

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 Standalone Financial Results for the quarter and year ended 31st March, 2020

Rs. in Lakhs

Particulars	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 11)	Unaudited	Unaudited (Refer Note 11)	Audited	Audited
1. Revenue					
a. Revenue from Operations	22,680.86	21,037.24	36,093.98	97,190.26	1,43,336.06
b. Other Income (Refer note 8)	3,086.66	5,485.68	3,107.41	10,118.43	5,989.50
Total Income	25,767.52	26,522.92	39,201.39	1,07,308.69	1,49,325.56
2. Expenses					
a. Materials consumed and other construction expenses	15,848.69	17,985.99	23,560.01	63,684.94	88,966.37
b. Purchase of Traded Goods	-	3,009.72	5,996.45	14,383.76	26,685.49
c. Employee Benefits Expense	1,016.66	974.88	1,122.56	4,219.59	4,877.16
d. Finance Costs	3,360.24	3,904.03	4,094.51	14,655.45	15,252.35
e. Depreciation and Amortization expenses	227.00	109.78	(52.02)	562.13	371.97
f. Other Expenses (Refer note 9)	5,838.35	1,440.90	2,385.94	9,644.53	6,438.48
Total Expenses	26,290.94	27,425.30	37,107.46	1,07,150.40	1,42,591.82
3. Profit/(Loss) before Tax (1-2)	(523.42)	(902.38)	2,093.93	158.29	6,733.74
4. Tax Expense					
a. Current tax	96.04	(118.73)	522.63	259.15	1,539.36
b. Deferred Tax	(710.84)	748.46	287.39	(342.66)	232.55
	(614.80)	629.73	810.02	(83.51)	1,771.91
5. Net Profit/(Loss) after Tax (3-4)	91.38	(1,532.11)	1,283.91	241.80	4,961.83
6. 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	58.89	(6.53)	7.39	77.04	53.50
- Gain/(Loss) on fair value of equity instruments measured at FVOCI	380.97	-	(490.97)	380.97	(490.97)
Total Other Comprehensive Income/(Expense)	439.86	(6.53)	(483.58)	458.01	(437.47)
7. Total Comprehensive Income/(Loss) for the period (5+6)	531.24	(1,538.64)	800.33	699.81	4,524.36
8. Paid-up equity share capital (par value of Rs. 2/- each)	819.45	819.45	819.45	819.45	819.45
9. Other Equity (excluding revaluation reserves)				37,823.86	37,124.05
10. Earnings/(Loss) per equity share (par value of Rs. 2/- each)					
Basic & Diluted (in Rs.)	0.25 *	(4.18) *	3.50 *	0.66	13.54
*(not annualized)					

Dated: 18th August, 2020
Place: Kolkata



For SPML Infra Limited

Subhash Chand Sethi
Chairman
DIN: 00464390

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Standalone 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	9,999.59	10,357.67
(b) Right of Use Assets	252.26	-
(c) Intangible Assets	20.65	20.81
(d) Financial Assets		
- Investments	12,798.86	16,167.29
- Trade Receivables	29,683.34	29,285.77
- Loans	13,200.93	12,678.05
- Other Bank Balances	4,440.34	5,278.52
- Other Financial Assets	363.84	208.26
(e) Deferred Tax Assets	10,566.58	11,098.51
(f) Other Non-Current Assets	29,145.42	26,491.09
	1,10,471.81	1,11,585.97
Current Assets		
(a) Inventories	6,273.73	5,464.14
(b) Financial Assets		
- Trade Receivables	33,912.90	31,687.51
- Cash and Cash Equivalents	1,927.63	747.41
- Other Bank Balances	1,358.97	8,450.85
- Other Financial Assets	1,04,895.44	1,02,172.35
(c) Other Current Assets	10,522.12	12,044.93
	1,58,890.79	1,60,567.19
TOTAL ASSETS	2,69,362.60	2,72,153.16
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	819.45	819.45
(b) Other Equity	37,823.86	37,124.05
Total Equity	38,643.31	37,943.50
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	65,098.36	66,280.09
- 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	12,120.39
- Other Financial Liabilities	6,157.35	5,973.12
(b) Provisions	314.22	438.92
	81,044.97	84,812.52
Current Liabilities		
(a) Financial Liabilities		
- Borrowings	81,473.17	62,802.45
- 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	48,340.09	65,568.99
- Other Financial Liabilities	17,619.00	18,554.86
(b) Other Current Liabilities	1,938.32	2,113.82
(c) Provisions	211.71	163.35
	1,49,674.32	1,49,397.14
TOTAL LIABILITIES	2,30,719.29	2,34,209.66
TOTAL EQUITY AND LIABILITIES	2,69,362.60	2,72,153.16

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

Subhash Chand Sethi

Subhash Chand Sethi

Chairman

DIN: 00464390



Date: 18th August, 2020

Place: Kolkata

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Audited Standalone Statement of Cash flow for the year ended 31st March, 2020

Rs. In Lakhs

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Audited	Audited
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	158.29	6,733.74
Adjustments for:		
Depreciation and Amortisation expenses	562.13	371.97
Interest Expenses	10,461.12	11,446.01
Commission income	(550.90)	(849.15)
Sundry Balances written off	1,755.69	1,320.66
ECL on loans	240.55	-
Impairment of investment in equity shares of subsidiaries and associates	2,193.79	-
ECL on investment in preference shares	368.00	-
Impairment of investment in equity shares of company fair valued through profit and loss	168.96	-
ECL charge/(reversal) on Trade Receivables	(2,118.42)	430.35
Profit on sale of property plant and equipment	1.29	-
profit on sale of Investment	-	(781.54)
Liabilities no longer required written back	(4,692.01)	(60.21)
Interest Income	(2,414.75)	(4,132.99)
Operating Profit before Working Capital changes	6,133.74	14,478.85
Adjustment for:		
Increase in trade payables	(15,283.88)	9,911.34
Increase/(decrease) in provisions	381.68	(547.85)
Increase in other current liabilities	(957.92)	(3,021.95)
Increase in trade receivables	(3,977.40)	2,971.57
Decrease/ (increase) in inventories	(809.59)	(1,517.60)
Increase in loans and advances	257.23	983.15
Increase in other current assets	1,385.98	(7,643.01)
Cash generated/(used) from operations	(12,870.16)	15,614.50
Taxes Paid (net of refunds)	(460.65)	(6,203.82)
Net Cash from Operating Activities	(13,330.81)	9,410.68
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including capital work in progress	(88.81)	(184.52)
Proceeds from sale of PPE	4.60	-
Fixed Deposits encashed / (invested)	6,338.13	(2,830.42)
Sale / (purchase) of non-current investments	-	2,276.76
Loans (given) / repayment received	249.13	(2,058.88)
Interest received	1,322.63	2,309.20
Net Cash generated/(used) in Investing Activities	7,825.68	(487.86)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in Long Term Borrowings	(1,178.46)	(4,768.06)
Net movement in Short Term Borrowings	18,670.72	7,553.45
Interest paid	(10,805.94)	(12,580.21)
Net Cash generated/(used) in Financing Activities	6,686.32	(9,794.82)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,181.19	(872.00)
Cash & Cash Equivalents at the beginning of the year	746.44	1,618.44
Cash & Cash Equivalents at the end of the year	1,927.63	746.44

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



Subhash Chand Sethi
Subhash Chand Sethi
Chairman
DIN No.00464390

Date: 18th August, 2020
Place: Kolkata

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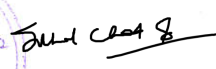
Segment wise Revenue, Results, Assets and Liabilities for the quarter and year ended 31st March,2020

(Rs. in Lakhs)

Sno.	PARTICULARS	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 11)	Unaudited	Unaudited (Refer Note 11)	Audited	Audited
1	Segment revenue (gross)					
	a) Construction	22,680.86	17,967.33	29,929.25	82,424.28	1,16,172.50
	b) Trading	-	3,069.92	6,164.73	14,765.98	27,163.56
	Total Income	22,680.86	21,037.24	36,093.98	97,190.26	1,43,336.06
2	Segment results [Profit / (Loss) before tax and interest]					
	a) Construction	2,836.82	2,941.46	6,102.37	14,431.52	21,508.02
	b) Trading	-	60.19	86.07	382.22	478.07
	Total	2,836.82	3,001.64	6,188.44	14,813.74	21,986.09
	i Finance Costs	(3,360.24)	(3,904.03)	(4,094.51)	(14,655.45)	(15,252.35)
	ii Unallocable expenditure net off unallocable income	-	-	-	-	-
	Total profit/(loss) before taxes	(523.42)	(902.38)	2,093.93	158.29	6,733.74
3	Segment Assets					
	a) Construction	2,55,510.03	2,60,997.27	2,59,299.92	2,55,510.03	2,59,299.92
	b) Trading	13,852.57	14,272.83	12,853.24	13,852.57	12,853.24
	c) Unallocated	-	-	-	-	-
	Total Segment Assets	2,69,362.60	2,75,270.09	2,72,153.16	2,69,362.60	2,72,153.16
4	Segment Liabilities					
	a) Construction	2,15,652.43	2,03,876.88	2,04,444.70	2,15,652.43	2,04,444.69
	b) Trading	15,066.86	33,281.16	29,764.96	15,066.86	29,764.96
	c) Unallocated	-	-	-	-	-
	Total Segment Liabilities	2,30,719.29	2,37,158.05	2,34,209.65	2,30,719.29	2,34,209.65

Dated: 18th August, 2020
Place: Kolkata



For SPML Infra Limited

Subhash Chand Sethi
Chairman
DIN: 00464390



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 18th August, 2020. The statutory auditors of the company have audited the said results for the year ended 31st March, 2020.
2. The outbreak of COVID-19 pandemic has disrupted regular business operations of the Company due to the lock-down restrictions and other emergency measures imposed by the Central and State Governments from time to time, because of interruption in the project activities, supply chain disruption, human resource availability constraints etc. The business operations have recommenced on a lower scale post relaxation of lockdowns as compared to pre-pandemic levels. The management has evaluated the possible impact of known events, upto the date of approval of these 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 Company and, accordingly, the actual impact in the future may be different from those presently estimated. The Company will continue to monitor any material change to the future economic conditions and consequential impact on the financial results.
3. During the current year, the Company has defaulted in payment of dues to its financial creditors. It is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020 . The Company is in the process of formulating a resolution plan with such creditors. Based on the expectation of the implementation of the resolution plan, underlying strength of the Company's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Company, including through monetisation of its assets including arbitration awards, claims etc. which would result in it being able to meet its obligations in due course of time. Accordingly, the Company's Board of Directors considers it appropriate to prepare these financial results on a going concern basis.
4. 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 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. 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.
5. Clients of the Company had foreclosed certain projects/contracts which are presently under arbitration/litigation proceedings. The management, based on the facts of the cases, is confident to recover / realise the trade receivables and inventories as at 31st March, 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.



6. The 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 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.
7. An application for initiation of Corporate Insolvency Resolution Process ('CIRP'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 has been admitted against Luni Power Company Pvt. Ltd. ('Luni'), a subsidiary of the Company, on 23rd December, 2019 by the Hon'ble NCLT, Chandigarh Bench. Consequently, since the said date, the Company is not exercising control or significant influence over Luni so as to treat it as its subsidiary or associate and is carrying its equity investment in Luni at FVTPL as at 31st March, 2020. Accordingly, as a matter of prudence, the Company has impaired its equity investment of Rs. 337.92 lakhs in Luni to the extent of 50% (i.e Rs. 168.96 lacs) during the quarter and year ended 31st March, 2020. Further, the recoverability of the Company's remaining direct exposure in Luni as at 31st March, 2020 (Rs. 168.96 lakhs by way of equity, Rs. 331.64 lakhs by way of loan and Rs. 59.51 lakhs by way of trade receivables) would be assessed on an ongoing basis since the CIRP process is in its initial stages now and the consequent impairment, if any, will be dealt with appropriately in the subsequent financial results.
8. 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, 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	171.69	2118.42
	Total	2679.65	6810.43

9. Other Expenses include 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	Impairment of equity investments in certain subsidiaries and associates	2193.79	2193.79
2	Expected Credit Loss on investment in preference shares of a subsidiary	368.00	368.00
3	Expected Credit Loss on Loans to a subsidiary, a joint venture and certain associates	240.55	240.55
	Total	2802.34	2802.34

10. The Company 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.



11. 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.
12. Previous period's figures have been regrouped /rearranged wherever considered necessary, to make them comparable with those of the current period.

Date : Kolkata
Date : 18th August, 2020

For **SPML Infra Limited**




Subhash Chand Sethi
Chairman
DIN : 00464390





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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, 2020, 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, 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 4 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. 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 11726.69 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.
- b. Note 5 to the Statement, regarding the 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 (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.

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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 6 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 Company.
- (ii) Note 8 to the Statement, regarding write back of Rs. 2,507.96 lakhs and Rs. 4,692.01 lakhs in respect of certain credit balances, during the quarter and year ended 31st March, 2020 respectively.
- (iii) Note 8 to the Statement, regarding ECL reversal (net) of Rs 171.69 lakhs and Rs 2,118.42 lakhs in respect of Trade Receivables, during the quarter and year ended 31st March, 2020 respectively.
- (iv) Note 9 to the Statement, regarding impairment loss and expected credit loss in respect of investments made in and loans provided to certain subsidiaries, associates and a joint venture, by the Company.
- (v) Note 7 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 Company and matters arising therefrom.
- (vi) Note 2 to the Statement, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying Statement as at the balance sheet date, the extent of which is significantly dependent on future developments.
- (vii) Note 3 to the Statement which indicates that the Company has defaulted in payment of dues to financial creditors, it is facing working capital constraints and its borrowal facilities are irregular with certain financial creditors as at 31st March, 2020. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note 3, the Company's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the accompanying Statement.

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,





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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.

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.

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MAHESHWARI & ASSOCIATES

Chartered Accountants

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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 6 (six) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of Rs. 7,828.10 lakhs as at 31st March, 2020, total revenues of Rs. 11,884.46 lakhs and total net profit/(loss) after tax of Rs. (300.51) 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.
- b. We did not audit the financial statements / financial information of 3 (three) joint operations included in the accompanying Statement, whose financial statements / financial information reflect total assets of Rs. 9,245.27 lakhs as at 31st March, 2020, total revenues of Rs. 4,035.71 lakhs and total net profit/(loss) after tax of Rs. (31.99) 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. The Statement includes the standalone 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.

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: 20055788AAAAAH1225

Place: Kolkata

Date: 18th August, 2020

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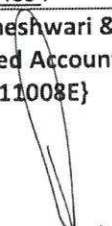
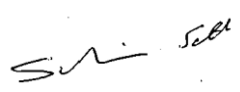



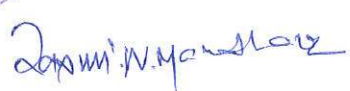
ANNEXURE – 1

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 (See Regulation 33 of the SEBI (LODR) (Amendment) 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	1,07,308.69	1,07,308.69
	2.	Total Expenditure	1,07,150.40	1,12,293.85
	3.	Net Profit/(Loss)	158.29	(4,985.16)
	4.	Earnings Per Share	0.66	(13.37)
	5.	Total Assets	2,69,362.60	2,69,362.60
	6.	Total Liabilities	2,30,719.29	2,35,862.74
	7.	Net Worth	38,643.31	33,449.86
	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 no. 4 to the standalone financial results regarding non-provision of interest on account of YTM amounting to Rs.1,317.99 lakhs 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. Had such interest provision been made, the finance cost would have been increased and profit before tax would have been lower by the aforesaid amounts, for the quarter and year ended 31st March, 2020 respectively. 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. b) Note no. 5 to the standalone financial results regarding the 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 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 Limited Review 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.
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
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 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.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	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 31 st March, 2020 in respect of certain contracts with customers, which are under arbitration. The management, based on the facts of the cases and past precedence is confident to recover / realize the above amounts.
	(ii) If management is unable to estimate the impact, reasons for the same:	Not applicable.
	(iii) Auditors' Comments on (i) or (ii) above:	Included in details of Auditor's qualification stated above.

III.	Signatories :	
	For Maheshwari & Associates Chartered Accountants (FRN : 311008E)	For SPML Infra Ltd.
		
	CA. Bijay Murmuria Partner Membership No. 055788	Managing Director
		
	Place : Kolkata Date : 18th August, 2020	Chairperson Audit Committee
		
		
		Chief Financial Officer