

Statement of Consolidated Financial Results for the quarter and year ended 31st March, 2021

Rs. In Lakhs

Particulars	3 months ended 31/03/2021	3 months ended 31/12/2020	3 months ended 31/03/2020	Year ended 31/03/2021	Year ended 31/03/2020
	Unaudited Refer Note 13	Unaudited	Unaudited Refer Note 13	Audited	Audited
<b>1. Revenue</b>					
a. Revenue from Operations	21,142.29	30,920.89	35,586.03	68,285.34	1,70,647.73
b. Other Income (refer note 11 )	3,359.51	1,146.15	4,210.23	6,377.41	10,866.24
<b>Total Income</b>	<b>24,501.80</b>	<b>32,067.04</b>	<b>39,796.26</b>	<b>74,662.75</b>	<b>1,81,513.97</b>
<b>2. Expenses</b>					
a. Materials Consumed and Other Construction Expenses	17,675.37	28,456.18	16,316.77	55,331.35	70,733.33
b. Purchase of Traded Goods	-	-	11,494.94	-	76,033.86
c. Employee Benefits Expense	734.65	677.91	1,360.39	2,622.25	5,356.27
d. Finance Cost (refer note 7)	27.86	(2995.15)	4,213.50	6,695.13	15,692.41
e. Depreciation and Amortization Expenses	130.18	134.96	321.74	555.90	1,118.07
f. Other Expenses (refer note 12)	8,001.29	1,227.02	5,326.43	10,566.60	10,514.43
<b>Total Expenses</b>	<b>26,569.35</b>	<b>27,500.92</b>	<b>39,033.77</b>	<b>75,771.23</b>	<b>1,79,448.37</b>
<b>3. Profit / (Loss) before share of Profit / (Loss) of Associates &amp; Joint Ventures &amp; Tax from continuing operations (1-2)</b>	<b>(2067.55)</b>	<b>4,566.12</b>	<b>762.49</b>	<b>(1108.48)</b>	<b>2,065.60</b>
<b>4. Tax Expense of continuing operations</b>					
a. Current Tax	3.11	2.84	25.68	5.95	553.53
b. Deferred Tax	(356.23)	463.84	170.17	(458.68)	899.70
	<b>(353.12)</b>	<b>466.68</b>	<b>195.85</b>	<b>(452.73)</b>	<b>1,453.23</b>
<b>5. Profit / (loss) before share of profit / (loss) of Associates and Joint Ventures from continuing operations (3-4)</b>	<b>(1714.43)</b>	<b>4,099.44</b>	<b>566.64</b>	<b>(655.75)</b>	<b>612.37</b>
Share of profit / (loss) of Associates and Joint Ventures	(902.27)	(28.40)	(446.03)	(443.48)	(388.82)
Non - controlling interest	(55.97)	16.46	(370.00)	(54.98)	(53.36)
<b>6. Profit/ (Loss) after Tax from continuing operations</b>	<b>(2560.73)</b>	<b>4054.58</b>	<b>490.61</b>	<b>(1044.25)</b>	<b>276.91</b>
<b>7. Profit / (Loss) before tax from discontinued operations</b>	<b>(1859.56)</b>	<b>(6796.50)</b>	<b>-</b>	<b>(10676.46)</b>	<b>382.22</b>
<b>8. Tax Expense of discontinued operations</b>					
a. Current Tax	-	-	-	-	-
b. Deferred Tax	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Profit/ (Loss) after Tax from discontinued operations (7-8)</b>	<b>(1859.56)</b>	<b>(6796.50)</b>	<b>-</b>	<b>(10676.46)</b>	<b>382.22</b>
<b>10. Total Profit / (Loss) before tax</b>	<b>(4773.41)</b>	<b>(2275.24)</b>	<b>686.46</b>	<b>(12173.44)</b>	<b>2,112.36</b>
<b>11. Total Tax Expense for the period (4+8)</b>					
a. Current Tax	3.11	2.84	25.68	5.95	553.53
b. Deferred Tax	(356.23)	463.84	170.17	(458.68)	899.70
	<b>(353.12)</b>	<b>466.68</b>	<b>195.85</b>	<b>(452.73)</b>	<b>1453.23</b>
<b>12. Total Net Profit/ (Loss) after Tax</b>	<b>(4420.29)</b>	<b>(2741.92)</b>	<b>490.61</b>	<b>(11720.71)</b>	<b>659.13</b>
<b>13. Other Comprehensive Income/ (Expense)</b>					
Items not to be reclassified subsequently to Profit or Loss (net of tax)					
- Gain/(Loss) on fair value of defined benefit plans	2.01	(17.88)	46.63	29.54	66.09
- Gain/(Loss) on fair value of equity instruments measured at FVOCI	(538.77)	-	383.88	(538.77)	383.88
<b>Total Other Comprehensive Income / (Expense)</b>	<b>(536.76)</b>	<b>(17.88)</b>	<b>430.51</b>	<b>(509.22)</b>	<b>449.97</b>
<b>14. Total Comprehensive Income / (Loss) for the period (6+7)</b>	<b>(4957.05)</b>	<b>(2759.80)</b>	<b>921.12</b>	<b>(12229.93)</b>	<b>1,109.10</b>
<b>15. Paid-up equity share capital (par value of Rs 2/- each)</b>	819.45	819.45	819.45	819.45	819.45
<b>16. Other Equity (excluding revaluation reserves)</b>				25,385.73	37,612.15
<b>17. Earnings per equity share (par value of Rs 2/- each)</b>					
<b>18. Earnings per Equity share</b>					
(i) Earnings per Equity share for continuing operations (Basic and Diluted) (in Rupees) *(not annualized) (par value ` 2 each)	(6.99) *	11.06 *	1.34 *	(2.85)	0.76
(ii) Earnings per Equity share for discontinued operations (Basic and Diluted) (in Rupees) *(not annualized) (par value ` 2 each)	(5.07) *	(18.54) *	0.00 *	(29.13)	1.04
(ii) Earnings per Equity share for continuing and discontinued operations (Basic and Diluted) (in Rupees) *(not annualized) (par value ` 2 each)	(12.06) *	(7.48) *	1.34 *	(31.98)	1.80

Dated: 29th June, 2021  
Place: Kolkata



For SPML Infra Limited

Subhash Chand Sethi  
Chairman  
DIN: 00464390



SPML INFRA LIMITED

Registered Office: F-27/2, Okhla Industrial Area, Phase- II, New Delhi- 110020

Tel: +91-0124-3944555; Fax- +91-0124-3983201

Website: www.spml.co.in; Email: info@spml.co.in

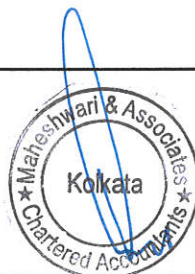
CIN: L40106DL1981PLCO12228

Consolidated Statement of Assets and Liabilities as at 31st March, 2021

Rs. In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	10,037.86	10,399.76
(b) Capital Work in Progress	5,634.72	5,634.72
(c) Right of Use Assets	68.16	252.26
(d) Intangible Assets	1,571.42	1,567.92
(e) Investment Property	-	-
(f) Financial Assets		
- Investments	6,984.74	9,474.44
- Trade Receivables	12,316.46	29,683.34
- Loans	9,447.19	9,739.81
- Other Financial Assets	1,701.49	4,818.29
(g) Non Current Tax Assets	4,833.87	5,462.76
(h) Deferred Tax Assets	9,995.02	9,284.67
(i) Other Non-Current Assets	31,977.37	29,004.00
	<b>94,568.30</b>	<b>1,15,321.97</b>
<b>Current Assets</b>		
(a) Inventories	7,123.60	6,273.73
(b) Financial Assets		
- Investments	-	2,442.32
- Trade Receivables	46,062.56	46,773.80
- Cash and Cash Equivalents	3,965.48	2,027.98
- Other Bank Balances	1,970.74	1,358.97
- Loans	494.07	514.97
- Other Financial Assets	99,542.82	1,05,694.27
(c) Current Tax Assets	432.58	499.44
(d) Other Current Assets	17,888.15	18,940.42
	<b>1,77,480.00</b>	<b>1,84,525.90</b>
<b>TOTAL ASSETS</b>	<b>2,72,048.30</b>	<b>2,99,847.87</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	819.45	819.45
(b) Other Equity		
Equity Attributable to Owners of the Parent	25,385.73	37,612.15
Non-Controlling Interests	1,528.61	1,583.58
<b>Total Equity</b>	<b>27,733.79</b>	<b>40,015.18</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
- Borrowings	65,033.49	67,349.31
- Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	5,242.15	9,475.04
- Other Financial Liabilities	4,945.80	6,116.13
(b) Provisions	307.70	329.70
	<b>75,529.14</b>	<b>83,270.18</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
- Borrowings	1,16,257.26	82,084.67
- Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	58.22	92.03
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	38,572.94	62,969.29
- Other Financial Liabilities	11,203.01	25,181.02
(b) Other Current Liabilities	2,524.90	6,023.54
(c) Provisions	168.80	211.72
(d) Current Tax Liability	0.24	0.24
	<b>1,68,785.37</b>	<b>1,76,562.51</b>
<b>TOTAL LIABILITIES</b>	<b>2,44,314.51</b>	<b>2,59,832.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,72,048.30</b>	<b>2,99,847.87</b>

Dated: 29th June, 2021  
Place: Kolkata



For SPML Infra Ltd.  
Subhash Chand Sethi  
Chairman  
DIN No.: 00464390



Audited Consolidated statement of cash flows for the half year ended 31st March 2021

Particulars	Rs. In Lakhs	
	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
	Audited	Audited
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before share of Profit / (Loss) of Associates & Joint Ventures & Tax from continuing operations	(1,108.48)	2,065.60
Profit / (Loss) before tax from discontinuing operations	(10,676.46)	382.22
<b>Total Profit before share of Profit / (Loss) of Associates &amp; Joint Ventures &amp; Tax</b>	<b>(11,784.94)</b>	<b>2,447.82</b>
Adjustments for:		
Depreciation and Amortisation expenses	555.90	1,118.07
Interest Expenses	6,673.75	15,663.38
Sundry Balances written off	11,240.75	2,046.36
Provision for doubtful debts	5,693.64	1,105.89
Profit on sale of property plant and equipment	-	2.00
Liabilities no longer required written back	(4,400.42)	(5,311.76)
Interest Income	(1,092.77)	(1,667.35)
<b>Operating Profit before Working Capital changes</b>	<b>6,885.91</b>	<b>15,404.41</b>
Adjustment for:		
Increase in trade payables	(24,262.62)	(28,330.66)
Increase/(decrease) in provisions	(629.12)	178.91
Increase/(decrease) in other current liabilities	(16,936.51)	(2,650.13)
Increase/(decrease) in trade receivables	3,587.24	14,313.49
Decrease/ (increase) in inventories	(849.87)	388.41
Increase/(decrease) in loans and advances	1,109.66	(5,923.05)
Increase in other current assets	424.50	6,931.07
<b>Cash generated from operations</b>	<b>(30,670.81)</b>	<b>312.45</b>
Taxes Paid (net of refunds)	438.13	(575.81)
<b>Net Cash from Operating Activities</b>	<b>(30,232.68)</b>	<b>(263.36)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE including capital work in progress	(33.32)	(476.74)
Proceeds from sale of PPE	256.55	16,392.56
Fixed Deposits encashed / (invested)	2,445.58	8,984.18
Sale / (purchase) of non-current investments:	4,932.01	5,260.93
Loans (given) / repayment received	353.92	(3,716.07)
Interest received	1,127.87	1,729.14
<b>Net Cash used in Investing Activities</b>	<b>9,082.61</b>	<b>28,174.00</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Movement in Minority Interest	(384.99)	(19,616.01)
Net movement in Long Term Borrowings	(2,684.31)	(2,020.91)
Net movement in Short Term Borrowings	34,172.59	10,223.01
Interest paid	(8,015.72)	(15,896.50)
<b>Net Cash used in Financing Activities</b>	<b>23,087.57</b>	<b>(27,310.41)</b>
<b>D. Exchange differences on translation of foreign subsidiaries</b>		
	-	(2,257.66)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>1,937.50</b>	<b>(1,657.43)</b>
Cash & Cash Equivalents at the beginning of the year	2,027.98	3,685.41
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,965.48</b>	<b>2,027.98</b>

Dated: 29th June, 2021  
Place: Kolkata



For SPML Infra Ltd.



Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31st March, 2021

Rs. In Lakhs

SL.	PARTICULARS	3 months ended	3 months ended	3 months ended	Year ended	Year ended
		31/03/2021	31/12/2020	31/03/2020	31/03/2021	31/03/2020
		Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1</b>	<b>Segment Revenue (Gross)</b>					
	a) Construction	20,954.67	30,920.89	21,729.40	68,097.72	89,201.35
	b) Hydro Power Generation	-	-	1,152.10	-	2,100.23
	c) Waste Management	-	-	231.20	-	34.14
	d) Trading	-	-	12,053.27	-	78,510.82
	e) Others	187.62	-	420.06	187.62	801.19
	<b>Revenue from Operations</b>	<b>21,142.29</b>	<b>30,920.89</b>	<b>35,586.03</b>	<b>68,285.34</b>	<b>1,70,647.73</b>
<b>2</b>	<b>Segment Results (Profit / (Loss) Before Tax and Interest)</b>					
	a) Construction	(1,551.76)	3,758.63	3,550.41	6,168.39	14,299.38
	b) Hydro Power Generation	-	-	759.32	-	1,844.05
	c) Waste Management	(890.93)	16.27	712.16	(843.38)	566.99
	d) Trading	(1,859.56)	(8,816.90)	(219.14)	(10,676.46)	1,320.58
	e) Others	403.00	(183.53)	173.23	261.64	109.23
	<b>Total</b>	<b>(3,899.25)</b>	<b>(5,225.53)</b>	<b>4,975.99</b>	<b>(5,089.81)</b>	<b>18,140.23</b>
	i. Finance Costs	(27.86)	2,995.15	(4,213.50)	(6,695.13)	(15,692.41)
	ii. Unallocable Expenditure Net off Unallocable Income	-	-	-	-	-
	<b>Total Profit/(loss) before share of Profit/(loss) of Associates and Joint Ventures and Tax</b>	<b>(3,927.11)</b>	<b>(2,230.38)</b>	<b>762.49</b>	<b>(11,784.94)</b>	<b>2,447.82</b>
<b>3</b>	<b>Segment Assets</b>					
	a) Construction	2,45,189.93	2,58,731.90	2,53,925.76	2,45,189.93	2,53,925.76
	b) Hydro Power Generation	7,008.82	7,008.82	7,008.82	7,008.82	7,008.82
	c) Waste Management	6,080.03	9,044.70	9,051.45	6,080.03	9,051.45
	d) Trading	-	2,578.68	13,852.57	-	13,852.57
	e) Others	13,769.52	15,908.87	16,009.27	13,769.52	16,009.27
	f) Unallocated	-	-	-	-	-
	<b>Total Segment Assets</b>	<b>2,72,048.30</b>	<b>2,93,272.97</b>	<b>2,99,847.87</b>	<b>2,72,048.30</b>	<b>2,99,847.87</b>
<b>4</b>	<b>Segment Liabilities</b>					
	a) Construction	2,23,028.27	2,34,437.37	2,18,929.33	2,23,028.27	2,18,929.33
	b) Hydro Power Generation	3,429.37	3,429.37	3,429.37	3,429.37	3,429.37
	c) Waste Management	2,332.03	4,384.97	4,386.70	2,332.03	4,386.70
	d) Trading	-	228.63	15,066.86	-	15,066.86
	e) Others	15,524.84	18,045.86	18,020.43	15,524.84	18,020.43
	f) Unallocated	-	-	-	-	-
	<b>Total Segment Liabilities</b>	<b>2,44,314.51</b>	<b>2,60,526.20</b>	<b>2,59,832.69</b>	<b>2,44,314.51</b>	<b>2,59,832.69</b>

Dated: 29th June, 2021  
Place: Kolkata



For SPML Infra Limited  
  
Subhash Chand Sethi  
Chairman  
DIN No. 00464390

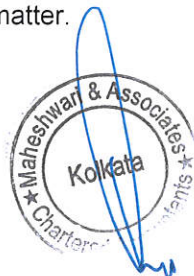


## Notes to Statement of Consolidated Financial Results:-

1. SPML Infra Ltd. (the 'Parent Company') and its subsidiaries are together referred to as 'the Group' in the following notes.
2. The above consolidated results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent Company at their respective meetings held on 29<sup>th</sup> June, 2021. The statutory auditors of the Parent Company have audited the said results for the year ended 31<sup>st</sup> March, 2021.
3. 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 results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31<sup>st</sup> March, 2021 and has concluded that no material adjustments are required currently at this stage except for matters as mentioned in Note nos. 5 and 12 hereinbelow. 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.
4. The Parent Company has been facing financial crisis since last few financial years and with effect from the previous financial year, the Parent has defaulted in payment of its dues to the financial creditors ( mainly to banks/financial institutions, hereinafter referred to as "Lenders") and accordingly, the borrowing facilities of the Parent Company with the Lenders are irregular as on 31<sup>st</sup> March, 2021. The Parent Company is in the process of formulating a resolution plan with Lenders, which is at an advanced stage of discussions after protracted negotiations and completion of various processes. , The proposed resolution plan has been forwarded for the Independent Credit Evaluation (ICE) of External Credit Rating Agencies for obtaining RP4 rating, which is necessary and essential for the approval of the resolution plan. Considering the above progress in implementation of a sustainable resolution plan together with positive future growth outlook, the management is confident of improving the overall financials of the Parent Company. The Parent's financials are further likely to improve with expected realization of various contingent assets in the form of arbitration awards and claims which have been considered as part of the resolution plan. Accordingly, the Parent Company's Board of Directors considers it appropriate to prepare these financial results on a going concern basis.
5. Operations of the Parent Company's Trading segment had virtually ceased since January, 2020 onwards, primarily because it decided to focus on its core activities i.e infrastructure development . The management was continuously assessing the realisability of the non-moving debtors/ advances to creditors of the segment due to the impact of COVID-19 . Accordingly, the Board of Directors of the Parent Company, at it's meeting held on 12<sup>th</sup> February, 2021, accorded it's consent towards closure of the Trading Segment of the Company w.e.f the financial year ended 31<sup>st</sup> March, 2021. Consequentially, during the quarter ended 31<sup>st</sup> March, 2021, in respect of the Trading segment, the Parent Company has written off all the balances appearing in the books of account (non-moving debtors and creditors).

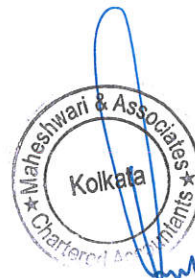


6. Interest on YTM basis amounting to Rs. 1413.20 lakhs and Rs. 5560.59 lakhs for the quarter and year ended 31<sup>st</sup> March, 2021 respectively has not been provided on Optionally Convertible Debentures (OCDs) issued to Lenders under S4A scheme by the Parent Company, as the same is not payable until maturity of such OCDs. However, the current resolution plan which is under consideration entails revision in the terms of these OCDs. The Statutory Auditors report is modified in respect of this matter by way of a qualification. The Audit Report for the year ended 31<sup>st</sup> March, 2020 and the Limited Review Reports for the first three quarters of FY 2020-21 were similarly modified in respect of this matter.
7. The operations of the Group have suffered in the last few years mainly due to general economic slowdown as well as various actions and inactions by various Government bodies / authorities, including factors beyond the control of the Group or its management. The major clients / customers of the Group are government bodies wherein the monies of the Group are stuck since long and for which the claims of the Group are pending. The situation has been further aggravated with the non-release of sanctioned working capital credit facilities including Bank Guarantee limits, alongwith levy of excess margin & charges by some of the Lenders as against the agreed terms of sanction by them. Due to the mismatch in the cash flows, the Parent Company has not been able to service its debts or meet the payment obligations to the Lenders. Hence, the accounts of the Parent Company with the Banks have been classified as irregular and sub – standard. . Consequently, wef 1<sup>st</sup> November, 2019, majority of the Lenders ceased charging interest on loans to the Parent Company, in their books of account, as per RBI's prudential norms, although the Parent continued to provide for the interest liability in its books of account upto 30<sup>th</sup> September, 2020, on accrual basis.. In the on-going resolution with the Lenders, the Parent Company has proposed issuance of a separate instrument towards the unpaid interest upto the cut-off date which is under active consideration and hence the company is not recognizing any interest liability on the fund based borrowing facilities in the books of accounts as on 31<sup>st</sup> March, 2021. Accordingly, based on the expectation of imminent approval and implementation of the resolution plan, during the quarter ended 31<sup>st</sup> December, 2020, the Parent Company had written back Rs. 10,093.03 lakhs representing liability towards interest expense on its borrowings from Lenders, for the period from 1<sup>st</sup> November, 2019 to 30<sup>th</sup> September, 2020. Further, interest expense of Rs.3,785.69 lakhs and Rs.4806.88 on the said borrowings have not been recognized for the quarters ended 31<sup>st</sup> December, 2020 and 31<sup>st</sup> March, 2021 respectively. Effect of the resolution plan would be provided in the financial statements of the Parent Company as and when the plan is finally approved and implemented by the lenders. Statutory Auditors report is modified in respect of the aforesaid writeback and non-recognition of interest liability, by way of a qualification. The Limited Review Report for the quarter and nine months ended 31<sup>st</sup> December, 2020 was similarly modified in respect of this matter.
8. 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 31<sup>st</sup> March, 2021 of Rs.8017.29 lakhs and Rs.1,120.38 lakhs respectively, related to the aforesaid projects / contracts. The Statutory Auditors have expressed their inability to comment upon the recoverability/realisability of the aforesaid amounts and their audit report is modified in respect of this matter by way of a qualification. The Audit Report for the year ended 31<sup>st</sup> March, 2020 and the Limited Review Reports for the first three quarters of FY 2020-21 were similarly modified in respect of this matter.



9. The Parent Company made all the efforts to obtain the requisite financial statements / financial information / financial results of 2(two) subsidiaries and 2 (two) Joint Venture Companies, for the quarter and year ended 31<sup>st</sup> March, 2021. However, in their absence, the consolidated financial results for the quarter and year ended 31<sup>st</sup> March, 2021 have been prepared without considering the financial impact of such financial statements / financial information/financial results. 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 31<sup>st</sup> March, 2021.
10. The Parent Company has certain trade and other receivables of Rs.39839.82 lakhs as at 31<sup>st</sup> March, 2021 backed by arbitration awards pronounced in its favour over the years. Further, the Parent Company has recognised interest income of Rs.669.89 lakhs and Rs.2644.38 lakhs during the quarter and year ended 31<sup>st</sup> March, 2021 respectively 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.
11. Other Income includes Rs. 315.27lakhs and Rs. 2,118.18lakhs for the quarter and year ended 31<sup>st</sup> March,2021 respectively relating to write back of certain credit balances of operational creditors by the Parent Company, barred by the laws of limitation and not yet claimed by them.
12. Other Expenses includes Rs.1175.81 lakhs for the quarter and year ended 31<sup>st</sup> March, 2021 relating to provision made by the Parent Company towards certain vendor advances on a conservative basis, as these are old balances and the management feels that the realisability of the same has further been impacted during to the ongoing COVID-19 situation.
13. Figures for the quarters ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 are the balancing figures between the audited figures for the year ended on that date and the published, unaudited year-to-date figures upto the end of 3<sup>rd</sup> quarter of the respective financial year.
14. Previous period's figures have been regrouped /rearranged wherever considered necessary, to make them comparable with those of the current period.

Date : Kolkata  
Date : 29<sup>th</sup> June, 2021



For SPML Infra Limited

  
**Subhash Chand Sethi**  
Chairman  
DIN : 00464390





# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF SPML INFRA LIMITED

#### Report on the Audit of the Consolidated Financial Results

#### Qualified Opinion

We have audited the accompanying Consolidated Financial Results ("the Statement") of **SPML Infra Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associates and joint ventures, for the year ended 31st March, 2021, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including relevant circulars issued by the SEBI from time to time ("Listing Regulations").

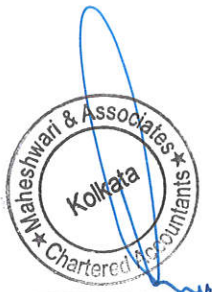
In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial results and other financial information of the subsidiaries, associates, joint ventures and joint operations, as referred to in the Other Matters section of our report below, the Statement:

- (i) includes the annual financial results of the entities listed in the Annexure ;
- (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the effects / possible effects of the matters described in the *Basis for Qualified Opinion* section of our report below; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive expense and other financial information of the Group, its associates and joint ventures, for the year ended on 31<sup>st</sup> March, 2021 except for the effects / possible effects of the matters described in the *Basis for Qualified Opinion* section of our report below.

#### Basis for Qualified Opinion

As stated in:

- a. Note 6 to the Statement, interest on YTM basis amounting to Rs.1413.20 lakhs and Rs.5560.59 lakhs for the quarter and year ended 31st March, 2021 respectively was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Parent, which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had such interest expense been recognized, the finance costs, loss before tax, loss after tax and total comprehensive expense would have been higher by the aforesaid amounts, for the quarter and year ended 31st March, 2021 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs.17287.29 lakhs as at 31st March, 2021. The Auditor's Report for the year ended 31st March, 2020 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2020 were also qualified in respect of this matter.



Bangalore: "Park Plaza" First Floor, No.1, Park Road (Off. Infantry Road), Tasker Town, Bangalore - 560051  
T. +91 80 4124 2545 E. bangalore@maheshwariassociates.com

Mumbai: 304F, B Wing, Sumit Samarth Arcade, Taty Tope CHS, Aarey Road, Goregaon (West), Mumbai - 400104  
T. +91 9152105868 E. mumbai@maheshwariassociates.com

Chennai: Old No. 28, New No. 11, Rukmani Street, West Mambalam, Chennai - 600033  
T. 044 4281 2598 E. chennai@maheshwariassociates.com





# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

- b. Note 7 to the Statement, Rs. 10,093.03 lakhs lakhs representing liability towards interest expense on the Parent's borrowings from financial creditors, for the period from 1<sup>st</sup> November, 2019 to 30<sup>th</sup> September, 2020, has been written back during the quarter ended 31<sup>st</sup> December, 2020. Further, interest expense of Rs.3,785.69 lakhs and Rs 4806.88 lakhs on the said borrowings have not been recognized for the quarters ended 31<sup>st</sup> December, 2020 and 31<sup>st</sup> March, 2021 respectively. This is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had the aforesaid liability towards interest expense not been written back and the aforesaid interest expense been recognised, the finance costs, loss before tax, loss after tax and total comprehensive expense for the quarter and year ended 31<sup>st</sup> March, 2021 would have been higher by Rs.4806.88 lakhs and Rs. Rs. 18685.60 lakhs respectively. The Limited Review Report for the quarter ended 31<sup>st</sup> December, 2020 was also qualified in respect of this matter.
- c. Note 8 to the Statement, regarding the Parent's trade receivables (net of ECL) and inventories as at 31<sup>st</sup> March, 2021 of Rs.8,017.29 lakhs and Rs.1120.38 lakhs respectively, relating to certain projects foreclosed by clients 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 31<sup>st</sup> March, 2020 and the Limited Review Reports for the quarters ended 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December, 2020 were also qualified in respect of this matter.

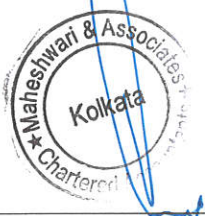
We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 obtained by us and that obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

## Emphasis of Matters

We draw attention to the following notes to the Statement:

- (i) Note 3 to the Statement, 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 accompanying Statement as at the balance sheet date, the extent of which is significantly dependent on future developments.
- (ii) Note 4 to the Statement 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 31<sup>st</sup> March, 2021. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note 4, the Parent's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the accompanying Statement.

(iii) Note 5 to the Statement, regarding closure of Trading Segment by the Parent.



Bangalore: "Park Plaza" First Floor, No.1, Park Road (Off. Infantry Road), Tasker Town, Bangalore - 560051  
T. +91 80 4124 2545 E. bangalore@maheshwariassociates.com

Mumbai: 304F, B Wing, Sumit Samarth Arcade, Tatya Tope CHS, Aarey Road, Goregaon (West), Mumbai - 400104  
T. +91 9152105868 E. mumbai@maheshwariassociates.com

Chennai: Old No. 28, New No. 11, Rukmani Street, West Mambalam, Chennai - 600033  
T. 044 4281 2598 E. chennai@maheshwariassociates.com



# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

- (iv) Note 9 to the Statement, regarding unavailability of financial statements/ financial information/financial results of 2 (two) subsidiaries and 2 (two) joint venture companies. According to the information and explanations given to us by the Parent Company's management, such financial statements/financial information/financial results are not material to the Statement.
- (v) Note 10 to the Statement, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31<sup>st</sup> March, 2021 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Parent.
- (vi) Note 11 to the Statement, regarding write back of Rs.315.27 lakhs and Rs.2118.18 lakhs by the Parent in respect of certain credit balances during the quarter and year ended 31<sup>st</sup> March, 2021 respectively.
- (vii) Note 12 to the Statement, regarding provision made by the Parent against certain advances to vendors.

## Responsibilities of Management and Those Charged with Governance for the Statement

This Statement has been prepared on the basis of the related annual Consolidated Financial Statements of the Group, its associates and joint ventures and has been approved by the Parent's Board of Directors. The Parent's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group, including its associates and joint ventures, in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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, for safeguarding of the assets of the Group and its associates and joint ventures 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the directors of the Parent, as aforesaid.

In preparing the Statement, 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 the respective Board of Directors 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 companies included in the Group and of its associates and joint ventures.



Bangalore: "Park Plaza" First Floor, No.1, Park Road (Off. Infantry Road), Tasker Town, Bangalore - 560051  
T. +91 80 4124 2545 E. bangalore@maheshwariassociates.com

Mumbai: 304F, B Wing, Sumit Samarth Arcade, Taty Tope CHS, Aarey Road, Goregaon (West), Mumbai - 400104  
T. +91 9152105868 E. mumbai@maheshwariassociates.com

Chennai: Old No. 28, New No. 11, Rukmani Street, West Mambalam, Chennai - 600033  
T. 044 4281 2598 E. chennai@maheshwariassociates.com



# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

## Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 Parent has in place adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 and 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 Statement 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 and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information/financial statements of the entities within the Group and its associates and joint ventures, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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 Statement, 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.





# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

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.

We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29<sup>th</sup> March, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

## Other Matters

- I. We did not audit the financial statements/financial information / financial results of 3 (three) subsidiaries included in the Statement, whose financial statements / financial information / financial results reflect total assets of Rs.3419.66 lakhs as at 31st March, 2021, total revenues of Rs. Nil, total net loss after tax of Rs.4.54 lakhs, total comprehensive loss of Rs.4.54 lakhs and cash inflows (net) of Rs.331.74 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs.26.43 lakhs and total comprehensive loss of Rs.25.05 lakhs for the year ended 31st March, 2021, in respect of 1(one) joint venture company, 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 Statement, in so far as it relates to the amounts and disclosures included in respect of this joint venture company, is based solely on the audit report of such other auditors and on the procedures performed by us as stated in the section *Auditor's Responsibilities for the Audit of the Statement* hereinabove.

Our opinion on the Statement 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 3 (three) subsidiaries included in the Statement, whose financial statements / financial information / financial results reflect total assets of Rs.6513.56 lakhs as at 31st March, 2021, total revenues of Rs.429.89 lakhs, total net loss after tax of Rs.483.83 lakhs, total comprehensive loss of Rs.480.18 lakhs and cash outflow (net) of Rs.401.67 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs.576.13 lakhs and total comprehensive loss of Rs.576.15 lakhs for the year ended 31st March, 2021, in respect of 11(eleven) associates and 2(two) 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 Statement, 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 Statement.

Our opinion on the Statement is not modified in respect of this matter.



Bangalore: "Park Plaza" First Floor, No.1, Park Road (Off. Infantry Road), Tasker Town, Bangalore - 560051  
T. +91 80 4124 2545 E. bangalore@maheshwariassociates.com

Mumbai: 304F, B Wing, Sumit Samarth Arcade, Tatya Tope CHS, Aarey Road, Goregaon (West), Mumbai - 400104  
T. +91 9152105868 E. mumbai@maheshwariassociates.com

Chennai: Old No. 28, New No. 11, Rukmani Street, West Mambalam, Chennai - 600033  
T. 044 4281 2598 E. chennai@maheshwariassociates.com



# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

The Statement includes the consolidated financial results for the quarter ended 31<sup>st</sup> March, 2021, being the balancing figures between the audited figures in respect of the full financial year and the published, unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us.

**For Maheshwari & Associates**

Chartered Accountants

FRN : 311008E

**CA. Bijay Murmuria**

Partner

Membership No. 055788



UDIN: 21055788AAAAAZ1186

Place: Kolkata

Date: 29<sup>th</sup> June, 2021

---

Bangalore: "Park Plaza" First Floor, No.1, Park Road (Off. Infantry Road), Tasker Town, Bangalore - 560051

T. +91 80 4124 2545 E. bangalore@maheshwariassociates.com

Mumbai: 304F, B Wing, Sumit Samarth Arcade, Tatya Tope CHS, Aarey Road, Goregaon (West), Mumbai - 400104

T. +91 9152105868 E. mumbai@maheshwariassociates.com

Chennai: Old No. 28, New No. 11, Rukmani Street, West Mambalam, Chennai - 600033

T. 044 4281 2598 E. chennai@maheshwariassociates.com



# MAHESHWARI & ASSOCIATES

Chartered Accountants

8B Middleton Street, 6A Geetanjali  
Kolkata 700071, India  
T. +91 33 2229 8936 / 6758 / 3237 / 4473  
E. kolkata@maheshwariassociates.com  
www.maheshwariassociates.com

## Annexure to the Report on the Audit of the Consolidated Financial Results

### List of entities whose annual financial results are included in the Statement

#### Subsidiaries

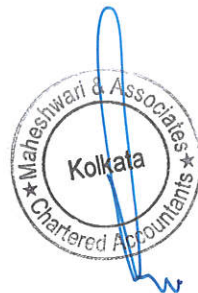
1. Allahabad Waste Processing Co. Ltd.
2. Doon Valley Waste Management Private Ltd.
3. Madurai Municipal Waste Processing Co. Pvt. Ltd.
4. Mathura Nagar Waste Processing Co. Ltd.
5. SPML Infrastructure Ltd.
6. SPML Utilities Ltd.
7. SPMLIL-Amrutha Constructions Pvt. Ltd.

#### Associates

1. Awa Power Company Pvt. Ltd.
2. Bhilwara Jaipur Toll Road Pvt. Ltd.
3. Binwa Power Company Pvt. Ltd.
4. Delhi Waste Management Ltd.
5. IQU Power Company Pvt. Ltd.
6. Neogal Power Company Pvt. Ltd.
7. Sanmati Infra Developers (P) Ltd.
8. SPML Bhiwandi Water Supply Infra Ltd.
9. SPML Bhiwandi Water Supply Management Ltd.
10. SPML Energy Ltd.
11. Subhash Kabini Power Corporation Ltd.

#### Joint Ventures

1. Hydro-Comp Enterprises (India) Ltd.
2. MVV Water Utility Pvt. Ltd.
3. Gurha Thermal Power Co. Ltd.



Bangalore: "Park Plaza" First Floor, No.1, Park Road (Off. Infantry Road), Tasker Town, Bangalore - 560051  
T. +91 80 4124 2545 E. bangalore@maheshwariassociates.com

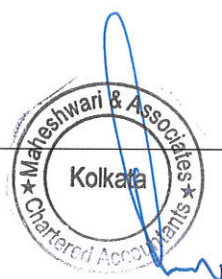
Mumbai: 304F, B Wing, Sumit Samarth Arcade, Taty Tope CHS, Aarey Road, Goregaon (West), Mumbai - 400104  
T. +91 9152105868 E. mumbai@maheshwariassociates.com

Chennai: Old No. 28, New No. 11, Rukmani Street, West Mambalam, Chennai - 600033  
T. 044 4281 2598 E. chennai@maheshwariassociates.com

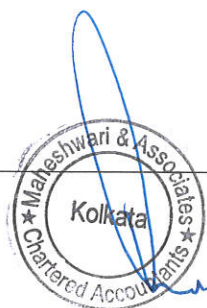
**ANNEXURE – 1**

**Statement on Impact of Audit Modification (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Consolidated)**







<b>Statement on Impact of Audit Modification for the Financial Year ended March 31, 2021 (See Regulation 33 of the SEBI (LODR) Regulations, 2015)</b>				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (Rs. In lakhs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lakhs)</b>
	1.	Turnover / Total Income	74,662.75	64,569.72
	2.	Total Expenditure	75,771.23	86,138.70
	3.	Net Profit/(Loss)	(1108.48)	(21568.98)
	4.	Earnings Per Share	(31.98)	(89.21)
	5.	Total Assets	2,72,048.30	2,72,048.30
	6.	Total Liabilities	2,44,314.51	2,64,775.01
	7.	Net Worth	27,733.79	27,459.35
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately) :</b>			
	a.	Details of Audit Qualification :	<p>Auditor's qualification on the consolidated financial results :-</p> <p>As stated in :</p> <p>a) Note 6 to the Consolidated financial statements, interest on account of YTM, amounting to Rs.1,413.20 lakhs and Rs.5,560.59 lakhs for the quarter and year ended 31st March, 2021 respectively was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Parent, which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109:Financial Instruments. Had such interest expense been recognized, the finance costs, loss before tax, loss after tax and total comprehensive expense would have been higher by the aforesaid amounts, for the quarter and year ended 31st March, 2021 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs.17,287.29 lakhs as at 31st March, 2021. The Auditor's Report for the year ended 31st March, 2020 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2020 were also qualified in respect of this matter.</p> <p>b) Note 7 to the Consolidated financial statements, amount of Rs. 10,093.03 lakhs representing liability towards interest expense on the Parent's borrowings from financial creditors, for the period from 1<sup>st</sup> November, 2019 to 30<sup>th</sup> September, 2020, has been written back during the quarter ended 31<sup>st</sup> December, 2020. Further, interest expense of Rs.3,785.69 lakhs and Rs. 4806.88 on the said borrowings have not been recognized for the</p>	



		<p>quarters ended 31<sup>st</sup> December, 2020 and 31<sup>st</sup> March, 2021 respectively. This is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had the aforesaid liability towards interest expense not been written back and the aforesaid interest expense been recognised, the finance costs, loss before tax, loss after tax and total comprehensive expense for the quarter and year ended 31<sup>st</sup> March, 2021 would have been higher by Rs. 4,806.88 and Rs.18,685.60 respectively. The Limited Review Report for the quarter ended 31<sup>st</sup> December, 2020 was also qualified in respect of this matter.</p> <p>c) Note 8 to the Consolidated financial statements, regarding the Parent's trade receivables (net of ECL) and inventories as at 31<sup>st</sup> March, 2021 of Rs.8,017.29 lakhs and Rs.1,120.38 lakhs 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 31<sup>st</sup> March, 2020 and the Limited Review Reports for the quarters ended 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December, 2020 were also qualified in respect of this matter.</p>
b.	Type of Audit Modification : (Qualified Opinion / Disclaimer of Opinion / Adverse Opinion)	Qualified Opinion.
c.	Frequency of qualification : (Whether appeared first time / repetitive / since how long continuing)	Qualification (a) : Repetitive Qualification (b) : Appeared first time Qualification (c) : Repetitive
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p>a) No provision for interest on account of YTM amounting to Rs. 5,560.59 lakhs has been made on Optionally Convertible Debentures (OCDs) issued to lenders under SPML S4A Scheme by the Holding Company, as the management believes that the same is not payable until maturity of such OCD.</p> <p>b) Interest expense on company's borrowings from financial creditors amounting to Rs. 10,093.03 lakhs has been written back during the year. Further, interest expense of Rs.3,785.69 lakhs and Rs. 4806.88 on the said borrowings have not been recognized for the quarters ended 31<sup>st</sup> December, 2020 and 31<sup>st</sup> March, 2021 respectively because of the ongoing resolution with the Lenders regarding their dues to the company, the Company has proposed issuance of a separate instrument towards the unpaid interest upto the cut-off date which is under active consideration and hence the company is not recognizing any interest liability on the fund based borrowing</p>





			<p>facilities in the books of accounts as on 31<sup>st</sup> March, 2021.</p> <p>Effect of the resolution plan would be provided in the financial statements of the Parent Company as and when the plan is finally approved and implemented by the lenders.</p>
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
(i)	Management's estimation on the impact of audit qualification:	1) The Statutory Auditors have expressed their inability to comment upon the recoverability/realisability of certain trade receivables (net of ECL) and inventories amounting to Rs. 8017.29 lakhs and Rs.1,120.38 lakhs respectively as at 31 <sup>st</sup> March, 2021 in respect of certain contracts with customers, which are under arbitration.	<p>The management, based on the facts of the cases and past precedence is confident to recover / realize the above amounts.</p>
(ii)	If management is unable to estimate the impact, reasons for the same:	Not applicable.	
(iii)	Auditors' Comments on (i) or (ii) above:	Included in details of Auditor's qualifications.	
III.	<b>Signatories :</b>		
	<p>For Maheshwari &amp; Associates Chartered Accountants (FRN : 311008E)</p>   <p>CA. Bijay Murmuria Partner Membership No. 055788</p> <p>Place : Kolkata Date : 29<sup>th</sup> June, 2021</p>	 <p>For SPML Infra Ltd.</p>  <p>Chairman and Whole-time Director</p>  <p>Chairperson Audit Committee</p>  <p>Chief Financial Officer</p>	