

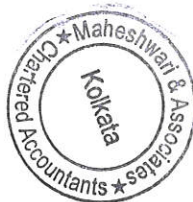
SPML INFRA LIMITED

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

Statement of Consolidated Financial Results for the quarter and year ended 31st March, 2020

Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
	31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
	Unaudited (Refer Note 13)	Unaudited	Unaudited (Refer Note 13)	Audited	Audited
1. Revenue					
a. Revenue from Operations	35,586.03	38,505.44	60,234.20	1,70,647.73	2,01,152.08
b. Other Income (Refer note 10)	4,210.23	5,435.54	4,689.44	10,866.24	6,511.72
Total Income	39,796.26	43,940.98	64,923.64	1,81,513.97	2,07,663.80
2. Expenses					
a. Materials Consumed and other construction expenses	16,316.77	20,722.37	31,092.33	70,733.33	97,681.14
b. Purchase of Traded Goods	11,494.94	16,910.21	21,382.74	76,033.86	71,776.26
c. Employee Benefits Expense	1,360.39	1,130.75	1,286.68	5,356.27	6,197.44
d. Finance Cost	4,213.50	4,100.05	4,667.16	15,692.41	16,063.53
e. Depreciation and Amortization expenses	321.74	294.86	153.04	1,118.07	1,087.76
f. Other Expenses	5,326.43	1,652.92	3,480.52	10,132.21	8,638.74
Total Expenses	39,033.77	44,811.16	62,062.46	1,79,066.15	2,01,444.87
3. Profit / (Loss) before share of Profit / (Loss) of Associates & Joint Ventures & Tax (1-2)	762.49	(870.18)	2,861.18	2,447.82	6,218.93
4. Tax Expense					
a. Current tax	25.68	(86.26)	726.39	553.53	2,149.43
b. Deferred Tax	170.17	670.03	206.25	899.70	335.17
	195.85	583.77	932.64	1,453.23	2,484.60
5. Net Profit / (loss) before share of profit / (loss) of Associates and Joint Ventures (3-4)	566.64	(1453.95)	1,928.53	994.59	3,734.33
Share of profit / (loss) of Associates and Joint Ventures	(446.03)	13.18	84.81	(388.82)	302.67
Non Controlling Interest [profit/(loss)]	(370.00)	(66.96)	169.54	(53.34)	63.66
6. Net Profit/ (Loss) after Tax	490.61	(1373.81)	1,843.80	659.13	3,973.34
7. 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	46.63	(6.28)	(54.48)	66.09	67.41
- Gain/(Loss) on fair value of equity instruments measured at FVOCI	383.88	-	(423.56)	383.88	(490.97)
Total Other Comprehensive Income / (Expense)	430.51	(6.28)	(478.03)	449.97	(423.56)
8. Total Comprehensive Income / (Loss) for the period (6+7)	921.12	(1380.10)	1,365.77	1,109.10	3,549.78
9. Paid-up equity share capital (par value of Rs 2/- each)	819.45	819.45	819.45	819.45	819.45
10. Other Equity (excluding revaluation reserves)				37,612.15	41,193.73
11. Earnings per equity share (par value of Rs 2/- each)					
Basic & Diluted EPS (in Rs.) (Not annualized)*	1.34 *	(3.75) *	5.03 *	1.80	10.84

Dated: 18th August, 2020
Place: Kolkata



For SPML Infra Limited

Subhash Chand Sethi
Chairman
DIN: 00464390

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Consolidated Statement of Assets and Liabilities as at 31st March, 2020

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	10,399.76	23,370.83
(b) Capital Work in Progress	5,634.72	4,630.14
(c) Right of Use Assets	252.26	-
(d) Intangible Assets	1,567.92	4,799.79
(e) Investment Property	-	943.66
(f) Financial Assets		
- Investments	9,474.44	14,735.37
- Trade Receivables	29,683.34	29,292.97
- Loans	9,739.81	4,815.58
- Other Financial Assets	4,818.29	6,345.48
(g) Non Current Tax Assets	5,462.76	5,261.26
(h) Deferred Tax Assets	9,284.67	11,259.90
(i) Other Non-Current Assets	29,004.00	33,803.30
	1,15,321.97	1,39,258.28
Current Assets		
(a) Inventories	6,273.73	6,662.14
(b) Financial Assets		
- Investments	2,442.32	2,442.32
- Trade Receivables	46,773.80	67,772.58
- Cash and Cash Equivalents	2,027.98	3,685.41
- Other Bank Balances	1,358.97	8,452.27
- Loans	514.97	1,573.72
- Other Financial Assets	1,05,694.27	1,04,695.36
(c) Current Tax Assets	499.44	293.73
(d) Other Current Assets	18,940.42	14,727.81
	1,84,525.90	2,10,305.34
TOTAL ASSETS	2,99,847.87	3,49,563.62
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	819.45	819.45
(b) Other Equity		
Equity Attributable to Owners of the Parent	37,612.15	41,193.73
Non-Controlling Interests	1,583.58	18,484.45
Total Equity	40,015.18	60,497.63
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	67,349.31	67,619.53
- Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9,475.04	12,120.41
- Other Financial Liabilities	6,116.13	5,248.30
(b) Provisions	329.70	563.78
	83,270.18	85,552.02
Current Liabilities		
(a) Financial Liabilities		
- Borrowings	82,084.67	71,861.66
- Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	92.03	193.67
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	62,969.29	93,864.69
- Other Financial Liabilities	25,181.02	29,431.07
(b) Other Current Liabilities	6,023.54	7,276.68
(c) Provisions	211.72	195.35
(d) Current Tax Liability	0.24	690.85
	1,76,562.51	2,03,513.97
TOTAL LIABILITIES	2,59,832.69	2,89,065.99
TOTAL EQUITY AND LIABILITIES	2,99,847.87	3,49,563.62

Dated: 18th August, 2020
Place: Kolkata



For SPML Infra Ltd.

Subhash Chand Sethi
Chairman
DIN No.: 00464390

Audited Consolidated statement of cash flows for the year ended 31st March 2020

Particulars	Rs. In Lakhs	
	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Audited	Audited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before share of Profit / (Loss) of Associates & Joint Ventures & Tax	2,447.82	6,218.93
Adjustments for:		
Depreciation and Amortisation expenses	1,118.07	1,087.76
Interest Expenses	15,663.38	16,034.17
Sundry Balances written off	2,046.36	1,335.27
Provision for doubtful debts	1,105.89	446.66
Profit on sale of property plant and equipment	2.00	1.22
Liabilities no longer required written back	(5,311.76)	(288.25)
Interest Income	(1,667.35)	(3,045.73)
Operating Profit before Working Capital changes	15,404.41	21,790.02
Adjustment for:		
Increase in trade payables	(28,330.66)	4,824.91
Increase/(decrease) in provisions	178.91	(453.90)
Increase/(decrease) in other current liabilities	(2,650.13)	2,439.63
Increase/(decrease) in trade receivables	14,313.49	(3,433.78)
Decrease/ (increase) in inventories	388.41	1,073.65
Increase/(decrease) in loans and advances	(5,923.05)	487.58
Increase in other current assets	6,931.07	(1,894.07)
Cash generated from operations	312.45	24,834.05
Taxes Paid (net of refunds)	(575.81)	(7,068.76)
Net Cash from Operating Activities	(263.36)	17,765.29
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including capital work in progress	(476.74)	(4,334.04)
Proceeds from sale of PPE	16,392.56	1,382.04
Fixed Deposits encashed / (invested)	8,984.18	(634.79)
Sale / (purchase) of non-current investments:	5,260.93	(1,953.27)
Loans (given) / repayment received	(3,716.07)	(1,285.45)
Interest received	1,729.14	3,921.88
Net Cash used in Investing Activities	28,174.00	(2,903.63)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in Minority Interest	(19,616.01)	(3,828.40)
Net movement in Long Term Borrowings	(2,020.91)	(10,216.33)
Net movement in Short Term Borrowings	10,223.01	14,240.16
Interest paid	(15,896.50)	(17,009.19)
Net Cash used in Financing Activities	(27,310.41)	(16,813.76)
D. Exchange differences on translation of foreign subsidiaries	(2,257.66)	3,156.89
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,657.43)	1,204.79
Cash & Cash Equivalents at the beginning of the year	3,685.41	2,480.62
Cash & Cash Equivalents at the end of the year	2,027.98	3,685.41

For SPML Infra Ltd.

Subhash Chand Sethi
Chairman
DIN No.: 00464390

Dated: 18th August, 2020
Place: Kolkata



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Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31st March, 2020

SL.	PARTICULARS	Rs. In Lakhs				
		3 months ended 31/03/2020	3 months ended 31/12/2019	3 months ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
		Unaudited (Refer Note 13)	Unaudited	Unaudited (Refer Note 13)	Audited	Audited
1	Segment revenue (gross)					
	a) Construction	21,729.40	20,576.83	36,909.23	89,201.35	1,23,601.69
	b) Hydro Power Generation	1,152.10	483.73	460.34	2,100.23	2,816.04
	c) Waste Management	231.20	-	62.92	34.14	704.01
	d) Trading	12,053.27	17,430.29	22,434.02	78,510.82	73,021.03
	e) Others	420.06	14.59	367.69	801.19	1,009.31
	Revenue from Operations	35,586.03	38,505.44	60,234.20	1,70,647.73	2,01,152.08
2	Segment results (Profit / (Loss) before tax and interest)					
	a) Construction	3,550.41	2,669.73	7,119.39	14,299.38	20,372.70
	b) Hydro Power Generation	759.32	(173.40)	182.03	1,844.05	1,373.33
	c) Waste Management	712.16	(206.44)	(105.53)	566.99	(323.00)
	d) Trading	(219.14)	293.93	832.08	1,320.58	1,530.77
	e) Others	173.23	0.91	(499.64)	109.23	(671.34)
	Total	4,975.99	2,584.73	7,528.33	18,140.23	22,282.46
	i. Finance Costs	(4,213.50)	(3,454.90)	(4,667.15)	(15,692.41)	(16,063.53)
	ii. Unallocable expenditure net off unallocable income	-	-	-	-	-
	Total Profit/(loss) before share of Profit/(loss) of Associates and Joint Ventures and Tax	762.49	(870.18)	2,861.18	2,447.82	6,218.93
3	Segment Assets					
	a) Construction	2,53,925.76	2,53,682.19	2,10,257.88	2,53,925.76	2,10,257.88
	b) Hydro Power Generation	19,788.22	26,953.34	21,157.21	19,788.22	21,157.21
	c) Waste Management	9,051.45	6,181.00	400.68	9,051.45	400.68
	d) Trading	13,852.57	47,709.01	36,376.52	13,852.57	36,376.52
	e) Others	3,229.87	2,556.97	17,729.60	3,229.87	17,729.60
	f) Unallocated	-	-	63,641.73	-	63,641.73
	Total Segment Assets	2,99,847.87	3,37,082.51	3,49,563.62	2,99,847.87	3,49,563.62
4	Segment Liabilities					
	a) Construction	2,18,929.33	2,09,675.55	59,371.08	2,18,929.33	59,371.08
	b) Hydro Power Generation	19,168.12	8,091.62	1,295.00	19,168.12	1,295.00
	c) Waste Management	4,386.70	4,263.14	750.18	4,386.70	750.18
	d) Trading	15,066.86	64,439.46	46,728.22	15,066.86	46,728.22
	e) Others	2,281.68	2,596.20	7,204.05	2,281.68	7,204.05
	f) Unallocated	-	-	1,73,717.46	-	1,73,717.46
	Total Segment Liabilities	2,59,832.69	2,89,065.98	2,89,065.99	2,59,832.69	2,89,065.99

Dated: 18th August, 2020
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 18th August, 2020. The statutory auditors of the Parent Company have audited the said results for the year ended 31st March, 2020.
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 31st March, 2020 and has concluded that no material adjustments are required currently at this stage. However, there exists some uncertainty in relation to the future impact of COVID-19 pandemic on the Group and, accordingly, the actual impact in the future may be different from those presently estimated. The Parent Company will continue to monitor any material change to the future economic conditions and consequential impact on the financial results.
4. During the current year, the Parent Company has defaulted in payment of dues to its financial creditors. It is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020. The Parent Company is in the process of formulating a resolution plan with such creditors. Based on the expectation of the implementation of the resolution plan, underlying strength of the Parent Company's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Parent Company, including through monetisation of its assets including arbitration awards, claims etc. which would result in it being able to meet its obligations in due course of time. Accordingly, the Parent Company's Board of Directors considers it appropriate to prepare these consolidated financial results on a going concern basis.
5. Interest on YTM basis amounting to Rs.1,317.99 lakhs and Rs.5,143.45 lakhs for the quarter and year ended 31st March, 2020 respectively was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Parent Company, as the same is not payable until maturity of such OCDs. Statutory Auditors report is modified in respect of this matter by way of a qualification. The Audit Report for the year ended 31st March, 2019 and the Limited Review Reports for the first three quarters of FY 2019-20 were similarly modified in respect of this matter.
6. Clients of the Parent Company had foreclosed certain projects/contracts which are presently under arbitration/litigation proceedings. The management, based on the facts of the cases, is confident to recover / realise the trade receivables and inventories as at 31st March, 2020 of Rs.6,142.27 lakhs and Rs.1,040.62 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, 2019 and the Limited Review Reports for the first three quarters of FY 2019-20 were similarly modified in respect of this matter.



7. The Parent Company made all the efforts to obtain the requisite financial statements / financial information / financial results of 1 (one) Joint Venture Company, namely Aurangabad City Water Utility Co. Ltd. for the quarter and year ended 31st March, 2020. However, in their absence, the consolidated financial results for the quarter and year ended 31st March, 2020 have been prepared without considering the financial impact of the financial statements / financial information/financial results of the said joint venture. Further, the management has assessed that such financial statements/financial information/financial results are not material to the overall consolidated financial results for the quarter and year ended 31st March, 2020.
8. The Parent Company has certain trade and other receivables of Rs.37,195.44 lakhs as at 31st March, 2020 backed by arbitration awards pronounced in its favour over the years. Further, the Parent Company has recognised interest income of Rs.639.43 lakhs and Rs.2,522.09 lakhs during the quarter and year ended 31st March, 2020 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. An application for initiation of Corporate Insolvency Resolution Process ('CIRP'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 has been admitted against Luni Power Company Pvt. Ltd. ('Luni'), a subsidiary of the Parent Company, on 23rd December, 2019 by the Hon'ble NCLT, Chandigarh Bench. Consequently, since the said date, the Parent Company is not exercising control or significant influence over Luni so as to treat it as its subsidiary or associate and is carrying its equity investment in Luni at FVTPL as at 31st March, 2020, in its standalone financial statements. However, accounting impact of derecognizing Luni as a subsidiary of the Parent Company has not been provided in these consolidated financial results as the relevant financial statements/financial information of Luni, duly approved by the IRP/RP/relevant authority, are presently not available. The management of the Parent Company has assessed that the impact of the same on profit before tax and the carrying amounts of assets and liabilities in these consolidated financial results is insignificant / not material. The necessary accounting impact as aforesaid would be provided in the consolidated financial statements when the relevant financial statements/financial information of Luni, duly approved by the IRP/RP/relevant authority, are available.
10. "Other Income" includes the following amounts:

Sl. No.	Particulars	For the quarter ended 31 st March, 2020 (Rs. In Lacs)	For the year ended 31 st March, 2020 (Rs. In Lacs)
1	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	2507.96	4692.01
2	Expected Credit Loss reversals (net) in respect of Trade Receivables of the Parent Company	171.69	2118.42
	Total	2679.65	6810.43



11. Subhash Kabini Power Corporation Ltd. ('SKPCL') has ceased to be a material/significant subsidiary of the Parent Company w.e.f 30th March, 2020, owing to cessation of "control" of the Parent Company over SKPCL as envisaged in Ind AS 110 – *Consolidated Financial Statements*. Consequently, the following subsidiaries of SKPCL have also ceased to be step-down subsidiaries of the Parent Company w.e.f the said date:
- SPM Holdings Pte. Ltd.
 - PT Sanmati Natural Resources (subsidiary of SPM Holdings Pte. Ltd.)
 - Add Energy Management Co. Pvt. Ltd.

SKPCL has become an Associate Company of the Parent Company w.e.f 31st March, 2020, as envisaged in Ind AS 28 – *Investments in Associates and Joint Ventures*.

There is no impact of the aforesaid on the consolidated profit for the quarter and year ended 31st March, 2020 as the profit/loss of the aforesaid entities for the full FY 2019-20 (i.e. upto 31st March, 2020), has been considered for the purposes of the consolidated results. Further, the consequential impact on the assets and liabilities of the consolidated financial statements, pursuant to cessation of the aforesaid subsidiaries, has been provided as on 31st March, 2020.

12. The Group has adopted Ind AS 116 "Leases" with effect from financial year 2019-20 and the impact of the same on Profit before Tax is insignificant / not material.
13. Figures for the quarters ended 31st March, 2020 and 31st March, 2019 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.
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 : 18th August, 2020



For SPML Infra Limited

Subhash Chand Sethi

Subhash Chand Sethi
Chairman
DIN : 00464390





MAHESHWARI & ASSOCIATES

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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, 2020, 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 profit and other comprehensive income and other financial information of the Group, its associates and joint ventures, for the year ended on 31st March, 2020 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 5 to the Statement, interest on YTM basis amounting to Rs.1,317.99 lakhs and Rs.5,143.45 lakhs for the quarter and year ended 31st March, 2020 respectively was not provided on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Parent. Had such interest provision been made as required under the accrual basis of accounting, the finance cost would have been higher and profit before tax would have been lower by the aforesaid amounts, for the quarter and year ended 31st March, 2020 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs.11,726.69 lakhs as at 31st March, 2020. The Auditor's Report for the year ended 31st March, 2019 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2019 were also qualified in respect of this matter.



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- b. Note 6 to the Statement, regarding the Parent's trade receivables (net of ECL) and inventories as at 31st March, 2020 of Rs.6,142.27 lakhs and Rs.1,040.62 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 31st March, 2019 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2019 were also qualified in respect of this matter.
- c. The Independent Auditor's Report dt. 29 July, 2020 of SPM Holdings Pte. Ltd., a sub-subsidiary company of the Parent upto 30th March, 2020, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following *Basis for Disclaimer of Opinion* appears:

“1) Trade and other receivables

The total assets of the Company as at 31 March 2020 include trade and other receivables amounting to US\$ 29,030,547 (2019: US\$ 34,546,962) [Rs.21,877.42 lakhs (2019: Rs.23,989.41 lakhs)]. As at the Balance sheet date, the past due debts amounted to US\$ 18,387,245 (Rs.13856.63 lakhs) out of which US\$ 1,797,148(Rs. 1354.33 lakhs) is collected subsequently till the report date.

At the reporting date, the Company assessed that there is no expected credit loss to be recognised and accordingly did not make any provision for expected credit loss. However we are unable to obtain sufficient and appropriate evidence for the basis of the Company's assessment. Consequently, we are unable to determine whether any adjustment to the company's financial statements for the financial year ended 31 March 2020 was necessary.

Also, Included in the above trade and other receivables, discount receivable amounting to US\$ 2,569,306 (Rs.1,936.23 lakhs) and other receivables amounting US\$ 5,263,183 (Rs.3,966.33 lakhs) for which we were unable to verify accuracy, existence and completeness as no balance confirmation was obtained. We were not able to carry out alternative auditing procedures in relation to these receivables. Consequently, we are unable to determine whether any adjustment to the company's financial statements was necessary.

Our audit report for the year ended 31 march 2019 dated 26 June 2019 contained qualification for the above reasons.

2) Interest expense

The Statement of profit or loss and other comprehensive income of the Company for the year include interest paid to its holding company amounting to US\$ 1,057,500 (Rs.749.66 lakhs) on an interest fee loan that was settled during the year ended 31 March 2018. The company has accounted for the interest in the current year as the holding company has calculated interest and charged the same in the current year. However, we are unable to verify the accuracy, completeness of interest expense and whether the interest should be accounted in the current year or prior years. There were no other alternative audit procedures we could perform to satisfy ourselves as to the appropriateness of interest amount recorded in the income statement of the year.

3) Secretarial records

We have been informed that the secretarial records are in the custody of erstwhile service provider and the company is unable to get access for our verification of records. Consequently, we are unable to determine whether any adjustments to, or disclosures in the financial statements may have been found necessary; had we been given access to the secretary records.

Our independent auditor's report for the financial years ended 31 March 2019 and 31 March 2018 contained a qualified opinion for the similar reasons as above.” (Figures in Rs. Lakhs inserted by us based on the applicable exchange rate, as INR is the reporting currency for the Parent).





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- d. The Independent Auditor's Report dt. 16th June, 2020 of Bhilwara Jaipur Toll Road Pvt. Ltd., an associate company of the Parent, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following *Basis of Qualified Opinion* appears:

"1. We draw attention to note no. 39 (a) in the financial statements, the company has terminated concession agreement w.e.f. 03.10.2018 and afterward no revenue and expenses are booked in relation to concession agreement, which indicates material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and possible effect cannot be estimated. Our opinion is modified and we qualify the financial statements in this regard.

We draw your attention to note no.39 (b) of financial statements that the company has incurred a Profit of Rs.4.18 Lacs subject to non provision of interest in current year and subject to note no. 41 which mentioned that company did not book any expenses or income on or after 3rd October, 2018 as company filed termination of concession agreement. Company is regularly incurring losses which are accumulated till 31.03.2020 amounting to Rs. 4,547.45 Lacs which eroded more than 40% capital invested by company. Further as of date your attention is invited to point no. 39(c) of financial statements, company's current liabilities exceeded its current assets by Rs. 11,417.75 Lacs, which indicates material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. And possible effect cannot be estimated. Our opinion is modified and we qualify the financial statements in this regard.

3. It has been observed that the provision of interest on inter corporate deposit has not been provided in the books of accounts company, Since the Matter is pending under arbitration therefore the provision was not made till the final award of arbitration."

- e. The Independent Auditor's Report dt. 25th June, 2020 of Gurha Thermal Power Company Ltd., a joint venture company of the Parent, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following *Basis for Disclaimer of Opinion* appears:

"We draw attention to the following matter in the Notes to the financial statements:

1. Note 20 in the financial statements which indicated that the Company has terminated the Power Purchase Agreement (PPA) with Rajasthan Rajya Vidhyut Prasaran Nigam Ltd (RRVPLN). The company was solely formed for the purpose of Business of Power generation and selling the same to the RRVPLN. As the agreement is terminated by the company and the Company has also filed the claim against the RRVPLN for the recovery of the amount invested by the Company of Rs. 8,94,85,115/- plus interest. The Company has filed petition before the Rajasthan Electricity Regulatory Commission, Jaipur. RERC vide its order dated 09.01.2018 dismissed the petition. The Company challenged the order of RERC, Jaipur by filing appeal before the APTEL (Appellate Tribunal for Electricity), New Delhi. The case is pending for adjudication.
2. Bank Accounts and one Joint Venturer (SPML Infra Limited) statement are not made available and Interest on borrowings is also not provided by the company. So we are unable to comment on financial statements of the company."

We conducted our audit in accordance with the Standards on Auditing 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.

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Emphasis of Matters

We draw attention to the following notes to the Statement:

- (i) Note 7 to the Statement, regarding unavailability of financial statements/ financial information/financial results of 1 (one) joint venture entity, namely, Aurangabad City Water Utility Co. Ltd. According to the information and explanations given to us by the management, the financial statements/financial information/financial results of the said joint venture are not material to the Group.
- (ii) Note 8 to the Statement, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2020 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Parent.
- (iii) Note 9 to the Statement, regarding initiation of Corporate Insolvency Resolution Process under IBC wef 23rd December, 2019 in respect of Luni Power Company Ltd., a subsidiary of the Parent Company and matters arising therefrom.
- (iv) Note 10 to the Statement, regarding write back of Rs.2,507.96 lakhs and Rs.4,692.01 lakhs by the Parent in respect of certain credit balances during the quarter and year ended 31st March, 2020 respectively.
- (v) Note 10 to the Statement, regarding ECL reversal (net) of Rs.171.69 lakhs and Rs.2,118.42 lakhs by the Parent in respect of Trade Receivables, during the quarter and year ended 31st March, 2020 respectively.
- (vi) Note 11 to the Statement, regarding change in status of a material / significant subsidiary of the Parent on cessation of "control" and matters arising therefrom.
- (vii) 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.
- (viii) 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 31st March, 2020. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note 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.
- (ix) We draw attention to the following Emphasis of Matter included in the independent auditor's reports on the audited financial statements for the financial year 2019-20 of a subsidiary, two associates and a joint venture of the Parent, issued by their respective statutory auditors and reproduced by us as here under:
 - a) In respect of Madurai Municipal Waste Processing Co. Pvt. Ltd., a subsidiary of the Parent, audit report dt. 24th July, 2020:

"We draw your attention to the following:

The Company incurred a net loss of Rs. 2,40,62,350/- during the year ended 31st March 2020 and the accumulated losses incurred by the company is Rs. 19,61,13,842/- as on that date. As stated in Note 2.16, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is strongly of the view that the arbitration proceedings would be in favourable to the company's view point, thereafter the company would augment finances and pursue other infrastructure projects in the near to medium term. Hence, the management, in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate."

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- b) In respect of SPML Bhiwandi Water Supply Management Ltd., an associate of the Parent, audit report dt. 20th July, 2020:

“Attention is drawn to Note 22 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note. Our opinion is not modified in respect of these matters.”

- c) In respect of SPML Bhiwandi Water Supply Infra Ltd., an associate of the Parent, audit report dt. 20th July, 2020:

“Attention is drawn to Note 17 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note. Our opinion is not modified in respect of these matters.”

- d) In respect of Hydro-Comp Enterprises (India) Pvt. Ltd., a joint venture of the Parent, audit report dt. 20th July, 2020:

“Attention is drawn to Note 19 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note. Our opinion is not modified in respect of these matters.”

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

Responsibilities of Management and Those Charged with Governance for the Statement

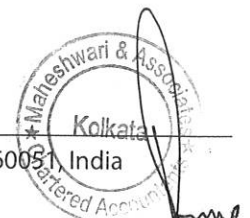
This Statement has been prepared on the basis of the related annual Consolidated Financial Statements of the Group, its associates and joint ventures and has been approved by the Parent's Board of Directors. The Parent's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit 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.

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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.

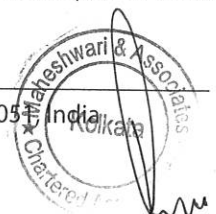
We communicate with those charged with governance of the Parent and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 29th March, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

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Other Matters

- I. We did not audit the financial statements/financial information / financial results of 8 (eight) subsidiaries included in the Statement, whose financial statements / financial information / financial results reflect total assets of Rs.46,008.58 lakhs as at 31st March, 2020, total revenues of Rs.64,785.80 lakhs, total net loss after tax of Rs.1,058.17 lakhs, total comprehensive loss of Rs.1,064.58 lakhs and cash inflows (net) of Rs.1,359.87 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs.313.44 lakhs and total comprehensive income of Rs.313.66 lakhs for the year ended 31st March, 2020, in respect of 8 (eight) associates and 3 (three) joint ventures, whose financial statements / financial information / financial results have not been audited by us. These annual financial statements / financial information / financial results have been audited by other auditors, whose audit reports have been furnished to us by the Parent's management and our opinion on the 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 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.

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 2 (two) subsidiaries included in the Statement, whose financial statements / financial information / financial results reflect total assets of Rs.13,954.55 lakhs as at 31st March, 2020, total revenues of Rs.150.21 lakhs, total net loss after tax of Rs.1,470.90 lakhs, total comprehensive loss of Rs.1,470.90 lakhs and cash inflows (net) of Rs.95.79 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs.66.93 lakhs and total comprehensive income of Rs.55.58 lakhs for the year ended 31st March, 2020, in respect of 6(six) associates and 1(one) joint ventures, whose financial statements / financial information / financial results have not been audited by us. These annual financial statements/ financial information/financial results are unaudited and have been furnished to us by the Parent's management and our opinion on the 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.

The Statement includes the consolidated financial results for the quarter ended 31st March, 2020, 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: 20055788AAAAA18641

Place: Kolkata

Date: 18th August, 2020

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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

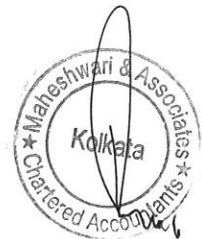
1. Add Energy Management Co. Pvt. Ltd.(ceased to be a step-down subsidiary w.e.f 30th March,2020)
2. Allahabad Waste Processing Co. Ltd.
3. Awa Power Company Pvt. Ltd. (ceased to be a subsidiary w.e.f 30th March,2020)
4. Bhagalpur Electricity Distribution Co. Pvt. Ltd.
5. Binwa Power Company Pvt. Ltd. (ceased to be a subsidiary w.e.f 30th March,2020)
6. Delhi Waste Management Ltd. (ceased to be a subsidiary w.e.f. 1st October, 2019)
7. Doon Valley Waste Management Private Ltd.
8. IQU Power Company Pvt. Ltd. (ceased to be a subsidiary w.e.f 30th March,2020)
9. Madurai Municipal Waste Processing Co. Pvt. Ltd.
10. Mathura Nagar Waste Processing Co. Ltd.
11. Mizoram Infrastructure Development Company Ltd.
12. Neogal Power Company Pvt. Ltd. (ceased to be a subsidiary w.e.f 30th March,2020)
13. PT Sanmati Natural Resources (ceased to be a step-down subsidiary w.e.f 30th March,2020)
14. SPM Holding Pte. Ltd. (ceased to be a step-down subsidiary w.e.f 30th March, 2020)
15. SPML Energy Ltd. (ceased to be a subsidiary w.e.f 30th March,2020)
16. SPML Infrastructure Ltd.
17. SPML Utilities Ltd.
18. Subhash Kabini Power Corporation Ltd. (ceased to be a subsidiary w.e.f 30th March,2020)
19. SPMLIL-Amrutha Constructions Pvt. Ltd.

Associates

1. Awa Power Company Pvt. Ltd. (w.e.f 31st March, 2020)
2. Bhilwara Jaipur Toll Road Pvt. Ltd.
3. Binwa Power Company Pvt. Ltd. (w.e.f 31st March, 2020)
4. Delhi Waste Management Ltd. (w.e.f. 1st October, 2019)
5. IQU Power Company Pvt. Ltd. (w.e.f 31st March, 2020)
6. Neogal Power Company Pvt. Ltd. (w.e.f 31st March, 2020)
7. PT Bina Insan Suskes Mandiri (ceased to be an associate w.e.f 30th March, 2020)
8. PT Vardhaman Logistics (ceased to be an associate w.e.f 30th March, 2020)
9. PT Vardhaman Mining Services (ceased to be an associate w.e.f 30th March, 2020)
10. Rabaan (S) Pte Limited(cceased to be an associate w.e.f 30th March, 2020)
11. Sanmati Infra Developers (P) Ltd.
12. SPML Bhiwandi Water Supply Infra Ltd.
13. SPML Bhiwandi Water Supply Management Ltd.
14. SPML Energy Ltd. (w.e.f 31st March, 2020)
15. Subhash Kabini Power Corporation Ltd. (w.e.f 31st March, 2020)

Joint Ventures

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



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ANNEXURE – 1

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 (See Regulation 33 of the SEBI (LODR) Regulations, 2015)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	1,81,513.97	1,81,513.97
	2.	Total Expenditure	1,79,066.15	1,84,209.60
	3.	Net Profit/(Loss)	2,447.82	(2,695.63)
	4.	Earnings Per Share	1.80	(12.24)
	5.	Total Assets	2,99,847.87	2,99,847.87
	6.	Total Liabilities	2,59,832.69	2,64,976.14
	7.	Net Worth	40,015.18	34,871.73
	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 consolidated financial results :- As stated in : a) Note no. 5 to the consolidated financial statements regarding non-provision of interest on account of YTM amounting to Rs.1,317.99 and Rs.5,143.45 lakhs for the quarter and year ended 31st March, 2020 respectively on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Parent Company. Had such interest provisions been made, the finance cost would have been higher and profit before tax would have been lower by the aforesaid amounts, for the quarter and year ended 31st March, 2020 respectively. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs.11,726.69 lakhs as at 31st March, 2020. The Auditor's Report on the consolidated financial statements for the year ended 31st March, 2019 and the Limited Review Reports for the quarters ended 30th June, 30th September and 31st December, 2019 were also qualified in respect of this matter. b) Note no. 6 to the consolidated financial statements regarding the Parent Company's trade receivables (net of ECL) and inventories, as at 31st March, 2020 of Rs.6,142.27 lakhs and Rs.1,040.62 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, which is presently unascertainable, we are unable to comment on the recoverability of the aforesaid trade receivables and inventories. The Auditor's Report on the consolidated financial statements for the year ended 31st March, 2019 and the Limited Review Reports for the quarters	



ended 30th June, 30th September and 31st December, 2019 were also qualified in respect of this matter.

- c) The Independent Auditor's Report dt.29 July, 2020 of SPM Holdings Pte. Ltd., a sub-subsiary company of the Parent upto 30th March, 2020, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following Basis for Disclaimer of Opinion appears:

"1) Trade and other receivables

The total assets of the Company as at 31 March 2020 include trade and other receivables amounting to US\$ 29,030,547 (2019: US\$ 34,546,962) [Rs.21,877.42 lakhs (2019: Rs.23,989.41 lakhs)]. As at the Balance sheet date, the past due debts amounted to US\$ 18,387,245 out of which US\$ 1,797,148 is collected subsequently till the report date.

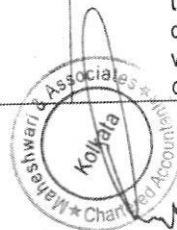
At the reporting date, the Company assessed that there is no expected credit loss to be recognised and accordingly did not make any provision for expected credit loss. However we are unable to obtain sufficient and appropriate evidence for the basis of the Company's assessment. Consequently, we are unable to determine whether any adjustment to the company's financial statements for the financial year ended 31 March 2020 was necessary.

Also, Included in the above trade and other receivables, discount receivable amounting to US\$ 2,569,306 (Rs.1,936.23 lakhs) and other receivables amounting US\$ 5,263,183 (Rs.3,966.33 lakhs) for which we were unable to verify accuracy, existence and completeness as no balance confirmation was obtained. We were not able to carry out alternative auditing procedures in relation to these receivables. Consequently, we are unable to determine whether any adjustment to the company's financial statements was necessary.

Our audit report for the year ended 31 march 2019 dated 26 June 2019 contained qualification for the above reasons.

2) Interest expense

The Statement of profit or loss and other comprehensive income of the Company for the year include interest paid to its holding company amounting to US\$ 1,057,500 (Rs.749.66 lakhs) on an interest fee loan that was settled during the year ended 31 March 2018. The company has accounted for the interest in the current year as the holding company has calculated interest and charged the same in the current year. However, we are unable to verify the accuracy, completeness of interest expense and whether the



interest should be accounted in the current year or prior years. There were no other alternative audit procedures we could perform to satisfy ourselves as to the appropriateness of interest amount recorded in the income statement of the year.

3) Secretarial records

We have been informed that the secretarial records are in the custody of erstwhile service provider and the company is unable to get access for our verification of records. Consequently, we are unable to determine whether any adjustments to, or disclosures in the financial statements may have been found necessary; had we been given access to the secretary records.

Our independent auditor's report for the financial years ended 31 March 2019 and 31 March 2018 contained a qualified opinion for the similar reasons as above." **(Figures in Rs. Lakhs inserted by us based on the applicable exchange rate, as INR is the reporting currency for the Parent).**

- d) The Independent Auditor's Report dt.16th June, 2020 of Bhilwara Jaipur Toll Road Pvt. Ltd., an associate company of the Parent, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following Basis of Qualified Opinion appears:


"1. We draw attention to note no. 39 (a) in the financial statements, the company has terminated concession agreement w.e.f. 03.10.2018 and afterward no revenue and expenses are booked in relation to concession agreement, which indicates material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and possible effect cannot be estimated. Our opinion is modified and we qualify the financial statements in this regard.

We draw your attention to note no.39 (b) of financial statements that the company has incurred a Profit of Rs.4.18 Lacs subject to non-provision of interest in current year and subject to note no. 41 which mentioned that company did not book any expenses or income on or after 3rd October, 2018 as company filed termination of concession agreement. Company is regularly incurring losses which are accumulated till 31.03.2020 amounting to Rs.4,547.45 Lacs which eroded more than 40% capital invested by company. Further as of date your attention is invited to point no. 39(c) of financial statements, company's current liabilities exceeded its current assets by Rs.11,417.75 Lacs, which indicates material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. And possible effect cannot be estimated. Our opinion is modified and we qualify the financial statements in this regard.



		<p>3. It has been observed that the provision of interest on inter corporate deposit has not been provided in the books of accounts company, Since the Matter is pending under arbitration therefore the provision was not made till the final award of arbitration."</p> <p>e) The Independent Auditor's Report dt.25th June, 2020 of Gurha Thermal Power Company Ltd., a joint venture company of the Parent, as submitted by its statutory auditors in respect of the year ended 31st March, 2020, the following Basis for Disclaimer of Opinion appears:</p> <p>"We draw attention to the following matter in the Notes to the financial statements:</p> <ol style="list-style-type: none"> Note 20 in the financial statements which indicated that the Company has terminated the Power Purchase Agreement (PPA) with Rajasthan Rajya Vidhyut Prasaran Nigam Ltd (RRVPNL). The company was solely formed for the purpose of Business of Power generation and selling the same to the RRVPNL. As the agreement is terminated by the company and the Company has also filed the claim against the RRVPNL for the recovery of the amount invested by the Company of Rs. 8,94,85,115/- plus interest. The Company has filed petition before the Rajasthan Electricity Regulatory Commission, Jaipur. RERC vide its order dated 09.01.2018 dismissed the petition. The Company challenged the order of RERC, Jaipur by filing appeal before the APTEL (Appellate Tribunal for Electricity), New Delhi. The case is pending for adjudication. Bank Accounts and one Joint Venturer (SPML Infra Limited) statement are not made available and Interest on borrowings is also not provided by the company. So we are unable to comment on financial statements of the company. "
b.	Type of Audit Qualification : (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) : Appeared first time Qualification (d) : Appeared first time Qualification (e) : Appeared first time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	No provision for interest on account of YTM amounting to Rs.5,143.45 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.



	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 and inventories amounting to Rs.6,142.27 lakhs and Rs.1,040.62 lakhs respectively as at 31st March, 2020 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 qualifications.
III.	<p>Signatories :</p> <p>For Maheshwari & Associates Chartered Accountants (FRN : 311008E)</p>   <p>CA. Bijay Murmuria Partner Membership No. 055788</p> <p>Place : Kolkata Date : 18th August, 2020</p>	<p>For SPML Infra Ltd.</p>  <p>Managing Director</p>  <p>Chairperson Audit Committee</p>  <p>Chief Financial Officer</p> 