

SPML INFRA LIMITED
Registered Office: F-27/2, Okhla Industrial Area, Phase- II, New Delhi- 110020
SPML INFRA LIMITED
Website: www.spml.co.in; Email: info@spml.co.in
CIN: L40106DL1981PLCO12228

Statement of Standalone Financial Results for the three months and year ended March 31, 2023

Particulars	Three months ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Unaudited (Refer Note 10)	Unaudited	Unaudited (Refer Note 10)	Audited	Audited
1. Income					
a. Revenue from Operations	46,265.75	15,247.06	22,798.95	87,779.58	85,309.69
b. Other Income	475.01	107.82	115.93	1,931.21	1,699.98
Total Income	46,740.76	15,354.88	22,914.88	89,710.79	87,009.67
2. Expenses					
a. Materials Consumed and Other Construction Expenses	40,006.36	13,745.24	19,162.20	76,478.37	75,255.89
b. Employee Benefits Expense	666.77	593.31	725.85	2,648.06	2,771.95
c. Finance Costs	3,634.33	382.49	1,577.86	4,982.83	2,097.07
d. Depreciation and Amortisation Expenses	79.53	70.74	77.76	297.51	389.82
e. Other Expenses	1,199.83	1,080.65	740.18	5,038.03	5,608.91
Total Expenses	45,586.82	15,872.43	22,283.85	89,444.80	86,123.64
3. Profit / (Loss) before tax (1 - 2)	1,153.94	(517.55)	631.03	265.99	886.03
4. Tax Expense					
a. Current Tax	2.65	-	222.20	54.94	329.58
b. Deferred Tax	-	-	41.59	-	(441.61)
	2.65	-	263.79	54.94	(112.03)
5. Profit/(Loss) after Tax (3 - 4)	1,151.29	(517.55)	367.24	211.05	998.06
6. Other Comprehensive Income/(Expense)					
Items that will not be reclassified to Profit or Loss					
- Gain/(Loss) on fair value of defined benefit plans	(7.47)	14.85	(7.31)	10.31	(30.80)
- Income Tax relating to above	2.33	(4.63)	2.28	(3.22)	9.61
Total Other Comprehensive Income/(Expense)	(5.14)	10.22	(5.03)	7.09	(21.19)
7. Total Comprehensive Income/(Expense) for the period (5 + 6)	1,146.15	(507.33)	362.21	218.14	976.87
8. Paid-up Equity Share Capital (par value of Rs. 2/- each)	994.90	994.90	874.95	994.90	874.95
9. Paid-up Compulsorily Convertible Preference Share Capital (par value of Rs. 100/- each)	1,777.47	1,777.47	3,404.93	1,777.47	3,404.93
10. Other Equity (excluding Revaluation Reserves)				32,174.13	28,885.09
11. Earnings per Equity share					
Earnings per Equity share (Basic and Diluted) (in Rupees)	2.39*	(1.09)*	0.82*	0.44	2.68
*(not annualized) (par value Rs. 2/- each)					

Date: June 13, 2023
Place: Kolkata



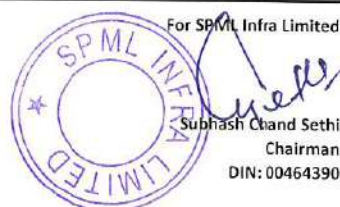
For SPML Infra Limited

Subhash Chand Sethi
Chairman
DIN: 00464390

Statement of Standalone Assets and Liabilities

Particulars	Rs. in lakhs	
	As at March 31, 2023	As at March 31, 2022
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	8,949.22	9,372.67
(b) Right of Use Assets	2.78	5.56
(c) Intangible Assets	50.86	41.76
(d) Financial Assets		
(i) Investments	9,897.24	10,290.59
(ii) Trade Receivables	26,182.14	16,128.46
(iii) Loans	11,221.04	11,433.29
(iv) Other Financial Assets	3,360.86	2,781.63
(e) Deferred Tax Assets	11,853.20	11,856.42
(f) Other Non-Current Assets	37,109.86	32,744.38
	1,08,627.20	94,654.76
Current assets		
(a) Inventories	9,243.53	9,023.06
(b) Financial Assets		
(i) Trade Receivables	1,11,076.23	1,11,353.81
(ii) Cash and Cash Equivalents	1,817.97	3,942.52
(iii) Other Bank Balances	270.27	195.29
(iv) Other Financial Assets	23,453.05	24,406.85
(c) Other Current Assets	8,732.45	13,631.06
	1,54,593.50	1,62,552.59
TOTAL ASSETS	2,63,220.70	2,57,207.35
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	994.90	874.95
(b) Compulsorily Convertible Preference Share	1,777.47	3,404.93
(c) Other Equity	32,174.13	28,885.09
TOTAL EQUITY	34,946.50	33,164.97
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	59,303.87	61,028.33
(ii) Lease Liability	-	2.77
(iii) Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9,403.53	7,036.15
(iv) Other Financial Liabilities	9,638.13	6,923.23
(b) Provisions	261.57	301.56
	78,607.10	75,292.04
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,11,070.29	1,13,192.37
(ii) Lease Liability	2.44	2.43
(iii) Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	881.29	1,003.95
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	31,546.04	29,254.61
(iv) Other Financial Liabilities	3,925.63	2,837.59
(b) Other Current Liabilities	2,114.44	2,305.75
(c) Provisions	126.97	153.65
	1,49,667.10	1,48,750.35
TOTAL LIABILITIES	2,28,274.20	2,24,042.39
TOTAL EQUITY AND LIABILITIES	2,63,220.70	2,57,207.35

Date: June 13, 2023
Place: Kolkata



SPML INFRA LIMITED

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Statement of Standalone Cash Flow

Particulars	Rs. in lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Total Profit / (Loss) before tax	265.99	886.03
Adjustments for:		
Depreciation and Amortisation expenses	297.51	389.82
Interest Expenses	4,830.08	1,960.10
Commission income	(242.67)	(117.52)
Sundry Balances written off	101.03	70.20
ECL on loans	-	1,989.34
Impairment of investment in equity shares of subsidiaries and associates	255.70	-
Impairment of inventory	1,042.44	-
ECL charge on Trade Receivable	788.53	298.67
Profit on sale of property plant and equipment	(264.11)	(11.81)
Liabilities no longer required written back	(626.52)	(762.51)
Interest Income	(386.85)	(785.71)
Operating Profit before Working Capital changes	6,061.13	3,916.61
Adjustment for:		
Increase/ (decrease) in trade payables	5,162.68	6,415.33
Increase/ (decrease) in provisions	(56.37)	(31.94)
Increase/ (decrease) in other current liabilities	3,603.36	1,816.78
Decrease/ (Increase) in trade receivables	(9,951.80)	(4,194.59)
Decrease/ (Increase) in inventories	(1,262.91)	(1,899.46)
Increase/ (increase) in loans and advances	757.16	755.22
Increase/ (increase) in other current assets	4,601.36	(3,955.40)
Cash generated/(used) from operations	8,914.61	2,822.55
Taxes Paid (net of refunds)	(1,567.78)	110.59
Net Cash from Operating Activities	7,346.83	2,933.14
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including capital work in progress	(62.84)	(134.39)
Proceeds from sale of PPE	446.57	11.78
Fixed Deposits encashed/ (invested)	(3,464.13)	1,557.48
Loans (given) / repayment received	329.90	(885.46)
Interest received	386.85	785.71
Net Cash generated/(used) in Investing Activities	(2,363.65)	1,335.12
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in Long Term Borrowings	(161.08)	2,765.32
Net movement in Short Term Borrowings	(2,122.07)	(4,731.82)
Interest paid	(4,824.58)	(2,156.71)
Net Cash generated/(used) in Financing Activities	(7,107.73)	(4,123.21)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,124.55)	145.05
Cash & Cash Equivalents at the beginning of the year	3,942.52	3,797.47
Cash & Cash Equivalents at the end of the year	1,817.97	3,942.52

Date: June 13, 2023
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 13th June, 2023. The statutory auditors of the company have audited the said results for the year ended 31st March, 2023.
2. The Company has been facing financial crisis since last few financial years due to various reasons as stated in Note no. 4 below, because of that 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, hereinafter referred to as "Lenders") and accordingly, the borrowing facilities of the Company with the Lenders are irregular as on 31st March, 2023. The Company was in the process of formulating a resolution plan with Lenders and as per information available with the Company, the Lenders are proposing for assignment of the debt to eligible participant (amongst ARCs/Banks/NBFCs/FIs), through e-auction under the swiss challenge method, which was to be held on June 6, 2023. The Company is awaiting an official notification/communication in this regard from the Lenders and/or the eligible participant who ultimately prevailed in the said e-auction. The Company has been given to understand that the aforesaid e-auction is governed by the terms of Reserve Bank of India/ Bank's policy (Transfer of Loan Exposures) and the acquisition by the eligible participant will be by way of an Assignment of debt by the Lenders.
Presently, the Company continues to disclose the outstanding loans, including interest recognized in the books of accounts, in the financial results as per balances appearing in its Books of Accounts as per agreements with the respective Lenders.

Considering the aforesaid developments and the favourable business environment in the sector in which the Company operates, the Management is confident that 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.

3. Interest on YTM basis amounting to Rs. 1,595.05 lakhs and Rs. 6,276.13 lakhs for the quarter and year ended 31st March, 2023 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 (the OCD's, along with loans, are also the subject matter of the Assignment referred to in Note 2 above). 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, 2022 and the Limited Review Reports for the first three quarters of FY 2022-23 were similarly modified in respect of this matter.
4. 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 non-performing asset. 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. Hence, with effect from 1st November, 2019, the company is not recognizing any interest liability on the fund based borrowing facilities from the Lenders in the books of accounts as the same was discussed to be waived in the Resolution Plan (except for recognizing Rs. 3,419.41 lakhs during the quarter ended 31st March, 2023 towards part of interest charged by banks in the bank statements, from 1st November, 2019 onwards). Accordingly, post such partial recognition, interest expense of Rs.1,791.76 lakhs and Rs.19,951.70 lakhs on the said borrowings have not been recognized for the quarter and year ended 31st March, 2023 respectively. 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, 2022 and the Limited Review Reports for the first three quarters of FY 2022-23 were similarly modified in respect of this matter. Further, on the aforesaid grounds, in respect of certain other borrowings including those from related parties (i.e. borrowing other than from 'Lenders'), the company has not recognized interest expense of Rs.122.79 lakhs and Rs.491.86 lakhs for the quarter and year ended 31st March, 2023 respectively. 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, 2022 and the Statutory Auditors' Limited Review Reports for the first three quarters of FY 2022-23 were similarly modified in respect of this matter.

5. 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 Notes 2 and 4 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, 2023 is Rs.258.20 lakhs and Rs.1,047.15 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.
6. 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 as at 31st March, 2023 of Rs.7,372.07 lakhs related to the aforesaid projects/contracts. The Statutory Auditors have expressed their inability to comment upon the recoverability/realisability of the aforesaid amount 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, 2022 and the Limited Review Reports for the first three quarters of FY 2022-23 were similarly modified in respect of this matter.



7. The Company has certain trade and other receivables of Rs. 43,521.90 lakhs as at 31st March, 2023 backed by arbitration awards pronounced in its favour over the years. Further, the Company has recognised interest income of Rs. 725.79 lakhs and Rs 2,852.63 lakhs during the quarter and year ended 31st March, 2023 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.
8. Other Income includes Rs. 280.61 lakhs and Rs. 603.16 lakhs for the quarter and year ended 31st March, 2023 respectively relating to write back of credit balances of certain creditors, deemed by the management to be no longer payable.
9. During the quarter and year ended 31st March, 2022, the Company had 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 lakhs, to 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. Accordingly, during the quarter ended 30th June, 2022, 16,27,465 CCPS were converted into 32,54,930 equity shares and Rs 65.09 lakhs and Rs 1562.37 lakhs were credited to equity share capital a/c and securities premium a/c respectively. Further, during the quarter ended 30th September, 2022, the Company has allotted by way of a preferential allotment, 27,42,790 fully paid-up Equity Shares having a face value of Rs. 2/- each, at an issue price of Rs. 57/- per equity share (including a premium of Rs. 55/- per equity share), aggregating to Rs. 1,563.39 lakhs, to certain entities, on conversion of their existing unsecured loans to the Company. Accordingly, Rs.54.86 lakhs and Rs.1,508.53 Lakhs were credited to equity share capital a/c and securities premium a/c respectively.
10. Figures for the quarters ended 31st March, 2023 and 31st March, 2022 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.
11. Previous period's figures have been regrouped /rearranged wherever considered necessary, to make them comparable with those of the current period.

Date : Kolkata
Date : 13th June, 2023



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, 2023 (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	89,710.79	89,710.79
	2.	Total Expenditure	89,444.80	1,16,164.49
	3.	Net Profit/(Loss)	265.99	(26,453.70)
	4.	Earnings Per Share	0.44	(55.01)
	5.	Total Assets	2,63,220.70	2,63,220.70
	6.	Total Liabilities	2,28,274.20	3,17,967.88
	7.	Net Worth	34,946.50	(54,747.18)
	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 3 to the Statement, interest on YTM basis amounting to Rs. 1,595.05 lakhs and Rs. 6,276.13 lakhs for the quarter and year ended 31 st March, 2023 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, 2023 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs. 29,590.66 lakhs as at 31 st March, 2022. The Auditor's Report for the year ended 31 st March, 2022 and the Limited Review Reports for the quarters ended 30 th June, 30 th September and 31 st December, 2022 were also qualified in respect of this matter.	



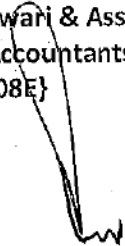


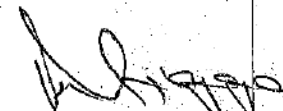
		<p>b) Note 4 to the Statement, interest expense of Rs.1,791.76 lakhs and Rs. 19,951.70 lakhs on the Company's borrowings from certain financial creditors (banks & financial institutions) has not been recognized for the quarter and year ended 31st March, 2023 respectively. This is not in accordance with 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, 2023 respectively. The Auditor's Report for the year ended 31st March, 2022 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2022 were also qualified in respect of this matter. Further, Rs.122.79 lakhs and Rs.491.86 lakhs representing interest expense on the Company's borrowings from certain financial creditors (other than banks) has not been recognized for the quarter and year ended 31st March, 2023 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, 2023 respectively.</p> <p>c) Note 6 to the Statement, regarding the Company's trade receivables (net of ECL) as at 31st March, 2023 of Rs.7,372.07 lakhs, 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, 2022 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2022 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)	<p>Qualification (a) : Repetitive</p> <p>Qualification (b) : Repetitive</p> <p>Qualification (c) : Repetitive</p>



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. 6,276.13 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 the same was discussed to be waived in the Resolution Plan (except for recognizing Rs. 3,419.41 lacs during the quarter ended 31st March, 2023 towards part of interest charged by banks in the bank statements, from 1st November, 2019 onwards). Accordingly, post such partial recognition, interest expense of Rs.1,791.76 lakhs and Rs.19,951.70 lakhs on the said borrowings have not been recognized for the quarter and year ended 31st March, 2023 respectively. 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, 2022 and the Limited Review Reports for the first three quarters of FY 2022-23 were similarly modified in respect of this matter. Further, on the aforesaid grounds, in respect of certain other borrowings including those from related parties (i.e. borrowing other than from 'Lenders'), the company has not recognized interest expense of Rs.122.79 lakhs and Rs.491.86 lakhs for the quarter and year ended 31st March, 2023 respectively. Further, on the aforesaid grounds, the company has not recognized interest expense on the Company's borrowings from certain financial creditors (other than banks) of Rs.122.79 lakhs and Rs.491.86 lakhs for the quarter and year ended 31st March, 2023 respectively.</p> <p>Effect of the proposed assignment of debt would be provided in the financial statements of the Company as and when the assignment 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) amounting to Rs. 7,372.07 lakhs as at 31st March, 2023 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.	<p>Signatories : For Maheshwari & Associates Chartered Accountants (FRN : 311008E)</p>  <p>CA. Bijay Murmuria Partner Membership No. 055788</p> <p>Place : Kolkata Date : 13th June, 2023</p>	<p style="text-align: right;">For SPML Infra Ltd.</p>  <p style="text-align: right;">Chairman</p>  <p style="text-align: right;">Chairperson Audit Committee</p>  <p style="text-align: right;">Chief Financial Officer</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, 2023, 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, 2023 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 3 to the Statement, interest on YTM basis amounting to Rs. 1,595.05 lakhs and Rs. 6,276.13 lakhs for the quarter and year ended 31st March, 2023 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, 2023 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs. 29,590.66 lakhs as at 31st March, 2023. The Auditor's Report for the year ended 31st March, 2022 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2022 were also qualified in respect of this matter.



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- b. Note 4 to the Statement, interest expense of Rs.1,791.76 lakhs and Rs.19,951.70 lakhs on the Company's borrowings from certain financial creditors (banks) has not been recognized for the quarter and year ended 31st March, 2023 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, 2023 respectively. The Auditor's Report for the year ended 31st March, 2022 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2022 were also qualified in respect of this matter. Further, Rs.122.79 lakhs and Rs.491.86 lakhs representing interest expense on the Company's borrowings from certain financial creditors (other than banks) has not been recognized for the quarter and year ended 31st March, 2023 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, 2023 respectively. The Auditor's Report for the year ended 31st March, 2022 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2022 were also qualified in respect of this matter.
- c. Note 6 to the Statement, regarding the Company's trade receivables (net of ECL) as at 31st March, 2023 of Rs.7,372.07 lakhs, 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, 2022 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2022 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 indicates that the Company has defaulted in payment of dues to financial creditors, is facing working capital constraints and its borrowal facilities are irregular with financial creditors as at 31st March, 2023. Based on the mitigating factors as mentioned in the aforesaid Note 2, the Company's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the accompanying Statement.
- (ii) Note no. 5 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.



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- (iii) Note 7 to the Statement, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2023 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Company.
- (iv) Note 8 to the Statement, regarding write back of Rs. 280.61 lakhs and Rs. 603.16 lakhs in respect of certain credit balances, during the quarter and year ended 31st March, 2023 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 4 (four) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of Rs. 14,010.28 lakhs as at 31st March, 2023, total revenues of Rs. 23,440.93 lakhs and total net profit after tax of Rs. 21.93 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 5 (five) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of Rs. 2,224.35 lakhs as at 31st March, 2023, total revenues of Rs. 11,347.28 lakhs and total net profit after tax of Rs. 15.23 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 un-audited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Company's management, these financial statements / financial information are not material to the Statement.
- c. Owing to non-availability of financial statements/financial information/financial results of 3 (three) 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, 2023, 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: 23055788BGYJQU7740

Place: Kolkata

Date: 13th June, 2023

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