

Statement of Standalone Financial Results for the Quarter and year ended March 31, 2022

Rs. in Lakhs

Particulars	Three months ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Unaudited (Refer note 11)	Unaudited	Unaudited (Refer note 11)	Audited	Audited
1. Revenue					
a. Revenue from Operations	22,798.95	24,859.08	18,897.87	85,309.69	61,539.17
b. Other Income (Refer note 9)	115.93	242.39	1,072.01	1,699.98	4,319.15
Total Income	22,914.88	25,101.47	19,969.88	87,009.67	65,858.32
2. Expenses					
a. Materials consumed and other construction expenses	18,552.83	22,292.58	15,450.86	74,125.74	48,605.07
b. Employee Benefits Expense	725.85	718.53	723.85	2,771.95	2,580.80
c. Finance Costs (Refer note 6)	2,187.23	469.00	111.67	3,228.46	6,840.53
d. Depreciation and Amortisation Expenses	77.76	90.22	126.31	389.82	542.98
e. Other Expenses	740.18	1,175.88	5,638.99	5,607.67	7,928.08
Total Expenses	22,283.85	24,746.21	22,051.68	86,123.64	66,497.46
3. Profit / (Loss) before tax from continuing operations (1 - 2)	631.03	355.26	(2,081.80)	886.03	(639.14)
4. Tax Expense of continuing operations					
a. Current Tax	222.20	107.38	-	329.58	-
b. Deferred Tax	41.59	(3.01)	(418.33)	(441.61)	(598.18)
	263.79	104.37	(418.33)	(112.03)	(598.18)
5. Profit/(Loss) after Tax from continuing operations (3 - 4)	367.24	250.89	(1,663.47)	998.06	(40.96)
6. Profit / (Loss) before tax from discontinued operations	-	-	(1,859.56)	-	(10,676.46)
7. Tax Expense of discontinued operations					
a. Current Tax	-	-	-	-	-
b. Deferred Tax	-	-	-	-	-
	-	-	-	-	-
8. Profit/(Loss) after Tax from discontinued operations (6 - 7)	-	-	(1,859.56)	-	(10,676.46)
9. Total Profit / (Loss) before tax for the period (3 + 6)	631.03	355.26	(3,941.36)	886.03	(11,315.60)
10. Total Tax Expense for the period (4 + 7)					
a. Current Tax	222.20	107.38	-	329.58	-
b. Deferred Tax	41.59	(3.01)	(418.33)	(441.61)	(598.18)
	263.79	104.37	(418.33)	(112.03)	(598.18)
11. Total Profit/(Loss) after Tax for the period (9 - 10)	367.24	250.89	(3,523.03)	998.06	(10,717.42)
12. Other Comprehensive Income/(Expense)					
Items not to be reclassified subsequently to Profit or Loss (net of tax)					
- Gain/(Loss) on fair value of defined benefit plans	(5.03)	(11.01)	(1.36)	(21.19)	26.18
- Gain/(Loss) on fair value of equity instruments measured at FVOCI	-	-	(556.40)	-	(556.40)
Total Other Comprehensive Income/(Expense)	(5.03)	(11.01)	(557.75)	(21.19)	(530.21)
13. Total Comprehensive Income/(Expense) for the period (11 + 12)	362.21	239.88	(4,080.78)	976.87	(11,247.63)
14. Paid-up Equity Share Capital (par value of Rs. 2/- each)	874.95	819.45	819.45	874.95	819.45
15. Paid-up Compulsorily Convertible Preference Share Capital (par value of Rs 100/- each)	3,404.93	-	-	3,404.93	-
16. Other Equity (excluding revaluation reserves)	-	-	-	28,885.09	26,576.22
17. Earnings per Equity share					
(i) Earnings per Equity share for continuing operations (Basic and Diluted) (in Rupees) *(not annualized) (par value Rs. 2/- each)	0.82*	0.68*	(4.54) *	2.68	(0.11)
(ii) Earnings per Equity share for discontinued operations (Basic and Diluted) (in Rupees) *(not annualized) (par value Rs. 2/- each)	-	-	(5.07) *	-	(29.13)
(iii) Earnings per Equity share for continuing and discontinued operations (Basic and Diluted) (in Rupees) *(not annualized) (par value Rs. 2/- each)	0.82*	0.68*	(9.61) *	2.68	(29.24)

Standalone Statement of Asset and Liabilities as at March 31, 2022

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
	Audited	Audited
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	9,372.67	9,649.35
(b) Right of Use Assets	5.56	68.16
(c) Intangible Assets	41.76	20.51
(d) Financial Assets		
- Investments	10,290.59	10,273.65
- Trade Receivables	16,128.46	10,614.71
- Loans	11,433.29	12,531.54
- Other Bank Balances	-	-
- Other Financial Assets	2,723.93	2,642.99
(e) Deferred Tax Assets	11,856.42	11,405.20
(f) Other Non-Current Assets	32,744.38	30,909.66
	94,597.06	88,115.77
Current Assets		
(a) Inventories	9,023.06	7,123.60
(b) Financial Assets		
- Trade Receivables	1,11,353.81	1,13,497.14
- Cash and Cash Equivalents	3,942.52	3,797.47
- Other Bank Balances	195.29	1,970.74
- Other Financial Assets	24,406.85	25,248.60
(c) Other Current Assets	13,067.69	11,244.04
	1,61,989.22	1,62,881.59
TOTAL ASSETS	2,56,586.28	2,50,997.36
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	874.95	819.45
(b) Compulsorily Convertible Preference Share Capital	3,404.93	-
(c) Other Equity	28,885.09	26,576.22
TOTAL EQUITY	33,164.97	27,395.67
LIABILITIES		
Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	61,028.33	63,055.44
- Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	7,036.15	5,242.15
- Lease Liability	2.77	-
- Other Financial Liabilities	6,923.23	4,987.02
(b) Provisions	301.56	297.19
	75,292.04	73,581.80
Current Liabilities		
(a) Financial liabilities		
- Borrowings	1,13,192.37	1,17,924.19
- Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	1,003.95	58.22
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	28,633.53	26,341.51
- Lease Liability	2.43	74.48
- Other Financial Liabilities	2,837.59	3,267.61
(b) Other Current Liabilities	2,305.75	2,185.09
(c) Provisions	153.65	168.80
	1,48,129.27	1,50,019.90
TOTAL LIABILITIES	2,23,421.31	2,23,601.70
TOTAL EQUITY AND LIABILITIES	2,56,586.28	2,50,997.36

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

Subhash Chand Sethi
Chairman
DIN: 00464390



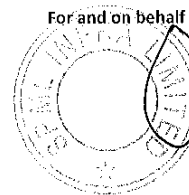
Dated: May 28, 2022
Place: Kolkata

Standalone Statement of Cash Flow for the year ended March31, 2022

Rs. in Lakhs

Particulars	For the Year Ended March	For the Year Ended March
	31, 2022	31, 2021
	Audited	Audited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax from continuing operations	886.03	(639.14)
Profit / (Loss) before tax from discontinued operations	-	(10,676.46)
Total Profit / (Loss) before tax	886.03	(11,315.60)
Adjustments for:		
Depreciation and Amortisation expenses	389.82	542.98
Interest Expenses	1,960.10	4,496.33
Commission Income	(117.52)	(202.09)
Sundry Balances written off	70.20	656.28
ECL on loans	1,989.34	722.69
Impairment of investment in equity shares of subsidiaries and associates	-	1,716.51
ECL charge /(reversal) on Trade Receivable	298.67	263.37
Profit on sale of property plant and equipment	(11.81)	(6.64)
Liabilities no longer required written back	(762.51)	(2,352.08)
Interest Income	(785.71)	(1,567.99)
Operating Profit before Working Capital changes	3,916.61	(7,046.25)
Adjustment for:		
Increase /(decrease) in trade payables	5,794.25	(23,418.88)
Increase/(decrease) in provisions	(31.94)	(590.15)
Increase/(decrease) in other current liabilities	1,816.78	(13,278.69)
Decrease/ (Increase) in trade receivables	(4,194.59)	15,444.53
Decrease/ (Increase) in inventories	(1,899.46)	(849.87)
Decrease/ (Increase) in loans and advances	755.22	(965.58)
Decrease/ (Increase) in other current assets	(3,334.32)	2,866.17
Cash generated/(used) from operations	2,822.55	(27,838.72)
Taxes Paid (net of refunds)	110.59	628.89
Net Cash from Operating Activities	2,933.14	(27,209.83)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including capital work in progress	(134.39)	175.16
Proceeds from sale of PPE	11.78	11.09
Fixed Deposits encashed/ (invested)	1,020.56	123.27
Loans (given) / repayment received	(885.46)	(111.26)
Interest received	1,322.63	1,322.63
Net Cash generated/(used) in Investing Activities	1,335.12	1,520.89
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in Long Term Borrowings	(2,027.11)	(1,131.43)
Net movement in Short Term Borrowings	(4,731.82)	33,555.68
Proceeds from issue of Share Capital	3,460.43	-
Securities premium received	1,332.00	-
Interest paid	(2,156.71)	(4,865.47)
Net Cash generated/(used) in Financing Activities	(4,123.21)	27,558.78
Net Increase/(Decrease) in Cash & Cash Equivalents	145.05	1,869.83
Cash & Cash Equivalents at the beginning of the year	3,797.47	1,927.63
Cash & Cash Equivalents at the end of the year	3,942.52	3,797.47

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



Subhash Chand Sethi
Chairman
DIN No.00464390



Dated: May 28, 2022
Place: Kolkata

Notes to the Statement of Standalone Financial Results

1. The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 28th May, 2022. The statutory auditors of the company have audited the said results for the year ended 31st March, 2022.
2. The outbreak of COVID-19 pandemic had disrupted regular business operations of the Company during the year 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 recommenced on a lower scale post lockdowns, as compared to pre-pandemic levels and there are no significant continuing impact on the operations of the Company as at 31st March, 2022. The management has evaluated the possible impact of known events, upto the date of approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31st March, 2022 and has concluded that no material adjustments are required currently at this stage. The Management continues to monitor the current developments and possible effects of COVID-19 pandemic on it's operations and financial results.
3. The Company has been facing financial crisis since last few financial years and with effect from the financial year 2019-20, the Company is in default relating to 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 Company with the Lenders are irregular as on 31st March, 2022. The 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 ('resolution plan'). The resolution plan has been assigned "RP4" rating by two independent rating agencies which is required for resolution under RBI's Prudential Framework for Resolution of Stressed Assets RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019. Further, the Company is having recourse to arbitral award monies (approximately Rs. 272 crores) by virtue of various arbitration awards in its favour and which have been considered as a part of the resolution plan. Also, the process of infusion of fresh funds into the Company, required for the debt resolution, has been initiated.

Considering the aforesaid positive developments and the favourable business environment in the sector in which the Company operates, the Company is quite hopeful that the lenders will implement the resolution plan. The Management is confident that with the support of the lenders and approval of the restructuring proposal, the Company shall be able to generate sufficient cash inflows through profitable operations to discharge its financial obligations. Accordingly, the Company's Board of Directors considers it appropriate to prepare these financial results on a going concern basis.

4. Interest on YTM basis amounting to Rs. 1,531.79 lakhs and Rs. 6,027.24 lakhs for the quarter and year ended 31st March,2022 respectively has not been provided on Optionally Convertible Debentures (OCDs) issued to Lenders under S4A scheme, 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 31st March, 2021 and the Limited Review Reports for the first three quarters of FY 2021-22 were similarly modified in respect of this matter.



5. The operations of the company 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 Company or its management. The major clients / customers of the Company are government bodies wherein the monies of the company are stuck since long and for which the claims of the Company 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 Company has not been able to service its debts or meet the payment obligations to the Lenders. Hence, the accounts of the Company with the Banks have been classified as irregular and sub – standard. Consequently, wef 1st November, 2019, majority of the Lenders ceased charging interest on loans to the Company, in their books of account, as per RBI's prudential norms. In the on-going resolution with the Lenders, the Company has proposed issuance of a separate instrument towards the unpaid interest upto the cut-off date (31st October, 2019 has been proposed as the cut-off date for the implementation of the resolution plan), which is under active consideration. Hence the company is not recognizing any interest liability on the fund based borrowing facilities from the Lenders in the books of accounts as on 31st March, 2022. Accordingly, based on the expectation of imminent approval and implementation of the resolution plan, interest expense of Rs.5,150.63 lakhs and Rs. 19,795.66 lakhs on the said borrowings have not been recognized for the quarter and year ended 31st March, 2022 respectively. Effect of the resolution plan would be provided in the financial statements of the Company as and when the plan is finally approved and implemented by the lenders. Statutory Auditors report is modified in respect of the aforesaid non-recognition of interest liability, by way of a qualification. The Audit Report for the year ended 31st March, 2021 and the Limited Review Reports for the first three quarters of FY 2021-22 were similarly modified in respect of this matter. Further, on the aforesaid grounds, in respect of other borrowings including those from certain related parties (i.e. borrowing other than from 'Lenders'), the company had written back Rs.463.74 lakhs in Q1 of FY 2021-22 representing liability towards interest expense upto 31st March, 2021 and has also not recognized interest expense of Rs.163.30 lakhs and Rs.714.06 lakhs for the quarter and year ended 31st March, 2022 respectively. Statutory Auditors' Limited Review Reports for the first three quarters of FY 2021-22 were modified in respect of the aforesaid write back/non-recognition of interest liability/expense, by way of a qualification.
6. The company has given unsecured loans to certain subsidiaries, joint ventures and associates for developing various projects. However, due to the current financial difficulties being faced by the Company, as detailed in Note 3 hereinabove, it has not been able to continue providing required financial support which they have asked for subsequently for developing the projects. Consequently and coupled with various other reasons specific to each such subsidiary, joint venture and associate and the general economic conditions,, their financials have been adversely impacted over a period of time. Based on the assessment of financials etc. of these companies and as per the provisions of Ind AS, the Company has been providing for expected credit losses in respect of the loans given to them alongwith accrued interest. In view of the aforesaid circumstances and considering the probability that the Company will collect the interest to which it is entitled to, the Company has, with effect from 1st April, 2021, postponed recognition of income from interest on such unsecured loans given to certain subsidiaries, joint ventures and associates which are impaired fully/partially by way of expected credit losses as per the provisions of Ind AS. The amount of such interest not recognized for the quarter and year ended 31st March, 2022 is Rs.262.81 lakhs and Rs.1,051.22 lakhs respectively. The interest income would be considered as revenue, as per the provisions of Ind AS, in the period in which there is certainty of it's collection/it is ultimately collected. Notwithstanding the aforesaid, the Company always has the right to recover the entire outstanding loan along with interest accrued thereon.

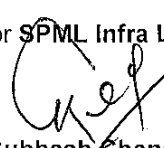


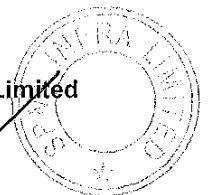
7. Clients of the Company had foreclosed certain projects/contracts which are presently under arbitration/litigation proceedings. The management, based on the facts of the cases, is confident to recover / realise the trade receivables and inventories as at 31st March, 2022 of Rs.8,066.17 lakhs and Rs. 1,042.44 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 31st March, 2021 and the Limited Review Reports for the first three quarters of FY 2021-22 were similarly modified in respect of this matter.
8. The Company has certain trade and other receivables of Rs. 42,573.94 lakhs as at 31st March, 2022 backed by arbitration awards pronounced in its favour over the years. Further, the Company has recognised interest income of Rs. 679.57 lakhs and Rs 2,734.13 lakhs during the quarter and year ended 31st March, 2022 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.
9. Other Income includes Rs. Nil and Rs. 727.96 lakhs for the quarter and year ended 31st March, 2022 respectively relating to write back of (i) certain credit balances of operational creditors, barred by the laws of limitation and not yet claimed by them, and (ii) Works Contract Tax liability no longer payable.
10. During the quarter ended 31st March, 2022, the Company has allotted, by way of a preferential allotment, 27,75,000 equity shares of Rs. 2/- each fully paid-up, at an issue price of Rs. 50/- each (including a premium of Rs. 48/- per equity share) aggregating to Rs. 1387.50 lacs, to Promoter and Promoter Group, on conversion of their existing unsecured loans to the Company. Further, the Company has also allotted, by way of a preferential allotment, 34,04,930 0% Compulsorily Convertible Preference Shares ('CCPS') having a face value of Rs. 100/- each, at par, aggregating to Rs. 3404.93 lacs, to the aforesaid Promoter and Promoter Group, on conversion of their existing unsecured loans to the Company. Each CCPS is convertible into 2 equity shares of face value of Rs. 2/- each at the conversion price of Rs. 50/- including premium of Rs. 48/- per share, in one or more tranches.
11. Figures for the quarters ended 31st March, 2022 and 31st March, 2021 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 3rd quarter of the respective financial year.
12. Previous period's figures have been regrouped /rearranged wherever considered necessary, to make them comparable with those of the current period.

Date : Kolkata
Date : 28th May, 2022



For SPML Infra Limited


Subhash Chand Sethi
Chairman
DIN : 00464390



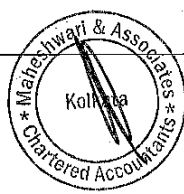
ANNEXURE – 1

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



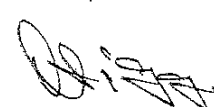
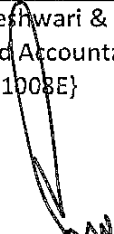
Statement on Impact of Audit Modification for the Financial Year ended March 31, 2022 (See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2015)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lakhs)
	1.	Turnover / Total Income	87,009.67	86,545.93
	2.	Total Expenditure	86,123.64	1,12,660.60
	3.	Net Profit/(Loss)	886.03	(26,114.67)
	4.	Earnings Per Share	2.68	(6.88)
	5.	Total Assets	2,56,586.28	2,56,586.28
	6.	Total Liabilities	2,23,421.31	2,50,422.01
	7.	Net Worth	33,164.97	6,614.27
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately) :				
	a.	Details of Audit Qualification :	Auditor's qualification on the standalone financial results - As stated in: a) Note 4 to the Statement, interest on YTM basis amounting to Rs. 1,531.79 lakhs and Rs. 6,027.24 lakhs for the quarter and year ended 31 st March, 2022 respectively was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme, 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, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amounts, for the quarter and year ended 31 st March, 2022 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs. 23,314.53 lakhs as at 31 st March, 2022. The Auditor's Report for the year ended 31 st March, 2021 and the Limited Review Reports for the quarters ended 30 th June, 30 th September and 31 st December, 2021 were also qualified in respect of this matter. b) Note 5 to the Statement, interest expense of Rs.5,150.63 lakhs and Rs. 19,795.66 lakhs on the Company's borrowings from certain financial creditors (banks & financial institutions) has not been recognized for the quarter and year ended 31 st March, 2022 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 interest expense been recognised, the finance costs, profit before tax, profit after tax and total	



		<p>comprehensive income would have been impacted to the extent of the aforesaid amounts, for the quarter and year ended 31st March, 2022 respectively. The Auditor's Report for the year ended 31st March, 2021 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2021 were also qualified in respect of this matter. Further, Rs.463.74 lakhs representing liability upto 31st March, 2021, towards interest expense on the Company's borrowings from financial creditors (other than banks and financial institutions), had been written back during the quarter ended 30th June, 2021 and interest expense of Rs.163.30 lakhs and Rs.714.06 lakhs on such borrowings has not been recognized for the quarter and year ended 31st March, 2022 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, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amounts for the quarter and year ended 31st March, 2022 respectively.</p> <p>c) Note 7 to the Statement, regarding the Company's trade receivables (net of ECL) and inventories as at 31st March, 2022 of Rs.8,066.17 lakhs and Rs. 1,042.44 lakhs respectively, relating to certain projects 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, 2021 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2021 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) : Repetitive 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. 6,027.24 lakhs has been made during the year on Optionally Convertible Debentures (OCDs) issued to lenders under SPML S4A Scheme as the management believes that the same is not payable until maturity of such OCD.</p> <p>b) The company is not recognizing any interest liability on the fund based borrowing facilities from the Lenders in the books of accounts as on 31st March, 2022. Based on the expectation of imminent approval and implementation of the resolution plan, interest expense of Rs.5,150.63 lakhs and Rs.19,795.66 lakhs</p>



			<p>on the said borrowings have not been recognized for the quarter and year ended 31st March, 2022 respectively. Further, on the aforesaid grounds, in respect of other borrowings including those from certain related parties (i.e. borrowing other than from 'Lenders'), the company had written back Rs.463.74 lakhs in Q1 of FY 2021-22 representing liability towards interest expense upto 31st March, 2021 and has also not recognized interest expense of Rs.163.30 lakhs and Rs.714.06 lakhs for the quarter and year ended 31st March, 2022 respectively.</p> <p>Effect of the resolution plan would be provided in the financial statements of the 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:	<p>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. 8,066.17 lakhs and Rs.1,042.44 lakhs respectively as at 31st March, 2022 in respect of certain contracts with customers, which are under arbitration.</p> <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 qualification stated above.

III.	Signatories :	<p>For SPML Infra Ltd.</p>  <p>Chairman</p>  <p>Chairperson Audit Committee</p>  <p>Chief Financial Officer</p>
	<p>For Maheshwari & Associates Chartered Accountants (FRN : 311008E)</p>  <p>CA. Bijay Murmuria Partner Membership No. 055788</p> <p>Place : Kolkata Date : 28th May, 2022</p>	





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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SPML INFRA LIMITED

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying Standalone Financial Results ("the Statement") of **SPML Infra Limited** ("the Company"), for the year ended 31st March, 2022, being submitted by the Company 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 the other auditors as referred to in the *Other Matters* section of our report below, the Statement:

- (i) 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
- (ii) 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 standalone net profit and other comprehensive income and other financial information of the Company for the year ended on 31st March, 2022 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 4 to the Statement, interest on YTM basis amounting to Rs. 1,531.79 lakhs and Rs. 6,027.24 lakhs for the quarter and year ended 31st March, 2022 respectively was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme, 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, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amounts, for the quarter and year ended 31st March, 2022 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs. 23,314.53 lakhs as at 31st March, 2022. The Auditor's Report for the year ended 31st March, 2021 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2021 were also qualified in respect of this matter.

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- b. Note 5 to the Statement, interest expense of Rs.5,150.63 lakhs and Rs.19,795.66 lakhs on the Company's borrowings from certain financial creditors (banks & financial institutions) has not been recognized for the quarter and year ended 31st March, 2022 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 interest expense been recognised, the finance costs, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amounts, for the quarter and year ended 31st March, 2022 respectively. The Auditor's Report for the year ended 31st March, 2021 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2021 were also qualified in respect of this matter. Further, Rs.463.74 lakhs representing liability upto 31st March, 2021, towards interest expense on the Company's borrowings from financial creditors (other than banks and financial institutions), had been written back during the quarter ended 30th June, 2021 and interest expense of Rs.163.30 lakhs and Rs.714.06 lakhs on such borrowings has not been recognized for the quarter and year ended 31st March, 2022 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, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amounts for the quarter and year ended 31st March, 2022 respectively.
- c. Note 7 to the Statement, regarding the Company's trade receivables (net of ECL) and inventories as at 31st March, 2022 of Rs.8,066.17 lakhs and Rs. 1,042.44 lakhs respectively, relating to certain projects 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, 2021 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2021 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 Company 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 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 Statement:

- (i) Note 2 to the Statement, 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 accompanying Statement as at the balance sheet date, the extent of which is significantly dependent on future developments.
- (ii) Note 3 to the Statement which indicates that the Company has defaulted in payment of dues to financial creditors, it is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2022. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note 3, the Company's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the accompanying Statement.

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- (iii) Note no. 6 to the Statement, regarding postponement of recognition of income from interest on unsecured loans given to certain subsidiaries, joint ventures and associates which are impaired fully/partially by way of expected credit losses.
- (iv) Note 8 to the Statement, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2022 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Company.
- (v) Note 9 to the Statement, regarding write back of Rs. Nil and Rs. 727.96 lakhs in respect of certain credit balances, during the quarter and year ended 31st March, 2022 respectively.

Our report on the Statement is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Statement

This Statement has been prepared on the basis of the related annual Standalone Financial Statements of the Company and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company 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. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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.

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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 Company 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 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 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 Company 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.

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.

Other Matters

- a. 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 Rs. 78.79 lakhs as at 31st March, 2022, total revenues of Rs. 0.64 lakhs and total net loss after tax of Rs. 9.04 lakhs for the year ended on that date, as considered in the accompanying Statement. 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 Statement, 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 Statement* hereinabove.

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- b. We did not audit the financial statements / financial information of 7 (seven) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of Rs. 8,791.64 lakhs as at 31st March, 2022, total revenues of Rs. 10,607.19 lakhs and total net loss after tax of Rs. 12.29 lakhs for the year ended on that date, as considered in the accompanying Statement. These financial statements / financial information are unaudited and have been furnished to us by the Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited 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 Statement.
- c. Owing to non-availability of financial statements/financial information/financial results of 2 (two) joint operations, the same were not included in the Statement. According to the information and explanations given to us by the Company's management, such financial statements/financial information/financial results are not material to the Statement.
- d. The Statement includes the standalone financial results for the quarter ended 31st March, 2022, 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.

Our opinion is not modified in respect of these matters.

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

CA. Bijay Murmuria
Partner
Membership No. : 055788



UDIN: 22055788AJUASU3456

Place: Kolkata
Date: 28th May, 2022

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