) Inventories

Materials, components and stores & spares to be used in contracts are valued at lower of cost, or net realizable value. Cost is determined on weighted average basis.

Stock of trading goods is valued at lower of cost, or net realizable value. Cost is determined on First in First out (FIFO) basis.

Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

Unbilled Revenue (WIP) is valued at net realizable value. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) Employee benefits

(A) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such short-term compensated absences are provided for in the Statement of Profit and Loss based on estimates.

(B) Post-employment benefits

The Company operates the following post-employment schemes:

- i) Employee benefits in the form of Provident Fund is made to a government administered fund and charged as an expense to the Statement of Profit and Loss, when an employee renders the related service. There are no obligations other than the contributions payable to the fund.
- ii) Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year.
- iii) Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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j) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

The Company as lessee:

The Company's lease asset classes primarily consist of leases for buildings or part thereof. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet.

k) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings measured at Effective Interest rate (EIR).

Borrowing costs 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 as part of the cost of the respective asset.

All other borrowing costs are expensed in the period they are incurred.

l) Taxes

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns Vis a Vis position taken in books of account which are subject to interpretation and creates provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognized in OCI or equity, deferred / current tax is also recognized in OCI or equity.

m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

o) Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

q) Financial Instruments

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:

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial Recognition

Financial assets are recognised initially at fair value considering the concept of materiality. Transaction costs that are directly attributable to the acquisition of the financial asset (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets.

iii) Subsequent Measurement of Financial Assets

Financial assets are subsequently measured at amortized cost if they 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 (FVTOCI): Financial assets are subsequently measured at fair value through other comprehensive income (FVTOCI), if it is held within a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

iv) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109: Financial Instruments, the Group recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to the Statement of Profit and Loss.

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v) Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Financial Liabilities:

i) Classification

The group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost using the effective interest method.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

ii) Initial Recognition

Financial liabilities are recognized at fair value on initial recognition considering the concept of materiality. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition.

Transaction costs that are directly attributable to the issue of financial liabilities.

iii) Subsequent Measurement of Financial Liabilities

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

Amortised cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

r) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

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- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.6 Significant Accounting judgements, estimates and assumptions:

The preparation of the financial statements requires

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

The areas involving critical estimates or judgement are:

- a) Measurement of defined benefit obligations
- b) Estimated useful life of intangible assets, property, plant and equipment
- c) Recognition of revenue – Contract Revenue is recognized under Percentage of Completion method. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contracts are recognized as Revenue and Expenses respectively by reference to the stage of completion of the Contract activity.
- d) Provision for expected credit losses

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as at and for the year ended March 31, 2020

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ In Lakhs								TOTAL
	Freehold land	Leasehold Land	Buildings	Temporary site sheds and shuttering materials	Plant and machinery	Furniture and fixtures	Vehicles	Site office/equipments	
GROSS BLOCK									
As at March 31, 2018	7,650.27	44.34	6,521.94	2,517.44	27,984.82	835.24	2,193.40	2,236.68	49,984.15
Additions	-	-	-	1.80	220.64	13.11	201.44	123.91	560.90
Consolidation adjustment	(31.73)	(12.77)	(0.44)	0.00	18.43	(1.99)	(87.77)	(8.83)	(125.10)
Deductions	-	-	-	-	(1,611.61)	(47.13)	(60.81)	(98.29)	(1,817.84)
As at March 31, 2019	7,618.54	31.57	6,521.50	2,519.24	26,612.29	799.23	2,246.26	2,253.48	48,602.10
Additions	-	-	-	-	83.24	3.29	67.43	46.65	200.61
Adjustment for De-consolidation of Subsidiary	(120.74)	(21.99)	(1,687.52)	(123.34)	(10,093.91)	112.40	(240.13)	248.91	(11,926.32)
Deductions	-	-	(328.57)	-	(418.11)	(3.26)	(238.76)	(34.47)	(723.17)
As at March 31, 2020	7,497.80	9.58	4,505.41	2,395.90	16,483.51	911.66	1,834.80	2,514.57	36,153.22
ACCUMULATED DEPRECIATION									
As at March 31, 2018	-	20.26	3,180.41	2,301.36	14,224.04	734.88	1,603.59	2,204.96	24,269.49
Charge for the year	-	1.05	194.61	10.08	843.25	40.85	112.72	62.02	1,264.58
Consolidation adjustment	(12.77)	(12.77)	(0.10)	(6.09)	(8.23)	(0.49)	(3.51)	(5.08)	(36.26)
Deductions	-	-	-	-	(206.76)	(9.59)	(28.37)	(21.82)	(266.54)
As at March 31, 2019	-	8.53	3,374.93	2,305.35	14,852.31	765.65	1,684.43	2,240.08	25,231.27
Charge for the year	-	1.05	149.55	0.57	695.08	25.50	76.25	39.16	987.16
Deductions	-	-	(136.16)	-	(79.19)	(3.02)	(213.41)	(33.19)	(464.97)
As at March 31, 2020	-	9.58	3,388.32	2,305.92	15,468.20	788.13	1,547.27	2,246.05	25,753.46
NET BLOCK									
As at March 31, 2019	7,618.54	23.04	3,146.57	213.89	11,759.98	33.58	561.83	13.40	23,370.83
As at March 31, 2020	7,497.80	-	1,117.09	89.98	1,015.31	123.53	287.53	268.52	10,399.76

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 4: CAPITAL WIP

Particulars					₹ In Lakhs
	Building under construction	Plant & Machinery Under Erection	Project Development Expenditure	Subsidy	TOTAL
As at March 31, 2018	990.28	5,339.55	(1,065.18)	(423.82)	4,840.84
Additions	-	-	433.08	-	433.08
Consolidation adjustment	(577.32)	-	(37)	-	(614.58)
Less: Adjustment for CWIP Capitalized during the year	-	-	(29)	-	(29.20)
As at March 31, 2019	412.96	5,339.55	(698.56)	(423.82)	4,630.14
Additions	-	-	6,333.27	-	6,333.27
Less: Adjustment for CWIP Capitalized during the year	(412.96)	(5,339.55)	-	423.82	(5,328.69)
As at March 31, 2020	-	-	5,634.71	-	5,634.72

NOTE 5: RIGHT OF USE ASSETS

Particulars	₹ In Lakhs
	As at March 31, 2020
GROSS BLOCK	
As at March 31, 2019	154.49
Additions	218.74
Deductions	-
As at March 31, 2020	373.23
ACCUMULATED DEPRECIATION	
As at March 31, 2019	-
Charge for the year	120.97
Deductions	
As at March 31, 2020	120.97
NET BLOCK	
As at March 31, 2019	-
As at March 31, 2020	252.26

NOTE 6: INTANGIBLE ASSETS

Particulars				₹ In Lakhs
	Rights under service concession arrangement	Computer Softwares	Goodwill on Consolidation	TOTAL
GROSS BLOCK				
As at March 31, 2018	0.01	415.38	3,679.20	4,094.60
Additions	-	0.38	1,099.89	1,100.27
Deductions	-	-	-	-
As at March 31, 2019	0.01	415.78	4,779.09	5,194.88

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NOTE 6: INTANGIBLE ASSETS

₹ In Lakhs

Particulars	Rights under service concession arrangement	Computer Softwares	Goodwill on Consolidation	TOTAL
Additions	40.89	-	25.11	66.00
Adjustment for De-consolidation of Subsidiary	(31.14)	-	(3,256.79)	(3,287.93)
Deductions	-	-	-	-
As at March 31, 2020	9.76	415.78	1,547.41	1,972.94
ACCUMULATED AMORTISATION				
As at March 31, 2018	-	394.83	-	394.83
Charge for the year	-	0.25	-	0.25
Deductions	-	-	-	-
As at March 31, 2019	-	395.08	-	395.08
Charge for the year	9.76	0.18	-	9.94
Deductions	-	-	-	-
As at March 31, 2020	9.76	395.26	-	405.02
NET BLOCK				
As at March 31, 2019	0.01	20.69	4,779.09	4,799.79
As at March 31, 2020	-	20.51	1,547.41	1,567.92

NOTE 7: NON-CURRENT INVESTMENTS

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at March 31, 2020	As at March 31, 2019
	2020	2019			
(A) In Quoted Equity Instruments at FVOCI					
Indian Arcylics Limited	100	100	10	0.01	0.01
Less: Impairment Loss				0.01	0.01
				-	-
Best & Crompton Engineering Limited	200	200	10	0.10	0.10
Less: Impairment Loss				0.10	0.10
				-	-
Net Quoted Investments				-	-
(B) In Unquoted Equity Instruments (Fully paid up) at FVOCI					
Bharat Hydro Power Corporation Limited	3,294,150	3,294,150	10	1,838.71	1,273.26
Arihant Leasing & Holding Limited	24,000	24,000	10	0.75	0.75
Less: Impairment Loss				0.75	0.75
				-	-
Petrochem Industries Limited	500	500	10	0.14	0.14
Less: Impairment Loss				0.14	0.14
				-	-
SPML India Limited	10,000	10,000	10	1.50	1.50
Less: Impairment Loss				1.50	1.50
				-	-

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NOTE 7: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at March 31, 2020	As at March 31, 2019
	2020	2019			
Hindustan Engineering & Industries Limited (Bonus Shares)	4	4	10	-	-
Jarora Nayagaon Toll Road Company Pvt. Ltd.	24,423,700	24,423,700	10	0.05	0.05
(The said shares are pledged with OBC against loan taken by the Investee Company)					
ADD Realty Limited	-	15,000	1	-	15.00
Om Metals- SPML Infra Projects Pvt. Ltd.	4,999	4,999	10	0.50	0.50
				1,839.26	1,288.81
(C) In Debt Instruments (Fully Paid up) (at Amortised Cost)					
Escorts Tractors Limited	25	25	1	0.01	0.01
Hindustan Engineering & Industries Limited	110	110	1	0.06	0.06
Less: Impairment Loss				0.06	0.06
				-	-
				0.01	0.01
(D) In Associate Companies (at Deemed Cost)					
Sanmati Infra Developers Private Limited	500,000	500,000	10	50.00	50.00
Less : Share in losses of the Associate Company				(50.00)	(50.00)
				-	-
PT Vardhaman Mining Services	-	456,500	USD 1	-	232.59
Less : Share in losses of the Associate Company				-	(316.99)
Add: Foreign Currency Translation differences				-	84.40
				-	-
PT Vardhaman Logistics	-	137,500	USD 1	-	69.78
Add : Share in profits of the Associate Company				-	29.32
Add: Foreign Currency Translation differences				-	(3.39)
				-	95.71
Rabaan (S) Pte. Ltd.	-	11,413	SGD 1	-	4.49
Less : Share in losses of the Associate Company				-	29.44
Add: Foreign Currency Translation differences				-	0.95
				-	34.88

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 7: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at March 31, 2020	As at March 31, 2019
	2020	2019			
PT Bina Insan Sukes Mandiri	-	2,738	IDR 1 million	-	8,276.20
Add : Share in Profit of the Associate Company				-	5,907.63
Add: Foreign Currency Translation differences				-	(3,936.43)
				-	10,247.40
				1,839.27	11,666.81
SPML Bhiwandi Water Supply Infra Ltd.	224,700	224,700	1	2.25	2.25
Less : Share in losses of the Associate Company				(1.41)	(1.17)
				0.84	1.08
SPML Bhiwandi Water Supply Management Ltd.	250,000	250,000	1	2.50	2.50
Less : Share in losses of the Associate Company				(0.99)	(0.53)
				1.51	1.97
Delhi Waste Management Ltd.*	778,000	-	10	1,651.82	-
Less : Share in losses of the Associate Company				(539.82)	-
				1,112.00	-
Subhash Kabini Power Corporation Limited*	13,172,000	-	10	2,063.18	-
Add : Share in Profit of the Associate Company				287.62	-
				2,350.80	-
Neogal Power Company Private Limited*	1,136,774	-	1	61.95	-
Add : Share in Profit of the Associate Company				-	-
				61.95	-
Awa Power Company Private Limited*	2,639,605	-	1	190.05	-
Add : Share in Profit of the Associate Company				-	-
				190.05	-
IQU Power Company Private Limited	2,580,500	-	1	245.41	-
Add : Share in Profit of the Associate Company				-	-
				245.41	-
Binwa Power Company Private Limited	2,948,340	-	1	-	-
Add : Share in Profit of the Associate Company				-	-
				-	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 7: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at March 31, 2020	As at March 31, 2019
	2020	2019			
SPML Energy Limited	99,550,000	-	1	466.94	-
Add : Share in Profit of the Associate Company				-	-
				466.94	-
Bhilwara Jaipur Toll Road Private Limited*	3,520,302	3,520,302	10	3,408.96	3,408.96
Less : Share in losses of the Associate Company				(722.73)	(724.51)
(of the above 12,49,336 equity shares are pledged with ICICI Bank and Punjab National Bank against loans obtained by the said investee company)				2,686.23	2,684.45
				7,115.74	2,687.50
(E) In Joint Ventures (at Deemed Cost)					
Gurha Thermal Power Co Ltd	25,000	25,000	10	2.50	2.50
MVV Water Utility Pvt Ltd	364,693	364,693	10	39.32	27.26
Add : Share in Profit of the Joint Venture				70.45	12.06
				109.77	39.32
Malviya Nagar Water Services Pvt .Ltd	2,205,000	2,205,000	10	220.50	220.50
Less : Share in Loss of the Joint Venture				(220.50)	(220.50)
				-	-
Aurangabad City Water Utility Company Ltd.	19,405	19,405	1	2.00	2.00
Less : Share in Loss of the Joint Venture				(2.00)	(2.00)
				-	-
Hydro Comp Enterprises (India) Limited	2,296,265	2,296,265	1	22.96	22.96
Less : Share in Loss of the Joint Venture				(22.96)	(22.96)
				-	-
				112.27	41.82
				7,228.01	2,729.32
(F) In Debt Instruments (FVTPL)					
ADD Realty Ltd.	-	54,750,000	1	-	236.79
Add Industrial Park Tamil Nadu Private Limited	-	22,900,000	10	-	78.54
MVV Water Utility Private Limited	-	18,380	100	-	18.38
Sanmati Infra Developers Private Limited	450,000	450,000	10	-	-
				-	333.72

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 7: NON- CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at	As at
	2020	2019		March 31, 2020	March 31, 2019
(G) In Others					
SPM Holdings Pte Limited*				392.28	-
(H) In Others (at FVTPL)					
National Saving Certificate				0.52	0.52
Mutual Fund	50,000	50,000	10	14.36	5.00
				14.88	5.52
TOTAL				9,474.44	14,735.37

* The Investments in these companies include the impact of IND AS adjustments on account of fair valuation of Financial Guarantees extended by the Company (SPML Infra Limited) against the financial assistance availed by them.

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Awa Power Company Private Limited	-	27.45
Neogal Power Company Private Limited	-	11.76
SPM Holdings Pte Limited	392.28	392.28
Delhi Waste Management Limited	-	1.45
Subhash Kabini Power Corporation Limited	79.28	79.28
Bhilwara Jaipur Toll Road Private Limited	554.06	554.06
TOTAL	1,025.62	1,066.28

Notes:

7.1 An application for initiation of Corporate Insolvency Resolution Process ('CIRP'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 has been admitted against Luni Power Company Pvt. Ltd. ('Luni'), a subsidiary of the Parent Company, on 23rd December, 2019 by the Hon'ble NCLT, Chandigarh Bench. Consequently, since the said date, the Parent Company is not exercising control or significant influence over Luni so as to treat it as its subsidiary or associate and is carrying its equity investment in Luni at FVTPL as at 31st March, 2020, in its standalone financial statements. However, accounting impact of derecognizing Luni as a subsidiary of the Parent Company has not been provided in these consolidated financial results as the relevant financial statements/financial information of Luni, duly approved by the IRP/RP/relevant authority, are presently not available. The management of the Parent Company has assessed that the impact of the same on profit before tax and the carrying amounts of assets and liabilities in these consolidated financial results is insignificant / not material. The necessary accounting impact as aforesaid would be provided in the consolidated financial statements when the relevant financial statements/financial information of Luni, duly approved by the IRP/RP/relevant authority, are available.

7.2 On Pledge of Investments as held by SPML Infra Ltd. in Associate Companies:

Investments of SPML Infra Ltd. i.e. 29,48,340 Equity Shares in Binwa Power Company Private Limited; 2,92,500 Equity Shares in Delhi Waste Management Limited; 2,24,700 Equity Shares in SPML Bhiwandi Water Supply Infra Limited; 2,50,000 Equity Shares in SPML Bhiwandi Water Supply Management Limited has been pledged as on the Balance Sheet date in favour of the SBICAP Trustee/ S4A Lenders for securing the due repayment of the Debts as restructured under the "SPML S4A Scheme" as approved by the Overseeing Committee (governed under RBI) with the super majority of the Lenders Banks.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 8 : CURRENT INVESTMENTS

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at	As at
	2020	2019		March 31, 2020	March 31, 2019
Trade (measured at FVTPL)					
Unquoted					
Equity Shares (Fully Paid-up)					
Jarora Nayagaon Toll Road Company Private Limited*	24,423,200	24,423,200	10	2,442.32	2,442.32
TOTAL	24,423,200	24,423,200		2,442.32	2,442.32

*SPML infrastructure limited had entered into the sale agreement with Viva Highways Limited for the sale of shares in Jaora - Nayagaon Toll Road Co Private Limited in the year (11th Nov 2014). However the sale transactions has not been completed as on 31st March 2020 due to the non completion of terms/restrictions placed by the share holders agreement.

NOTE 9 : TRADE RECEIVABLES (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Receivables	41,236.04	42,964.09	46,214.75	66,906.39
Trade Receivables- Related parties	-	-	1,664.36	866.19
Trade Receivables - which have significant increase in credit risk	-	-	-	-
Trade Receivables - Credit Impaired	3,447.95	4,331.68	-	-
Less: Allowance for Expected Credit Loss	(15,000.65)	(18,002.80)	(1,105.31)	-
TOTAL	29,683.34	29,292.97	46,773.80	67,772.58

Break- up for Security details:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Receivables				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	41,236.04	42,964.09	47,879.11	67,770.87
Considered doubtful	3,447.95	4,331.68	-	1.71
	44,683.99	47,295.77	47,879.11	67,772.58
Allowance for Expected Credit Loss				
on unsecured, considered good	(11,552.69)	(13,671.12)	-	-
on considered doubtful	(3,447.95)	(4,331.68)	-	-
	(15,000.65)	(18,002.80)	-	-
TOTAL	29,683.32	29,292.97	47,879.11	67,772.58

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 10: LOANS (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance for Share Application Money to others	45.00	45.00	-	-
Security Deposits	899.01	624.96	488.59	613.23
Loans to related parties (Refer Note 38)	8,181.68	3,327.64	26.38	287.41
Loans to others	614.12	817.98	-	673.08
TOTAL	9,739.81	4,815.58	514.97	1,573.72

Break-up:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Loans considered good - Secured	-	-	-	-
Loans considered good - Unsecured	9,925.03	4,815.58	514.97	1,573.72
Loans which have significant increase in credit risk	-	-	-	-
Loans credit Impaired	-	-	-	-
	9,925.03	4,815.58	514.97	1,573.72
Less:- Allowance for Expected Credit Loss	185.22	-	-	-
TOTAL	9,739.81	4,815.58	514.97	1,573.72

Loans and receivables are non- derivative financial assets which generate a fixed or variable interest income of the Company. The Carrying value may be affected by changes in the credit risk of the counterparties.

NOTE 11: OTHER FINANCIAL ASSETS (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of more than 12 months (Refer note 15)	4,453.18	6,345.48	-	-
Unbilled Revenue	-	-	79,199.36	80,538.90
Interest Accrued on Fixed deposit/ Loan	365.11	-	1,387.46	1,814.36
Receivable against Sale of Investments	-	-	200.00	377.32
Retention from Customers	-	-	24,907.45	21,964.78
TOTAL	4,818.29	6,345.48	105,694.27	104,695.36

12.1: TAX ASSETS

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance income-tax (net of provision for taxation)	5,462.76	5,261.26	499.44	293.73
TOTAL	5,462.76	5,261.26	499.44	293.73

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

12.2: TAX LIABILITIES

₹ In Lakhs

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Provision for income-tax (net of advance tax)	0.24	690.85
TOTAL	0.24	690.85

NOTE 13: OTHER ASSETS

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital advances	3,560.94	4,580.68	-	126.40
Advances recoverable in cash or kind	-	-	5,548.13	7,101.84
Mat Credit Entitlement	-	726.31	9.90	10.32
Prepaid expenses	-	-	364.79	295.51
Balances with statutory / government authorities	-	30.91	12,998.29	7,193.74
Subsidies Recievable	272.68	291.34	-	-
Interest accrued on arbitration awards	23,399.92	20,947.09	-	-
Other non current assets	1,770.46	7,226.97	19.31	-
TOTAL	29,004.00	33,803.30	18,940.42	14,727.81

NOTE 14: INVENTORIES

(VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ In Lakhs

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Project Materials	6,105.63	3,144.39
Work in Progress	83.04	2,222.02
Finished Goods	-	49.77
Stores and spares	85.06	1,245.96
TOTAL	6,273.73	6,662.14

NOTE 15: CASH AND BANK BALANCES (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	2,009.97	3,630.94
Deposits with original maturity of less than three months	-	-	-	21.76
Cash on hand	-	-	18.01	32.71
(A)	-	-	2,027.98	3,685.41

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 15: CASH AND BANK BALANCES (AT AMORTISED COST) (CONTD)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Other bank balances				
Balances with banks :				
In unpaid dividend account	-	-	-	1.42
Deposits with original maturity for more than 12 months *	4,453.18	6,345.48	1,358.97	8,450.85
(B)	4,453.18	6,345.48	1,358.97	8,452.27
Amount disclosed under non-current assets (Refer Note No. 11)	(4,453.18)	(6,345.48)	-	-
TOTAL (A+B)	-	-	3,386.95	12,137.68

* Receipts lying with banks as security against Letters of Credits, Guarantees and Demand Loan Facilities issued by them and with clients.

NOTE 16: SHARE CAPITAL

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Authorized capital				
Equity shares par value ₹ 2 each	200,000,000	4,000.00	200,000,000	4,000.00
Preference shares par value ₹ 100 each	1,000,000	1,000.00	1,000,000	1,000.00
	201,000,000	5,000.00	201,000,000	5,000.00
Issued, subscribed and paid-up capital				
Equity shares par value ₹ 2 each	36,650,276	733.01	36,650,276	733.01
Add : Forfeited shares (amount originally paid up)	-	86.44	-	86.44
	36,650,276	819.45	36,650,276	819.45

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Equity Shares

₹ In Lakhs

Particulars	2019-20		2018-19	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Calls in arrears	-	-	-	-
Outstanding at the end of the year	36,650,276	733.01	36,650,276	733.01

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled one vote per share. The Company declares and pays dividends in Indian Rupees. The holder of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 16: SHARE CAPITAL (CONTD)

c. Details of shareholders holding more than 5% equity shares of the Company

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Client Rosehill Limited	5,493,876	14.99	5,493,876	14.99
State Bank of India	-	-	2,241,828	6.12
Zoom Industrial Services Limited	2,500,000	6.82	2,500,000	6.82
SPML India Limited	2,119,055	5.78	2,119,055	5.78

- d. In pursuance of the implementation of "SPML S4A Scheme", the Promoters of the Company had diluted their shareholding in the Company to the extent of "Principle of Proportionate loss sharing by Lenders (S4A Lenders)" in favour of the Lender Banks to entitle them to hold 21.44% stake in the Company. On Pledge of Shares held by Promoters of SPML Infra Ltd. As on balance sheet dated 31.03.2020 Lenders are holding 13.60% shareholding in the Company
- e. In terms of the "SPML S4A Scheme" as approved by the Overseeing Committee (governed under RBI) the entire debt of the Company as bifurcated into Part A Debt and Part B Debt together with all interest thereon shall be secured by pledge of entire unencumbered Shares of the Company (SPML) as held by existing Promoters in favour of SBICAP Trustee Ltd. (the Debenture Trustee) for the benefit of the S4A Lenders. The Promoters & the Promoter Group as on 31.03.2020 are collectively the legal and beneficial owners of 38.20% Shares of the Company. Accordingly, the Promoters of the Company had as on 31.03.2020 pledged 38.20% of the Shares as held by them in favour of the Debenture Trustee.
- f. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

NOTE 17 : OTHER EQUITY

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
A. Capital reserve	952.89	1,102.63
B. Capital reserve on consolidation	757.70	2,612.88
C. Securities premium account	15,669.77	16,171.43
D. General reserve	5,929.05	5,929.05
E. Foreign Currency Translation Reserve	-	2,257.67
F. Other Comprehensive Income	269.58	(180.39)
G. Retained Earnings (movements given below)	14,033.16	13,300.46
TOTAL - Other Equity	37,612.16	41,193.73

Movement in Retained Earnings

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	13,300.46	21,164.48
Add: Profit for the year	659.13	3,973.34
Add: On account of Minority Adjustment	-	(1,278.76)
Add: De-Console Profit/(Loss)	73.57	558.23
Add: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	-	(10,143.53)
Add: Other Adjustment	-	(973.30)
Closing Balance	14,033.16	13,300.46

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 18 : BORROWINGS

₹ In Lakhs

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Secured		
Term loans		
from banks (Refer note 18.1)	2,493.68	5,431.25
from financial institutions (Refer note 18.2)	-	499.85
0.01% Optionally Convertible Debentures		
issued to banks (Refer note 18.7)	52,858.17	52,858.17
issued to financial institutions (Refer note 18.7 (d))	1,677.00	1,677.00
Deferred payment credits		
from others (Refer note 18.3)	59.48	70.35
Unsecured		
Term loans		
from related parties (Refer note 18.6)	9,275.09	4,816.77
from Body Corporate (Refer note 18.5)	985.89	2,266.14
Total	67,349.31	67,619.53
Current maturities of Long term Borrowings	3,361.72	5,112.41
Less: Amount clubbed under "Other Current Financial Liabilities" (Refer Note 22)	(3,361.72)	(5,112.41)
	67,349.31	67,619.53

18.1 Security and repayment terms in respect of term loans from banks

Nature of securities	Outstanding (₹ in Lakhs)		Nos. of installments outstanding as on March 31, 2020 (remaining)		Rate of interest
	As at March 31, 2020	As at March 31, 2019	Quarterly	Monthly	
	First charge on all movable and immovable assets of the Company, present and future, equitable Mortgage created on Private land, assignment of all project contracts and documents in favour of the bank, charge on all future receivables and also personal guarantee of all the promoter directors of Awa Power Company Private Limited.	-	247.57	-	
The loan is secured by first Pari- Passu and exclusive charge by way of Equitable mortgage of the entire project assets (both movable and immovable) of Luni Power Company Private Limited ,both present and future, first Pari-passu and exclusive charge by way of hypothecation of the entire Project movable assets of the Company, both Present and future, equitable mortgage of land measuring 1.01 hectares, assignment of all project revenue and receivables exclusively to the Bank ,assignment of development rights over 4.06 hectares of forest/ government land, deposit of ₹ 40 Lakhs, 36.23% of shares of Luni Power Company Private Limited held by Subhash Kabini Power Corporation Limited, corporate guarantee by Subhash Kabini Corporation Private Limited and personal guarantee by the promotor director of the Luni Power Company Private Limited.	1,119.87	1,144.87	-	-	BPLR + 4.75 %

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 18 : BORROWINGS (CONTD..)

Nature of securities	Outstanding (₹ in Lakhs)		Nos. of installments outstanding as on March 31,2020 (remaining)		Rate of interest
	As at March 31, 2020	As at March 31, 2019	Quarterly	Monthly	
The said loan is secured by first Hypothecation charge over all the fixed Assets purchased out of bank finance present and future, assignment of all contract/licenses in connection with project, negative lien on the shares of the company and charge on carbon credit receivable. Second charge on the other fixed assets and collateral security of Madurai Municipal Waste Processing Company Private Limited given for Term Loan (first charge for the Term Loan). Personal guarantee of Mr. Sushil Kumar Sethi and Rishabh Sethi. Corporate guarantee of Ultimate Holding Company and SPML Utilities Limited. Total overdue Loan amount as on 31st March, 2020 is ₹ 2,149.78 Lakhs (including Interest).	1,280.00	1,280.00	15	-	BPLR + 6.50 %
The said loan is secured by first charge and mortgage of all movable and immovable properties, both present and future of Subhash Kabini Power Corporation Limited, Equitable mortgage of Land and building, Trail Race Work, and capital work in progress of Kabini Hydro Power Project, hypothecation of Plant and Machinery , Furniture & fixture and Other equipment of the Company, pledge of 30% promoter shareholding in the company, pledge of Promoter's shareholding to the extent of 30% in two Associate Companies- Awa Power Company Private Limited and IQU Power Company Private Limited, The loan is also backed by the personal guarantee of the promotor director.	-	2,513.39	-	-	Base Rate + 3.5%
The said loan is secured by exclusive charge on the SJA Developers Private Limited's property at Worli, Mumbai, M/s Delhi Waste Management Limited and Mr Deepak Sethi as co-applicants and personal guarantee of promotor director.	-	585.97	-	-	8.85%
Term loan of ₹ NIL carries (₹ 31.25 lakhs) interest @ 11.75 % p.a. (YBL +1.50% p.a.) and is repayable in 5 quarterly instalments of ₹ 7.75 Lakhs each along with interest thereon starting from February 2019 and ending by February 2020. The said loan is secured by way of Subservient charge on all movable fixed assets and current assets (both present and future) of the Company. Further, loan is backed by the personal guarantee of the Chairman of the Company and pledge of shares of the Company by the promoters/ associates.	3,309.13	4,199.19	47	-	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 18 : BORROWINGS (CONTD..)

Nature of securities	Outstanding (₹ in Lakhs)		Nos. of installments outstanding as on March 31,2020 (remaining)		Rate of interest
	As at March 31, 2020	As at March 31, 2019	Quarterly	Monthly	
Corporate Loan of ₹ 3,003.69 lakhs (₹ 3,999.41 lakhs) from Consortium Member-Banks carries interest ranging from @ 12.65% p.a. and are repayable in uneven quarterly instalments along with interest thereon by FY 2022-2023. The said loans are secured on pari-passu basis by (i) Extension on all the current assets of the Company (both present and future) & movable machinery tangible & intangible moveable assets (both present and future), (ii) Exclusive mortgage on two Immovable Properties situated at Sarita Vihar, New Delhi owned by relatives of the Promoters (iii) Negative lien on one property at New Delhi owned by one of the associates (iv) Pledged shares of the Company held by Promoters/Associates, the value of that shares and immovable properties as mentioned above to be atleast 50% of the outstanding corporate loan. In addition, these loans are also secured by Personal Guarantee of two property owners to the extent of the value of the mortgaged properties as well as Personal Guarantees of the Promoters of the Company.					
Facilities availed from Union and UCO Bank are secured by first charge on Current Assets of SPM Holdings Pte Limited, Cash Margin by way of FDR under lien to Bank- Union Bank- 15% and UCO Bank- 18.33%. These facilities are also backed by Corporate Guarantee of Subhash Kabini Power Corporation Ltd (Holding Company) and Ultimate Holding Company, Personal guarantee of Mr Subhash Chand Sethi and Mr Harshvardhan Sethi.	-	6,551.72	-	-	-
The said loan is secured against Motor Vehicle of SPML Infrastructure Limited	44.41	-	-	-	-
The said loan taken by Bhagalpur Electricity Distribution Company Private Limited are taken at 14.5% rate of interest and repayable after a period of 10 years.	101.99	-	-	-	-
	5,855.40	16,522.70	62.00	-	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 18 : BORROWINGS (CONTD..)

18.2 Security and repayment terms in respect of term loans from financial Institutions

Term Loan of ₹ 270.81 lakhs (P.Y. ₹ 499.85 lakhs) from a Financial Institution carries interest @ 13.55% p.a. (IBR +2.80% p.a.) and is repayable in twelve equated quarterly instalments by April 2021. The said loan is secured against an exclusive charge on (i) the Immovable Property situated at Faridabad owned by one of group entities (ii) Immovable Property of the Company situated in Gangapur, Sawai Madhopur in Rajasthan (iii) Pledge of shares of the Company held by Promoters/Group entities giving coverage of 1x of Loan amount. Further, the Loan is also backed by Personal Guarantee of Main Promoters, Corporate Guarantee & PDCs given by one of group entities. (Name of the entity is SPML Industries Limited)

18.3 Deferred payment credits from financial companies is secured against hypothecation of vehicle purchased against such loans which are repayable in 48 equated monthly installments carrying compounding interest rate of 10.81% p.a.

18.4 As at the year ended March 31, 2020, the Holding Company has defaulted in repayment of dues upto 90 days amounting to ₹ 17,647.36 Lakhs (P.Y ₹ 193.64 Lakhs) and dues exceeding 90 days amounting to ₹ 6,521.40 lakhs (P.Y NIL) in respect of Banks. The Company has also defaulted in repayment of dues upto 90 days amounting to ₹ 139.00 Lakhs (P.Y ₹ 10.89 Lakhs) in respect of financial institution.

18.5 Loan from Body Corporate:

₹ 985.89 lakhs (P.Y ₹ 2,266.14 Lakhs) Loans from body corporates are repayable within a maximum period of 10 years.

18.6 Loan from Related Parties:

₹ 9,275.09 Lakhs (P.Y : ₹ 4,816.77 Lakhs) is repayable after one year and carries interest rate @ 8.60% p.a. to 18%

18.7 Security and repayment terms in respect of Optionally Convertible Debentures (OCDs)

The Ultimate Holding Company had allotted Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (OCDs) of the ₹ 1000/- each under eight series to the Lender Banks in proportion to their participation in the S4A restructuring scheme against conversion of part of their dues. The said eight series of OCDs are secured by way of:

a. OCDs issued under Series A, B, C & H are secured by way of first ranking charge in favour of the Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) on

(i) Hypothecation of Stocks and Book Debts of the Ultimate Holding Company, both present and future and all other current assets and non-current receivable (ii) Hypothecation of Plant and Machinery, Furniture & Fixtures and office equipment (iii) Lien on Fixed Deposit having issue value of ₹ 38 Lakhs in favour of Lead Banks. These loans are additionally secured by the Personal Guarantee of three Promoter Directors of the Ultimate Holding Company and Corporate Guarantee of one of the associates of the Company, except for OCDs issued to ICICI Bank under Series B & under Series C to Yes Bank which are also secured by extension of exclusive securities with them.

b. OCDs issued under Series D are secured by way of exclusive charge in favour of Yes Bank Ltd. on Pledge of shares of the Ultimate Holding Company held by Promoters/ Associates as well as subservient charge on moveable fixed assets and all current assets of the Company, both present and future. Further, these OCDs are also backed by Personal Guarantee of one Promoter of the Company.

c. OCDs issued under Series E are secured by way of first ranking charge in favour of the Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) (i) on all the current assets of the Ultimate Holding Company (both present and future) & movable machinery tangible & intangible moveable assets (both present and future), (ii) Exclusive charge on two Immovable Properties situated at Sarita Vihar, New Delhi, (iii) Pledge of Shares of the Company held by Promoters/Associates having market value of ₹ 50 Crores (iv) Negative lien on one property at New Delhi owned by one of the Associates. In addition, these OCDs are also secured by Personal Guarantee of two property owners to the extent of the value of the properties as well as Personal Guarantee of Promoters.

d. OCDs issued under Series F are secured by way of exclusive charge in favour of IFCI Limited on (i) the Immovable properties owned by one of group entities situated in Faridabad. (ii) Immovable properties owned by the company situated in Sawai Madhopur, Rajasthan (iii) Pledge of shares of the Company held by Promoters/Group entities giving coverage of 1x of loan amount. Further, the loan is also backed by Personal Guarantee of Main Promoters, Corporate Guarantee and PDSs given by one of group entities of the Company.

e. OCDs issued under Series G are secured by way of exclusive charge in favour of ICICI Bank Ltd. on the Immovable Property of the Ultimate Holding company situated in Gurugram.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

- f. OCD carry Coupon Rate of 0.01% p.a. to be paid in the first instance from 1st November, 2017 to 31st March, 2018 and thereafter at the end of each financial quarter commencing from last coupon payment date and ending on the next coupon payment date. OCDs carrying Yield-to-Maturity (YTM) of 8.15% p.a. are redeemable after a moratorium period of five years from the date of issue starting from quarter ending December, 2022 and ending on quarter ending September, 2027.

18.8 Restructuring of entire Debts as availed from the Banks/ Financial Institutions under Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme")
In terms of the Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme") as approved by the Super Majority of the Lender Banks with Reference Date as 22nd March, 2017 which was further agreed and approved by the Overseeing Committee (constituted under the aegis of the RBI) on 6th October, 2017 and by the Shareholders of the ultimate Holding Company at their meeting held on 20th November, 2017, the entire crystalized fund-based debts of the Ultimate holding Company had been bifurcated into "Part A" i.e. sustainable part of debt to be serviced as per existing terms and conditions of those debts and "Part B" i.e. non-sustainable part of debt, which has been adjusted against by virtue of transfer of 7859575 Equity

Shares as held by Promoters in the company to the extent of the principal of Proportionate loss sharing by Lenders in favour of the lender banks to entitle them to hold 21.44% stake in the company & balance of Part B debt converted into unlisted, unrated, redeemable 54,53,517 Optionally Convertible Debentures (OCDs) of Rs 1000 each (carrying coupon rate @0.01 % p.a. with an YTM @8.15% p.a.) in favour of the lender Banks based on their subscription to the OCDs.

18.9 Note for Right of Re-compensation:

In the instant arrangement, the Ultimate Holding Company acknowledges that the S4A Lenders reserves a right of recompense ("RoR") for Concessional Interest Rates. The recompense payable by the Company after the final redemption date depends on various factors such as improved performance of the Company, Cash Inflow & other conditions. Further the quantum of the recompense amount would be ascertained/determined by the Steering Committee of Lenders within a period of one Month from the Final Redemption Date. However, the same is adjustable with the Upside Gain in the event the Debenture holders decide to sell the conversion shares (transferred/sold by Promoters to Lenders pursuant to the SPML S4A Scheme) at any time prior to the final settlement date.

NOTE 19 : TRADE PAYABLES

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Payables :				
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,475.04	12,120.41	62,969.29	93,864.69
Total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	-	-	92.03	193.67
TOTAL	9,475.04	12,120.41	63,061.32	94,058.36

NOTE 20 : PROVISION

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Gratuity (refer note 35)	329.70	563.74	164.27	173.24
Compensated absences	-	0.04	47.45	11.79
Provision for Expenses	-	-	-	10.32
TOTAL	329.70	563.78	211.72	195.35

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 21 : BORROWINGS

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
From banks		
Secured		
Cash Credit and working capital facilities (refer note 21.1)	73,309.25	60,792.79
Unsecured		
From Related Parties and Bodies Corporates (refer note 21.2, 21.3)	8,775.42	11,068.87
TOTAL	82,084.67	71,861.66

21.1. Cash credit and working capital facilities are secured by hypothecation of stocks and book debts of the Company, both present and future, hypothecation of certain specific plant and machinery, furniture/fixtures and office equipments and also the lien on fixed deposit having value of ₹ 38 Lakhs in favour of One member bank as a pari passu charge with other consortium banks along with exclusive charge in favour of the lead banker of fixed deposit amounting to ₹ 773 lakhs. These loans are additionally secured by the guarantees of three promoter directors of the Company and corporate guarantee of SPM Engineers Limited (related party). The demand loans and cash credit and working capital facilities carry interest @ 11.70% to 16.25% p.a.

21.2. Loan from related parties is repayable on demand and carry interest @ 0% to 14.5%.

21.3. Loans from bodies corporate carries interest @ 12% p.a to 18% p.a.

NOTE 22 : OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings (Refer Note 18)	-	-	3,361.72	5,112.41
Advance from Customers	5,479.41	5,248.30	18,449.82	20,889.11
Lease Liability	88.63	-	174.47	-
Financial Guarantee Obligation	548.09	-	-	-
Interest Accrued on mobilization advance	-	-	1,652.06	1,685.14
Interest accrued and due on borrowings	-	-	1,429.43	1,697.10
Interest accrued and not due on borrowings	-	-	113.52	46.34
Unpaid dividend*	-	-	-	0.97
TOTAL	6,116.13	5,248.30	25,181.02	29,431.07

* There is no amount due and outstanding which is to be transferred to investor education & protection fund.

NOTE 23 : OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Statutory Dues payable	1,729.31	2,080.32
Other Liabilities	4,294.23	5,196.36
TOTAL	6,023.54	7,276.68

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 24 : DEFERRED TAX ASSETS / (LIABILITIES)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Fair Valuation of Land	1.19	1.19
Arising out of temporary difference in property, plant and equipment	57.28	47.82
Impact of Fair valuation of Investments	384.81	190.23
Provision as per Expected Credit Loss Model	883.62	-
Arising due to Other temporary differences	287.88	283.01
Gross Deferred tax liabilities	1,614.78	522.25
Deferred tax assets		
Arising out of temporary difference in property, plant and equipment	3,937.53	4,815.62
Impact of Fair valuation of Investments	278.60	278.60
Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	5,368.35	5,368.34
Provision as per Expected Credit Loss Model	961.20	961.20
Arising due to Other temporary differences	353.77	358.39
	10,899.45	11,782.15
Gross Deferred tax assets	9,284.67	11,259.90

Income tax expense in the Statement of profit and loss

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax charge	646.76	2,035.89
Adjustments in respect of current income tax of previous year	41.06	33.04
MAT Credit utilisation	0.00	80.50
Deferred tax	-	335.17
Total	687.82	2,484.60

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	2,112.36	6,457.94
At India's statutory income tax rate of 34.608% (31 March 2019: 34.608 %)	731.04	2,234.97
Effect of Profit chargeable at different rate and disallowances under IT Act	(368.02)	(310.26)
Effect of tax on Elimination due to consolidation	51.53	51.52
Effect of Other income not chargeable to Income tax	196.36	196.36
Effect of share of Associates and Minority interest	94.37	(78.18)
Others	(58.52)	(58.52)
Income tax expense reported in the statement of profit and loss	646.76	2,035.89

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 25 : REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating Revenue		
- Construction/EPC Contracts	84,878.21	120,799.63
- Sale of Traded Goods	78,510.82	73,021.03
- Sale of Power	2,068.07	2,395.47
- Operation and Maintenance	1,801.05	980.92
- Municipal Services	34.13	574.37
- Space Contract	-	1.03
Other operating revenue		
- Interest Income as per Arbitration Awards	2,522.09	2,418.60
- Miscellaneous	833.36	961.03
TOTAL	170,647.73	201,152.08

25.1 Detail of Trading Sales

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Steel Products	14,765.98	27,163.56
- Coal	63,744.84	45,857.47
TOTAL	78,510.82	73,021.03

25.2 The Company recognises revenue from contracts with customers (long-term construction contracts), which are mainly with Government parties, for construction / project activities over a period of time. During the year under report, substantial part of the Company's business has been carried out in India. Hence no dis-agregation of revenue has been presented.

25.3 Contract balances

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	76,457.14	97,065.55
Contract assets	104,106.81	102,503.68
Contract liabilities	23,929.23	26,137.41

The credit period towards trade receivables generally ranges between 30 to 60 days. Further the customer retains certain amounts as per the contractual terms which usually fall due on the completion of contract. These retentions are made to protect the customer from the Company failing to adequately complete all or some of its obligations under the contract.

Contract assets are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has not met requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Contract liabilities include advances received from customers towards mobilisation of resources, purchase of materials and machineries.

Increase contract assets, decrease in trade receivables and contract liabilities as at March 31, 2020 from April 01, 2019 is on account of changes in operations of the Company. Expected credit loss recognized on trade receivables have been disclosed in note 9. No Impairment loss has been recognised on contract assets since the management is of the opinion that the contract assets are fully recoverables.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 25 : REVENUE FROM OPERATIONS (CONTD..)

Changes in contract assets are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	102,503.68	98,942.10
Add: Revenue recognised during the year	24,488.88	74,403.07
Less: Amount received against contracts and invoicing of unbilled revenue during the year	(22,885.75)	(55,538.06)
Less: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	-	(15,303.43)
Balance at the end of the year	104,106.81	102,503.68

Changes in contract liabilities are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	26,137.41	25,101.39
Add: Amount Received against contract work commenced during the year	4,027.75	12,198.02
Less: Revenue recognised during the year out of opening balance	(6,235.93)	(11,162.00)
Balance at the end of the year	23,929.23	26,137.41

NOTE 26 : OTHER INCOME

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on		
Loans given	357.02	372.38
Bank deposits	785.54	926.03
Income tax refund	308.21	880.90
Others	216.58	866.42
Other Non Operating Income		
Sundry balances/liabilities no longer required written back (Refer Note 44)	5,311.76	288.25
Expected Credit Loss Reversals on Trade Receivables	2,118.42	-
Miscellaneous Income	1,768.71	3,177.74
TOTAL	10,866.24	6,511.72

NOTE 27 : MATERIALS CONSUMED AND OTHER CONSTRUCTION EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Construction materials and stores and spare consumed		
Inventory at the beginning of the year	5,738.36	4,156.56
Add: Purchases	39,835.40	56,395.13
	45,573.76	60,551.69
Less: Inventory at the end of the year	6,550.27	4,390.35
	39,023.49	56,161.34

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 27 : MATERIALS CONSUMED AND OTHER CONSTRUCTION EXPENSES (CONTD..)

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Construction Expenses		
Subcontractor charges	29,148.87	39,471.98
Drawing and designing charges	23.81	43.63
Equipment hire and running charges	213.52	268.41
Others	2,323.64	1,735.78
	31,709.84	41,519.80
TOTAL	70,733.33	97,681.14

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages and Bonus	4,757.45	5,549.17
Contribution to Provident and Others Funds	294.49	361.71
Gratuity expense	96.84	141.74
Staff Welfare Expenses	207.49	144.82
TOTAL	5,356.27	6,197.44

NOTE 29: FINANCE COSTS

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	15,637.43	16,034.17
Finance Cost on Lease	25.95	-
Other borrowing costs	29.03	29.36
TOTAL	15,692.41	16,063.53

NOTE 30: DEPRECIATION /AMORTISATION

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Tangible Assets	987.16	1,087.50
Depreciation on ROU Assets	120.97	-
Amortisation of Intangible Assets	9.94	0.26
TOTAL	1,118.07	1,087.76

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 30: DEPRECIATION /AMORTISATION

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent (Refer Note 34)	334.65	559.47
Rates and taxes	159.68	94.38
Repairs and maintenance:		
Building	92.27	16.41
Plant and machinery	88.92	102.91
Others	36.23	44.39
Insurance	325.60	279.30
Advertisement expenses	6.23	9.14
Professional charges and consultancy fees	2,137.47	1,929.74
Vehicle running charges	232.98	342.22
Travelling and conveyance	418.37	644.73
Communication expenses	62.59	73.15
Power and fuel	233.04	118.05
Charity and donations	7.11	26.06
Auditor's remuneration	77.24	58.68
Business promotion	142.75	0.49
Loss on sale of fixed assets (net)	2.00	1.22
Bad debts / sundry balances written off	2,046.36	1,335.27
Expected Credit Loss on Loans to a joint venture and to associates	185.22	-
Impairment of equity investments in certain associates	185.04	-
Expected Credit Loss on Trade Receivables	1,105.89	446.66
Miscellaneous expenses	2,252.57	2,556.47
TOTAL	10,132.21	8,638.74

NOTE 32 : BASIS FOR CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER :

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders of the parent for basic earnings	659.13	3,973.34
Weighted average number of equity shares for basic EPS	36,650,276	36,650,276
Nominal value of equity per share (₹)	2	2
Earnings per Share - Basic & Diluted (₹)	1.80	10.84

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 33 : COMMITMENTS AND CONTINGENCIES

a. Commitments

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on Capital Account (net of capital advance of ₹ 111.67 Lakhs (31 March 2019: ₹ 118.70 Lakhs)	111.67	118.70

b. Contingent liabilities

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debt		
(a) Demand for license fees raised by Mines and Minerals Department, Government of Bihar	83.41	83.41
(b) Legal suits filed against the Company by third parties towards claims disputed by the Company relating to supply of goods and services	102.00	837.15
(c) Legal suits filed against the Company by ex-employees towards claims disputed by the Company relating to non payment of their dues	4.36	4.36
	189.77	924.92
Claims towards liquidated damages not acknowledged as debts by the Group (Against the above, debts of the like amount are withheld by the customer. However, the Group expects no liability to accrue on account of these claims.)	14,111.78	13,825.58
Outstanding Bank guarantees and letters of credit	-	886.00
Disputed demands		
(a) Income Tax	-	271.50
(b) Excise/ Service Tax	23.13	23.13
(c) Sales Tax / VAT	2,707.91	2,707.91
TOTAL	17,222.36	19,563.96

c. Guarantees Given

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Corporate Financial Guarantees given to banks for financial assistance extended to various Companies within the Group	29,932.34	39,137.10
Performance Guarantees given on behalf of various Companies within the Group:	1,964.26	4,480.26
TOTAL	31,896.60	43,617.36

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 34 : LEASES

Company as a Lessee

The Holding Company has adopted Ind AS 116 "Leases" effective from 1st April, 2019 retrospectively with the cumulative effect of initially applying the standard recognised on that date of initial application. This has resulted in recognition of Right-of-use Assets and Lease Liability each amounting to ₹ 154.49 Lacs as at 1st April, 2019. Accordingly, the comparative figures have not been retrospectively restated or adjusted. During the current year, the nature of expenses in respect of operating leases, where the Holding Company is lessee and the period of lease is more than 12 months, has changed from lease rent in previous periods to depreciation cost for the Right-of-use Assets and finance cost for interest accrued on Lease Liability. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted. The impact of adoption of Ind AS 116 "Leases" on Profit before Tax is insignificant/not material.

The following is the summary of practical expedients elected on initial application:

- 1 Applied a single discount rate to a portfolio of leases of leases with reasonably similar characteristics.
- 2 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than or equal to 12 months of lease term on the date of initial application. Instead the Holding Company has accounted for these leases as if they were short term leases accounted for in accordance with para 6 of Ind AS 116.
- 3 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4 Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Disclosure in accordance to Ind AS 116 is as below :

Lease Assets and Lease Liabilities

₹ In Lakhs

Particulars	As at March 31, 2020
Assets	
Right of Use Assets (Refer Note 4)	252.26
Liabilities	
Lease Liabilities (Refer note 18 & note 21)	
- Current	88.63
- Non Current	174.47

Expenses Debited to Statement of Profit & Loss Account

₹ In Lakhs

Particulars	For the year ended March 31, 2020
Depreciation and Amortisation	120.97
Finance Cost	25.95
Short Term Lease Payments	334.65

Carrying amounts of Right of Use Assets recognised and the movement during the year :

₹ In Lakhs

Particulars	As at March 31, 2020
Initial recognition on adoption of Ind AS 116 as at 1st April, 2019	154.49
Addition during the year	218.73
Depreciation Expense	(120.97)
Closing Balance as at 31st March, 2020	252.25

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 34 : LEASES (CONTD..)

Carrying amounts of lease liabilities and the movements during the year :

₹ In Lakhs

Particulars	As at March 31, 2020
Initial recognition on adoption of Ind AS 116 as at 1st April, 2019	154.49
Addition during the year	218.73
Interest expense during the year	334.65
Payments	136.07
Closing Balances at 31st March 2020	571.80
- Current	174.47
- Non Current	397.33

The effective interest rate for lease liabilities is 12.65%, with maturity between April 2019 & September 2022

₹ In Lakhs

Maturity analysis of lease liabilities are as follows:	As at March 31, 2020
1 Year	174.47
2 to 5 Years	397.33

NOTE 35: EMPLOYEE BENEFIT OBLIGATION

(a) Defined Benefit Plan

The following tables summaries the components of net benefit expenses recognized in the Consolidated Statement of Profit & Loss and OCI amounts recognized in the balance sheet:

₹ In Lakhs

Particulars	Gratuity Unfunded	
	As at March 31, 2020	As at March 31, 2019
Changes in the present value of defined benefit obligation		
Present value of defined benefit obligation as at year beginning	736.98	672.60
Current Service Cost	21.95	109.55
Interest Cost	44.42	58.49
Adjustment for deconsol of subsidiaries	(195.48)	-
Remeasurements (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.86
Actuarial (gains)/losses arising from changes in financial assumptions	21.10	(3.69)
Actuarial (gains)/losses arising from changes in experience adjustments	(135.00)	(100.83)
Present value of defined benefit obligation as at year end	493.97	736.98

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: EMPLOYEE BENEFIT OBLIGATION (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Plan Assets at the beginning of the year	-	-
Expected return on Plan assets	-	-
Contribution by Employer	-	-
Actual benefits paid	-	-
Actuarial Gains/ (losses)	-	-
Plan Assets at the end of the year	-	-

₹ In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts Recognised in the Balance Sheet		
Present value of defined benefit obligation at the year end	493.97	736.98
Fair Value of the Plan Assets at the year end		
Liability/(Asset) Recognised in the Balance Sheet	493.97	736.98

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expense recognised in the Statement of Profit and Loss:		
Current Service Cost	21.95	109.55
Net Interest Cost/(Income)	44.42	58.49
Net Cost Recognised in the Statement of Profit and Loss	66.37	168.04
Expense recognised in the Other Comprehensive Income:		
Remeasurements (gains)/losses	(99.20)	(103.65)
Net Cost Recognised in Other Comprehensive Income	(99.20)	(103.65)

(i) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

Significant Actuarial Assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	7.70%	7.70%
Mortality Rate	100%	100%
Withdrawal Rate	Varying between 8% per annum and 1% per annum depending on duration and age of employees	Varying between 8% per annum and 1% per annum depending on duration and age of employees
Salary Growth Rate (%)	5-10%	5-10%
Experience Adjustments on Plan Liabilities	Not Available	Not Available

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: EMPLOYEE BENEFIT OBLIGATION (CONTD..)

(ii) A quantitative sensitivity analysis for significant assumption is as shown below

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Discount rate		Discount rate	
Assumptions	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	464.98	525.80	688.41	807.07

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Withdrawal rate		Withdrawal rate	
Assumptions	Withdrawal rate		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	495.99	490.48	734.98	723.91

₹ In Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Future Salary		Future Salary	
Assumptions	Future Salary		Future Salary	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	521.85	468.20	776.80	688.35

(iii) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(iv) Maturity profile of the defined benefit obligation

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Weighted Average duration of the defined benefit obligation	6.54	6.54
Expected benefit payments for the year ending (₹ in lakhs)		
Not Later than 1 year	0.74	21.24
Later than 1 year and not later than 5 years	3.69	55.39
More than 5 years	23.98	133.58

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 35: EMPLOYEE BENEFIT OBLIGATION (CONTD..)

(b) Contribution to defined Contribution Plans recognised as expense are as under

Particulars	₹ In Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to Provident and other funds	294.49	361.71

NOTE 36: BASED ON THE INFORMATION/DOCUMENTS AVAILABLE WITH THE GROUP, INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE AS UNDER:

Details of dues to Micro and Small Enterprises as per MSME Act, 2006	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
- Principal	61.62	19.51
- Interest	30.41	174.16
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
- Principal	-	-
- Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of interest accrued for the year and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act,2006	-	-

NOTE 37: SEGMENT REPORTING

SI No. Particulars	₹ In Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
1 Segment revenue (gross)		
a) Construction	89,201.35	123,601.69
b) Hydro Power Generation	2,100.23	2,816.04
c) Waste Management	34.14	704.01
d) Trading	78,510.82	73,021.03
e) Others	801.19	1,009.31
Revenue from operations	170,647.73	201,152.08

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 37: SEGMENT REPORTING (CONTD..)

₹ In Lakhs

SI No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
2	Depreciation / amortization		
a)	Construction	509.45	371.97
b)	Hydro Power Generation	523.91	497.60
c)	Waste Management	6.53	90.07
d)	Trading	9.76	-
e)	Others	68.42	128.12
	Total	1,118.07	1,087.76
3	Segment results (Profit / (Loss) before tax and interest)		
a)	Construction	14,299.38	20,372.70
b)	Hydro Power Generation	1,844.05	1,373.33
c)	Waste Management	566.99	(323.00)
d)	Trading	1,320.58	1,530.77
e)	Others	109.23	(671.34)
	Total	18,140.23	22,282.46
i.	Finance Costs	(15,692.41)	(16,063.53)
ii.	Unallocable expenditure net off unallocable income	-	-
	Total Profit/(Loss) before share of Profit/(Loss) of Associates and Joint Ventures and Tax	2,447.82	6,218.93

₹ In Lakhs

SI No.	Particulars	As at March 31, 2020	As at March 31, 2019
4	Segment Assets		
a)	Construction	253,925.76	210,257.88
b)	Hydro Power Generation	19,788.22	21,157.21
c)	Waste Management	9,051.45	400.68
d)	Trading	13,852.57	36,376.52
e)	Others	3,229.87	17,729.60
f)	Unallocated	-	63,641.73
	Total Segment Assets	299,847.87	349,563.62
5	Segment Liabilities		
a)	Construction	218,929.33	59,371.08
b)	Hydro Power Generation	19,168.12	1,295.00
c)	Waste Management	4,386.70	750.18
d)	Trading	15,066.86	46,728.22
e)	Others	2,281.68	7,204.05
f)	Unallocated	-	173,717.46
	Total Segment Liabilities	259,832.69	289,065.99
6	Capital expenditure	6,599.88	2,094.25

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 37: SEGMENT REPORTING (CONTD..)

Reconciliation of amounts reflected in the financial statements

(a) Non-current operating Assets:

₹ In Lakhs

SI No.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	India	46,858.66	67,547.71
b)	Outside India	-	-
	Total	46,858.66	67,547.71

NOTE 38 : DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24

(a) List of Related Parties

I. Associates Companies	Sanamti Infra Developers Private Limited
	PT Vardhaman Mining Services (ceased to be an associate w.e.f 30th March,2020)
	PT Vardhaman Logistics (ceased to be an associate w.e.f 30th March,2020)
	Rabaan (S) Pte Limited (ceased to be an associate w.e.f 30th March,2020)
	PT Bina Insan Sukses Mandiri (ceased to be an associate w.e.f 30th March,2020)
	Bhilwara Jaipur Toll Road Private Limited
	SPML Bhiwandi Water Supply Infra Limited
	SPML Bhiwandi Water Supply Management Limited
	Awa Power Company Private Limited (w.e.f. 31st March, 2020)
	Binwa Power Corporation Private Ltd (w.e.f. 31st March, 2020)
	Delhi Waste Management Ltd (w.e.f. 1st October, 2019)
	IQU Power Company Private Ltd (w.e.f. 31st March, 2020)
	Neogal Power Company Private Ltd (w.e.f. 31st March, 2020)
	Subhash Kabini Power Corporation Limited (w.e.f. 31st March, 2020)
	SPML Energy Limited (w.e.f. 31st March, 2020)
II. Joint Ventures	Malviya Nagar Water Services Pvt .Ltd
	Hydro Comp Enterprises (India) Limited
	Aurangabad City Water Utility Co. Limited
	MVV Water Utility Private Limited
	Gurha Thermal Power Co Ltd
III. Key Management Personnel (KMP)	
Names of related parties	Nature of relationship
Mr. Subhash Chand Sethi	Chairman
Mr. Sushil Kumar Sethi	Managing Director
Mr. Supriyo Kumar Chaudhari (Resigned w.e.f 11.09.2019)	Independent Director
Mr. Dinesh Kumar Goyal	Independent Director
Mr. Prem Singh Rana	Independent Director
Mr. Pavitra Joshi Singh	Independent Director
Mr. Sarthak Behuria (Resigned w.e.f 06.02.2020)	Independent Director
Mr. Abhinandan Sethi	Chief Operating Officer
Mr. Laxmi Narayan Mandhana (Appointed w.e.f 14.08.2019)	Chief Financial Officer and Company Secretary
Mr. Sujit Kumar Jhunjunwala (Resigned w.e.f 14.08.2019)	Chief Financial Officer
Mr. Abhay Raj Singh (Resigned w.e.f 31.07.2019)	Company Secretary

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24 (CONTD..)

IV. Relatives of Key Management Personnel	
Names of related parties	Nature of relationship
Mr. Anil Kumar Sethi	Brother of Chairman & Managing Director
Mr. Harshavardhan Sethi	Son of Chairman
Mrs. Maina Devi Sethi	Mother of Chairman and Managing Director
Mrs. Noopur Jain	Daughter of Managing Director
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Managing Director
Mr. Rishabh Sethi	Son of Managing Director
Mrs. Shilpa Sethi	Daughter in law of Chairman
Dr. Ankit Jain	Son-in-law of Managing Director
Mrs. Priyanshi Sethi	Daughter in law of Chairman
Mrs. Aanchal Sethi	Daughter in law of Managing Director
V. Entities over which Key Management Personnel & their relatives have significant influence	
	Arihant Leasing & Holding Company Limited
	Add Realty Limited
	Add Eco Environment Limited
	Add Industrial Park (TN) Limited
	Add Technologies (India) Limited
	Add Energy Management Co. Private Limited
	Bharat Hydro Power Corporation Limited
	DWMG Software Private Limited
	Delhi Waste Management Najafgarh Pvt Ltd
	International Construction Limited
	Latur Water Supply Management Company Limited
	Meena Holdings Limited
	Meena ADD Charity Initiative Foundation
	Niral Enterprises Private Limited
	Om Metal-SPML Infra Project Private Limited
	Pondicherry Sez Company Private Limited
	Pondicherry Port Limited
	POM POM Recycling Private Limited
	PT Sanmati Natural Resources
	PT Bina Insan Sukses Mandiri
	PT Vardhaman Mining Services
	PT Vardhaman Logistics
	Rabaan (S) Pte Limited
	SJA Developers Private Limited
	SPM Holding Pte. Limited
	Sanmati Corporate Investments Private Limited
	Sanmati Power Company Private Limited
	VidyaEdutech Private Limited
	SPM Engineers Limited

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24 (CONTD..)

SPML India Limited

Sethi Infratech Private Limited

Subhash Systems Private Limited

SPML Industries Limited

Zoom Industrial Services Limited

20th Century Engineering Limited

Peacock Pearl Business Solution Private Limited

Rishabh Homes Private Limited

Acropolis Properties Private Limited

Amrutha Constructions Private Limited

JWIL Infra Limited

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : RELATED PARTY TRANSACTIONS

(b) Aggregated Related party disclosures as at and for the year ended March 31, 2020

Company Name	Year	Transactions during the year											Balance Outstanding at the Year end at March, 31		
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Interest Received	Donation Paid	Loan/ Advance Taken	Loan/ Advance Repaid/ Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given
Associates Companies															
Sammati Infra Developers Private Limited	2019-20	-	-	-	-	-	87.40	0.58	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	(3.69)	(3.69)	-	-	-	-	-	-	-
SPML Bhiwandi Water Supply Infra Limited	2019-20	-	-	-	73.16	-	-	0.22	-	-	-	-	1,043.11	93.80	
	2018-19	-	-	-	(153.75)	-	(5.46)	(1.58)	-	-	-	-	(1,429.16)	(93.80)	
SPML Bhiwandi Water Supply Management Limited	2019-20	-	-	-	3.33	-	-	0.21	-	-	-	-	71.41	-	
	2018-19	-	-	-	(4.91)	-	-	(1.58)	-	-	-	-	(68.20)	-	
Awa Power Company Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	2,051.94	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
Binwa Power Corporation Private Ltd	2019-20	-	-	-	-	-	-	-	-	-	-	-	92.38	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
Delhi Waste Management Ltd	2019-20	-	-	194.22	-	5.23	30.55	24.83	84.50	-	-	-	-	3,175.46	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
IQJ Power Company Private Ltd	2019-20	-	-	-	-	-	-	-	-	-	-	-	1,076.97	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
Neogal Power Company Private Ltd	2019-20	-	-	-	-	-	-	-	-	-	-	-	950.96	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
SPML Energy Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	271.58	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subhash Kabini Power Corporation Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	192.06	1,249.99	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bhilwara Jaipur Toll Road Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	18,502.08	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(20,182.82)	-	
Joint Ventures															
Maiviya Nagar Water Services Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	450.16	-	
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(450.16)	-	
Gurha Thermal Power Company Limited	2019-20	-	-	-	116.44	-	-	-	-	-	-	-	1,295.73	-	
	2018-19	-	-	-	(133.79)	-	-	-	-	-	-	-	(1,190.94)	-	

₹ In Lakhs

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : RELATED PARTY TRANSACTIONS

₹ In Lakhs

Company Name	Year	Transactions during the year										Balance Outstanding at the Year end at March, 31			
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/Advance Taken	Loan/Advance Given/ Repaid/ Share Application Money	Sale/transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given
MVV Water Utility Private Limited	2019-20	38.31	-	-	-	0.57	54.82	157.30	-	-	-	-	557.34	-	281.00
	2018-19	-	-	-	-	(2.57)	(56.83)	(97.95)	-	-	-	-	(416.04)	-	(56.00)
Aurangabad City Water Utility Company Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	227.40	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(227.40)	-	-
Hydro Comp Enterprises (India) Limited	2019-20	-	-	-	-	-	-	0.11	-	-	-	-	0.62	-	-
	2018-19	-	-	-	-	-	-	(0.19)	-	-	-	-	(0.51)	-	-
Key Management Personnel (KMP)															
Mr. Subhash Chand Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	121.60	-	-
	2018-19	-	-	-	-	-	(9.00)	(56.30)	-	-	-	-	(188.69)	-	(197.08)
Mr. Sushil Kumar Sethi	2019-20	-	-	15.63	-	-	-	-	-	-	-	-	121.60	-	169.26
	2018-19	-	-	(15.48)	-	-	(95.85)	(207.09)	-	-	-	-	(188.65)	-	(162.35)
Mr. Abhinandan Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	90.00	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(94.62)	-	(1.30)
Mr. Supriyo Kumar Chaudhari	2019-20	-	-	-	-	-	-	-	-	-	-	-	1.20	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(2.40)	-	-
Mr. Dinesh Kumar Goyal	2019-20	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(2.30)	-	-
Mr. Prem Singh Rana	2019-20	-	-	-	-	-	-	-	-	-	-	-	3.40	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(3.60)	-	-
Mr. Pavitra Joshi Singh	2019-20	-	-	-	-	-	-	-	-	-	-	-	2.10	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Sarthak Behuria	2019-20	-	-	-	-	-	-	-	-	-	-	-	1.90	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(3.10)	-	-
Mr. Laxmi Narayan Mandhana	2019-20	-	-	-	-	-	-	-	-	-	-	-	35.93	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Sujit Kumar Jhunjhunwala	2019-20	-	-	-	-	-	-	-	-	-	-	-	8.69	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(26.09)	-	-
Mr. Abhay Raj Singh	2019-20	-	-	-	-	-	-	-	-	-	-	-	5.79	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(24.00)	-	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : RELATED PARTY TRANSACTIONS

₹ In Lakhs

Company Name	Year	Transactions during the year											Balance Outstanding at the Year end at March, 31		
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given
Relatives of Key Management Personnel															
Mr. Anil Kumar Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	(8.64)	-	-	-	-	-	-	-	-	-	(49.26)	-
Mr. Harshavardhan Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	(46.60)	-	-	-	-	-	-	(40.60)	-
Mrs. Shilpa Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	(12.06)	-	-	(0.84)	-
Mrs. Vineeta Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	(21.78)	-	-	(15.50)	-	-	-	-	-	-	(124.17)	-
Mrs. Preeti Devi Sethi	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	26.33	-
	2018-19	-	-	(3.78)	-	-	-	-	(12.00)	-	-	-	-	(47.88)	-
Mr. Deepak Sethi	2019-20	-	-	-	-	-	(30.00)	(30.00)	-	-	90.00	-	-	34.25	-
	2018-19	-	-	(0.93)	-	-	-	(30.00)	-	-	(116.88)	-	-	(40.87)	-
Entities over which Key Management Personnel & their relatives have significant influence															
Add Eco Environment	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	(0.95)	-	-	(18.75)	(10.97)	-	-	-	-	-	-	-
Add Energy Management Co. Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	133.96	7.32	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add Industrial Park (TN) Limited	2019-20	-	-	-	-	0.72	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	(0.72)	-	-	-	-	-	-	-	-	-
Add Realty Ltd.	2019-20	-	-	-	-	1.05	4.00	4.00	-	-	-	-	-	-	-
	2018-19	-	-	-	-	(1.05)	(44.47)	(44.47)	(371.25)	-	-	-	-	-	-
Add Technologies (India) Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	27.42	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arihant Leasing & Holding Company Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	50.37	-
	2018-19	-	-	-	-	-	(33.80)	-	(6.00)	-	-	-	-	(50.37)	-
Bharat Hydro Power Corporation Limited	2019-20	-	-	-	-	15.69	1.18	-	-	-	-	-	-	175.01	-
	2018-19	-	-	(36.25)	-	(7.76)	(81.00)	(610.89)	(364.04)	-	-	-	-	(159.71)	(204.51)
DWMG Software Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	(3.07)	-	-	-	-	-	-	-	(19.82)	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : RELATED PARTY TRANSACTIONS

₹ In Lakhs

Company Name	Year	Transactions during the year											Balance Outstanding at the Year end at March, 31			
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given	
International Construction Limited	2019-20	-	-	0.46	-	-	9.00	9.42	-	-	-	-	-	1,046.20	-	-
	2018-19	-	-	(0.46)	-	(0.04)	(10.25)	(19.46)	-	-	-	-	-	(1,046.20)	-	-
Latur Water Supply Management Company Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meena Add Charity Initiative Foundation	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	(2.50)	-	-	-	-	-	-	-	-	-	-	-
Meena Holdings Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	0.77	-	-
	2018-19	-	-	(5.63)	-	-	(40.99)	(81.19)	-	-	-	-	(0.77)	(17.84)	-	-
Niral Enterprises Private Limited	2019-20	-	-	126.94	-	-	-	0.16	-	-	-	-	-	1,412.55	-	-
	2018-19	-	-	(147.35)	-	-	-	(26.66)	-	-	-	-	-	(1,298.46)	-	-
Peacock Pearl Business Solution Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	0.13	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	(0.13)	-	-
Chahel Infrastructure Limited (formerly : Pondicherry Port Ltd)	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pondicherry Sez Company Private Limited	2019-20	-	-	100.40	-	-	-	9.16	-	-	-	-	-	905.51	-	-
	2018-19	-	-	(96.15)	-	-	-	(35.00)	-	-	-	-	-	(824.31)	-	-
POM POM Recycling Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	(7.03)	-	-	-	-	(170.75)	-	-	-
Sanmati Power Company Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	251.25	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-	(251.25)	-	-	-
Sethi Infratech Private Limited	2019-20	-	-	0.01	-	-	-	0.07	-	-	-	-	-	-	-	-
	2018-19	-	-	(0.01)	-	-	-	-	-	-	-	-	-	(0.07)	-	-
Vidya Edutech Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	(0.32)	(2.68)	-	-	-	-	-	(0.32)	-	-	-
SPM Engineers Limited	2019-20	-	-	3.23	-	-	-	35.94	-	-	-	-	-	-	-	-
	2018-19	-	-	(3.84)	-	-	-	(3.20)	-	-	-	(773.45)	-	(33.03)	-	-
SPML India Limited	2019-20	-	-	72.94	-	-	158.65	136.99	-	-	-	-	-	822.03	-	-
	2018-19	-	-	(101.94)	-	-	(170.00)	(420.25)	-	-	-	-	-	(734.72)	-	-
SPML Industries Limited	2019-20	-	-	134.01	-	-	-	209.43	-	-	-	-	-	1,288.31	-	-
	2018-19	-	-	(193.28)	-	-	(675.00)	(852.21)	-	-	-	-	-	(1,377.13)	-	-

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 38 : RELATED PARTY TRANSACTIONS

₹ In Lakhs

Company Name	Year	Transactions during the year											Balance Outstanding at the Year end at March, 31			
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ transfer of Investments	Purchase of Investments	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given	
Subhash Systems Private Limited	2019-20	-	-	33.60	-	-	1.50	30.05	-	-	-	-	-	-	358.29	-
	2018-19	-	-	(26.31)	-	-	(343.00)	(17.96)	-	-	-	-	-	-	(356.61)	-
Zoom Industrial Services Limited	2019-20	-	-	1.85	-	-	200.00	201.59	-	-	-	-	-	-	20.39	-
	2018-19	-	-	(77.28)	-	-	(75.00)	(1,630.52)	-	-	-	-	-	-	(20.32)	-
20th Century Engineering Limited	2019-20	-	-	-	-	0.02	-	0.01	-	-	-	-	-	-	0.20	-
	2018-19	-	-	(0.00)	-	(0.01)	-	(0.18)	-	-	-	-	-	-	(0.16)	-
JWIL Infra Limited	2019-20	66.30	-	-	-	-	-	-	-	-	-	-	-	392.20	-	-
	2018-19	(3,063.73)	-	-	-	-	-	-	-	-	-	-	-	(1,309.00)	-	-
Amrutha Constructions Private Limited	2019-20	-	6,931.81	-	-	15.21	-	-	-	-	-	-	-	146.58	-	-
	2018-19	-	(9,346.43)	-	-	(182.49)	(3,568.56)	(554.60)	(0.49)	-	-	-	-	(3,204.03)	-	-
Acropolis Properties Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	1.08	-	-
	2018-19	-	-	-	-	-	(1.08)	-	-	-	-	-	-	(1.08)	-	-

C. Details of remuneration to Key Managerial Personnel is given below

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Short-term employee benefits	367.13	505.36
- Post employment benefits	28.08	28.08
TOTAL	395.21	533.44

Note:

Terms and conditions of transactions with related parties:

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 39.1 : CATEGORIZATION OF FINANCIAL INSTRUMENTS

₹ In Lakhs

Particulars	Carrying value/ Fair value	
	As at March 31, 2020	As at March 31, 2019
(i) Financial Assets		
a) Measured at FVOCI		
- Investments in Equity Instruments	1,839.26	1,288.88
b) Measured at FVTPL		
- Investments in Equity and Debt Instruments	2,457.20	2,781.56
c) Measured at Amortised Cost*		
- Investments in Joint Ventures and Associates	7,620.29	13,107.25
- Loans	10,254.78	6,389.30
- Trade Receivables	76,457.14	97,065.55
- Other Financial Assets	110,512.56	111,040.84
- Cash and Cash Equivalents	2,027.98	3,685.41
- Other Bank Balances	1,358.97	8,452.27
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Borrowings (Secured and Unsecured)	149,433.98	139,481.19
- Trade Payables	72,536.36	106,178.77
- Other Financial Liabilities	31,297.15	34,679.37

*Carrying Value of assets / liabilities carried at amortized cost are reasonable approximation of its fair values.

NOTE 39.2 FAIR VALUE HIERARCHY

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a) Financial assets and liabilities measured at fair value at March 31, 2020

₹ In Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
Investments in Equity and Debt Instruments	-	-	2,457.20	2,457.20
Investment at FVOCI				
Investment in Equity Instruments	-	-	1,839.26	1,839.26

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 39.2 FAIR VALUE HIERARCHY (CONTD..)

Financial assets and liabilities measured at fair value at March 31, 2019

				₹ In Lakhs
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
Investments in Equity and Debt Instruments	-	-	2,781.56	2,781.56
Investment at FVOCI				
Investment in Equity Instruments	-	-	1,288.88	1,288.88

(b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another.

NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group.

The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

a) Credit Risk Management

1. Credit Risk Rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD..)

- A. Low Credit Risk
- B. Moderate Credit risk
- C. High credit risk

The Group provides for Expected Credit Loss based on the following:

Asset Group	Description	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate Credit Risk	Trade receivables, loans and other financial assets	12 month expected credit loss/life time expected credit loss
High Credit Risk	Trade receivables, loans and other financial assets	Life time expected credit loss

*Based on business environment in which the Group operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

₹ In Lakhs

Credit Rating	Particulars	As at March 31, 2020	As at March 31, 2019
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	100,908.81	114,320.99
High Credit Risk	Loans and Trade Receivables	111,619.37	125,419.63

b) Credit Risk Exposure

Provision for Expected Credit Loss

The Group provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

March 31, 2020

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Investments	11,916.75	-	11,916.75
Trade Receivables	91,457.79	15,000.65	76,457.14
Loans	10,254.78	-	10,254.78
Cash and cash Equivalents	2,027.98	-	2,027.98
Other Bank Balances	1,358.97	-	1,358.97
Other Financial Assets	110,512.56	-	110,512.56

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD..)

March 31, 2019

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Investments	13,107.25	-	13,107.25
Trade Receivables	115,068.35	18,002.80	97,065.55
Loans	6,389.30	-	6,389.30
Cash and cash Equivalents	3,685.41	-	3,685.41
Other Bank Balances	8,452.27	-	8,452.27
Other Financial Assets	111,040.84	-	111,040.84

The Company's allowance for Expected Credit Loss on Trade Receivables is created using Provision Matrix Approach.

₹ In Lakhs

Reconciliation of Loss Allowance	Trade Receivables
As on March 31, 2018	18,938.26
Allowance for Expected Credit Loss	(935.45)
As on March 31, 2019	18,002.80
Allowance for Expected Credit Loss	(3,002.15)
As on March 31, 2020	15,000.65

B. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of Financial Liabilities

The table below analyse the Group's Financial Liabilities into relevant maturity groupings based on their contractual maturities

March 31, 2020

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	82,084.67	2,553.16	64,796.15	149,433.98
Trade Payable	63,061.32	9,475.04	-	72,536.36
Other Financial Liabilities	25,181.02	6,116.13	-	31,297.15

March 31, 2019

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	71,861.66	6,001.45	61,618.08	139,481.19
Trade Payable	94,058.36	12,120.41	-	106,178.77
Other Financial Liabilities	29,431.07	5,248.30	-	34,679.37

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD..)

C. Market Risk

a. Interest Rate Risk

The Group has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Group to interest rate risk.

Interest Rate Risk Exposure

₹ In Lakhs		
Particulars	March 31, 2020	March 31, 2019
Variable Rate Borrowing	75,862.41	66,794.24
Fixed Rate Borrowing	73,571.57	72,686.95

Interest rate sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ In Lakhs		
Particulars	March 31, 2020	March 31, 2019
Interest Sensitivity*		
Interest Rates increase by 100 basis points	(575.55)	(872.41)
Interest Rates decrease by 100 basis points	575.55	872.41

*Holding all other variables constant

b. Price Risk

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity Analysis

₹ In Lakhs		
Particulars	March 31, 2020	March 31, 2019
Price Sensitivity*		
Price increase by 5%- FVOCI	19.05	23.81
Price decrease by 5%- FVOCI	(19.05)	(23.81)

*Holding all other variables constant

NOTE 41 : CAPITAL MANAGEMENT:

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds.. The Group's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the net debt to equity ratio. The Group is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Group:

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 41 : CAPITAL MANAGEMENT (CONTD..)

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Borrowings	154,225.13	146,290.70
Trade payables	72,536.35	106,178.77
Less: cash and cash equivalents	2,027.98	3,685.41
Net debt (i)	224,733.50	248,784.07
Total capital	39,172.42	42,013.18
Capital and net debt (ii)	263,905.92	290,797.25
Gearing ratio (i)+(ii)	85%	86%

NOTE 42 : RECONCILIATION OF FAIR VALUE OF INVESTMENT PROPERTY:

₹ In Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Fair value of opening balance of investment property	943.65	883.93
Addition during the year	-	53.21
Fair value adjustment during the year	-	6.51
Deconsol of Subsidiary Adjustment	(943.65)	
Fair value of transfer in / out	-	-
Fair value of closing balance of investment property	-	943.65

NOTE 43 : GROUP INFORMATION:

₹ In Lakhs

Name	Country of incorporation and operation	As at	As at
		March 31, 2020	March 31, 2019
		% of Holding	% of Holding
SUBSIDIARIES			
Add Energy Management Co (Pvt) Ltd. (ceased to be a step-down subsidiary w.e.f 30th March, 2020)	India	-	44.72
Add Technologies (India) Limited (ceased to be a step-down subsidiary w.e.f. 1st October, 2019)	India	-	43.38
Allahabad Waste Processing Company Limited	India	95.02	95.02
Awa Power Company Private Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	India	-	21.90
Bhagalpur Electricity Distribution Co. Pvt Ltd	India	99.99	99.99
Binwa Power Company Private Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	India	-	50.79
Delhi Waste Management Limited (ceased to be a subsidiary w.e.f. 1st October, 2019)	India	-	49.39
Delhi Waste Management Najafgarh Private Limited (ceased to be a step-down subsidiary w.e.f. 1st October, 2019)	India	-	25.19
Doon Valley Waste Management Private Ltd	India	87.49	87.49
IQU Power Company Private Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	India	-	23.09
Luni Power Company Private Limited	India	43.62	43.62
Madurai Municipal Waste Processing Company Private Limited	India	92.33	92.33
Mathura Nagar Waste Processing Limited	India	90.25	90.25
Mizoram Infrastructure Development Company Limited	India	68.99	68.99

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 43 : GROUP INFORMATION (CONTD..)

₹ In Lakhs

Name	Country of incorporation and operation	As at	As at
		March 31, 2020	March 31, 2019
		% of Holding	% of Holding
Neogal Power Company Private Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	India	-	15.20
PT Sanmati Natural Resources (ceased to be a step-down subsidiary w.e.f. 30th March, 2020)	Indonesia	-	44.27
SJA Developers Private Limited (ceased to be a step-down subsidiary w.e.f. 1st October, 2019)	India	-	42.36
SPM Holdings Pte. Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	Singapore	-	44.72
SPML Energy Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	India	-	58.07
SPML Infra Developers Limited (Applied for strike off on 13th December, 2019)	India	100.00	100.00
SPML Infrastructure Limited	India	99.99	99.99
SPMLIL-Amrutha Constructions Private Limited	India	50.99	50.99
SPML Utilities Limited	India	100.00	100.00
Subhash Kabini Power Corporation Limited (ceased to be a subsidiary w.e.f. 30th March, 2020)	India	-	44.72
Subhash Urja Private Limited (Applied for strike off on 13th December, 2019)	India	100.00	100.00
ASSOCIATES			
Awa Power Company Private Limited (w.e.f. 31st March, 2020)	India	17.62	-
Binwa Power Company Private Limited (w.e.f. 31st March, 2020)	India	50.29	-
Bhilwara Jaipur Toll Road Private Limited	India	51.00	51.00
Delhi Waste Management Limited (w.e.f. 1st October, 2019)	India	49.39	-
IQU Power Company Private Limited (w.e.f. 31st March, 2020)	India	19.05	-
Neogal Power Company Private Limited (w.e.f. 31st March, 2020)	India	19.41	-
PT Bina Insan Sukses Mandiri (ceased to be an associate w.e.f. 30th March, 2020)	Indonesia	-	20.20
PT Vardhaman Logistics (ceased to be an associate w.e.f. 30th March, 2020)	Indonesia	-	12.12
PT Vardhaman Mining Services (ceased to be an associate w.e.f. 30th March, 2020)	Indonesia	-	20.41
Rabaan (S) Pte Limited (ceased to be an associate w.e.f. 30th March, 2020)	Singapore	-	20.41
SPML Energy Limited (w.e.f. 31st March, 2020)	India	48.02	-
Sanmati Infra Developers (p) Ltd.	India	25.00	25.00
Subhash Kabini Power Corporation Limited (w.e.f. 31st March, 2020)	India	30.11	44.72
SPML Bhiwandi Water Supply Infra Limited	India	44.94	44.94
SPML Bhiwandi Water Supply Management Limited	India	50.00	50.00
JOINT VENTURES			
Aurangabad City Water Utility Co. Ltd	India	40.01	40.01
Gurha Thermal Power	India	50.00	50.00
Hydro Comp Enterprises India Private Limited	India	50.00	50.00
Malviya Nagar Water Services Private Limited	India	26.00	26.00
MVV Water Utility Private Limited	India	48.08	47.99

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 44 : Sundry balances/liabilities written back aggregating ₹ 5,311.76 lakhs (₹ 288.25 lakhs) consisting of numerous balances being unclaimed/unmoved since long (mostly more than three years) have been written back during the year as the management believes that these amounts are no longer payable.

NOTE 45 : Interest on YTM basis amounting to ₹ 5,143.45 lakhs (₹ 4,731.86 lakhs as on 31st March 2019) for the year ended 31st March, 2020 was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Parent Company, as the same is not payable until maturity of such OCDs.

NOTE 46 : Clients of the Parent Company had foreclosed certain projects/contracts which are presently under arbitration/litigation proceedings. The management, based on the facts of the cases, is confident to recover / realise the trade receivables and inventories as at 31st March, 2020 of ₹ 6,142.27 lakhs (₹ 3,402.74 lakhs as on 31st March 2019) and ₹ 1,040.62 lakhs (₹ 1,040.62 lakhs as on 31st March 2019) respectively, related to the aforesaid projects / contracts.

NOTE 47 : The Parent Company has certain trade and other receivables of ₹ 37,195.44 lakhs as at 31st March, 2020 (₹ 26,814.56 lakhs as on March 31, 2019) backed by arbitration awards pronounced in its favour over the years. Further, the Parent Company has recognised interest income of ₹ 2,522.09 lakhs during the year ended 31st March, 2020 (₹ 1,472.59 lakhs during the year ended 31st March 2019) on such arbitration awards. Against these awards, the customers have preferred appeals in the jurisdictional courts and the legal proceedings are going on. Pending the outcome of the said legal proceedings, the above amounts are being treated as fully realisable as based on the facts of the respective case, the management is confident that the final outcome of the legal proceedings would be in its favour.

NOTE 48 : The Parent Company made all the efforts to obtain the requisite financial statements / financial information / financial results of 1 (one) Joint Venture Company, namely Aurangabad City Water Utility Co. Ltd. for the quarter and year ended 31st March, 2020. However, in their absence, the consolidated financial results for the quarter and year ended 31st March, 2020 have been prepared without considering the financial impact of the financial statements / financial information/financial results of the said joint venture. Further, the management has assessed that such financial statements/financial information/financial results are not material to the overall consolidated financial results for the quarter and year ended 31st March, 2020.

NOTE 49 : Subhash Kabini Power Corporation Ltd. ('SKPCL') has ceased to be a material/significant subsidiary of the Parent Company w.e.f 30th March, 2020, owing to cessation of "control" of the Parent Company over SKPCL as envisaged in Ind AS 110 – Consolidated Financial Statements. Consequently, the following subsidiaries of SKPCL have also ceased to be step-down subsidiaries of the Parent Company w.e.f the said date:

- SPM Holdings Pte. Ltd.
- PT Sanmati Natural Resources (subsidiary of SPM Holdings Pte. Ltd.)
- Add Energy Management Co. Pvt. Ltd.

SKPCL has become an Associate Company of the Parent Company w.e.f 31st March, 2020, as envisaged in Ind AS 28 – *Investments in Associates and Joint Ventures*.

There is no impact of the aforesaid on the consolidated profit for the quarter and year ended 31st March, 2020 as the profit/loss of the aforesaid entities for the full FY 2019-20 (i.e., upto 31st March, 2020), has been considered for the purposes of the consolidated results. Further, the consequential impact on the assets and liabilities of the consolidated financial statements, pursuant to cessation of the aforesaid subsidiaries, has been provided as on 31st March, 2020.

NOTE 50 : Trade receivables aggregating ₹ 10,195.01 lakhs (31st March, 2019 ₹ 8,216.06 lakhs) are under arbitration proceedings. The management is confident that based on the facts of the respective cases; there is no uncertainty as regards their realization.

NOTE 51 : In accordance with the provisions of Section 135 of the Companies Act 2013, the Ultimate Holding Company was to spend a sum of ₹ 80.96 Lakhs towards the CSR activities during the year ended March 31, 2020. During the year, the Company has spent Nil for the aforesaid activities.

NOTE 52 : During the current year, the Parent Company has defaulted in payment of dues to its financial creditors. It is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020. The Parent Company is in the process of formulating a resolution plan with such creditors. Based on the expectation of the implementation of the resolution plan, underlying strength of the Parent Company's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Parent Company, including through monetisation of its assets including arbitration awards, claims etc. which would result in it being able to meet its obligations in due course of time. Accordingly, the Parent Company's Board of Directors considers it appropriate to prepare these consolidated financial statements on a going concern basis.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 53 : The outbreak of COVID-19 pandemic has disrupted regular business operations of the Group due to the lock down restrictions and other emergency measures imposed by the Central and State Governments from time to time, because of interruption in the project activities, supply chain disruption, human resource availability constraints etc. The business operations have recommenced on a lower scale post relaxation of lockdowns as compared to pre-pandemic levels. The management of the Parent Company has evaluated the possible impact of known events, upto the date of approval of these consolidated financial statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31st March, 2020 and has concluded that no material adjustments are required currently at this stage. However, there exists some uncertainty in relation to the future impact of COVID-19 pandemic on the Group and, accordingly, the actual impact in the future may be different from those presently estimated. The Parent Company will continue to monitor any material change to the future economic conditions and consequential impact on the financial results.

NOTE 54 : Previous years figures have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year. Certain balances of Trade Receivables, Loans, Unsecured Borrowings and Trade Payables are subject to confirmations and subsequent reconciliations.

NOTE 55 : ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013:

Name	Net Assets, ie, Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs
Parent								
SPML Infra Ltd.	100.55%	38,643.31	36.68%	241.80	101.79%	458.02	63.10%	699.81
Subsidiaries								
ADD Energy Management Co Pvt. Ltd.	-	-	-0.30%	(1.97)	-	-	-0.18%	(1.97)
Add Technologies (India) Limited	-	-	-4.28%	(28.20)	-	-	-2.54%	(28.20)
Allahabad Waste Processing Company Limited	3.78%	1,453.66	7.74%	51.00	-	-	4.60%	51.00
Awa Power Company Private Limited	-	-	-11.17%	(73.63)	0.00%	0.01	-6.64%	(73.62)
Bhagalpur Electricity Distribution Co. Pvt Ltd	-7.52%	(2,889.51)	-222.64%	(1,467.48)	-	-	-132.31%	(1,467.48)
Binwa Power Company Private Limited	-	-	-0.83%	(5.50)	-	-	-0.50%	(5.50)
Delhi Waste Management Limited	-	-	10.45%	68.85	-	-	6.21%	68.85
Delhi Waste Management Najafgarh Private Limited	-	-	-1.50%	(9.91)	-	-	-0.89%	(9.91)
Doon Valley Waste Management Private Ltd	-0.47%	(179.47)	-1.46%	(9.65)	-	-	-0.87%	(9.65)
IQU Power Company Private Limited	-	-	-9.94%	(65.51)	-0.03%	(0.13)	-5.92%	(65.64)
Luni Power Company Private Limited	3.40%	1,306.84	-0.04%	(0.29)	-	-	-0.03%	(0.29)
Madurai Municipal Waste Processing Company Private Limited	2.35%	902.30	-33.71%	(222.17)	-	-	-20.03%	(222.17)
Mathura Nagar Waste Processing Limited	0.88%	338.70	-0.12%	(0.79)	-	-	-0.07%	(0.79)
Mizoram Infrastructure Development Company Limited	-	-	-0.36%	(2.36)	-	-	-0.21%	(2.36)
Neogal Power Company Private Limited	-	-	-8.22%	(54.15)	-0.05%	(0.21)	-4.90%	(54.37)
PT Sanmati Natural Resources	-	-	-33.47%	(220.58)	-	-	-19.89%	(220.58)
SJA Developers Private Limited	-	-	-0.09%	(0.62)	-	-	-0.06%	(0.62)
SPM Holdings Pte. Limited	-	-	5.42%	35.71	-	-	3.22%	35.71

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

NOTE 55 : ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013: (CONTD..)

Name	Net Assets, ie, Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs
	SPML Energy Limited	-	-	93.19%	614.25	-1.69%	(7.61)	54.70%
SPML Infra Developers Limited	-	-	-0.01%	(0.06)	-	-	-0.01%	(0.06)
SPML Infrastructure Limited	4.65%	1,788.21	-62.78%	(413.79)	-0.29%	(1.31)	-37.43%	(415.09)
SPMLIL Amrutha Constructions Private Limited	0.16%	60.54	0.01%	0.08	-	-	0.01%	0.08
SPML Utilities Limited	1.85%	709.16	0.42%	2.76	-1.42%	(6.41)	-0.33%	(3.65)
Subhash Kabini Power Corporation Limited	-	-	77.67%	511.94	-0.36%	(1.62)	46.01%	510.31
Subhash Urja Private Limited	-	-	-0.01%	(0.04)	-	-	0.00%	(0.04)
Joint Ventures								
MVV Water Utility Private Limited	-	-	9.70%	63.91	0.05%	0.22	5.78%	64.13
Associate								
Delhi Waste Management Limited	-	-	-94.74%	(624.45)	18.90%	85.04	-48.64%	(539.41)
IQU Power Company Private Limited	-	-	-	-	-	-	-	-
Bhilwara Jaipur Toll Road Private Limited	-	-	0.27%	1.78	-	-	0.16%	1.78
Subhash Kabini Power Corporation Limited	-	-	13.14%	86.63	-	-	7.81%	86.63
Sanmati Infra Developers (p) Ltd.	-	-	-	-	-	-	-	-
SPML Bhiwandi Water Supply Infra Limited	-	-	-0.04%	(0.24)	-	-	-0.02%	(0.24)
SPML Bhiwandi Water Supply Management Limited	-	-	-0.07%	(0.46)	-	-	-0.04%	(0.46)
Intra-group eliminations	-9.63%	(3,702.13)	331.09%	2,182.30	-16.89%	(76.02)	189.91%	2,106.29
TOTAL	100%	38,431.60	100%	659.13	100%	449.97	100%	1,109.10

Signatories to Note nos. 1 to 55

As per our report of even date

For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 18th August 2020

For and on behalf of Board of Directors of SPML Infra Limited

Subhash Chand Sethi

Chairman

DIN: 00464390

Sushil Kr. Sethi

Managing Director

DIN: 00062927

Laxmi Narayan Mandhana

Chief Financial Officer & Company Secretary

CORPORATE INFORMATION

Board of Directors

Mr. Subhash Chand Sethi

Chairman & Whole Time Director

Mr. Sushil Kumar Sethi

Managing Director

Mr. P. S. Rana

Independent Director

Mr. Dinesh Kumar Goyal

Independent Director

Mrs. Pavitra Joshi Singh

Independent Director

Key Managerial Personnel:

Mr. Laxmi Narayan Mandhana

Chief Financial Officer and Company Secretary

Registered Office:

F-27/2, Okhla Industrial Area,

Phase-II, New Delhi-110020

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CIN: L40106DL1981PLC012228

Head Office:

22, Camac Street, Block-A, 3rd Floor, Kolkata-700016

Tel: +91-33-40091200

Regional Office:

Bangalore B wing (South Block),

5th floor, Cristu Complex,

No-41/7, Lavelle Road,

Bangalore-560001

Tel: +91-80-48524898

Bankers/ Financial Institutions

State Bank of India

Canara Bank

ICICI Bank Ltd.

Punjab National Bank

Bank of Baroda

IFCI Limited

Union Bank of India

Yes Bank Ltd.

Auditors

Maheshwari & Associates

Chartered Accountants (FRN No.311008E)

Geetanjali Apartments,

Flat No. 6A, 8B, Middleton Street,

Kolkata-700071

Registrar & Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.,

23, R. N. Mukherjee Road,

5th Floor, Kolkata- 700001



SPML Infra Limited

Registered Office: F-27/2, Okhla Industrial Area,
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Tel.: +91-11-26387091

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**Offices in Ahmedabad, Bengaluru,
Chennai, Mumbai**