

03<sup>rd</sup> September, 2022

To,  
**National Stock Exchange**  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra (E), Mumbai-400051

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai-400001

**(NSE Scrip Code: SPMLINFRA)**

**(BSE Scrip Code: 500402)**

**Sub: Annual Report and Notice Convening the 41<sup>st</sup> Annual General Meeting of the Company**

Dear Sirs,

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and furtherance to our letter dated 11<sup>th</sup> August, 2022 Company is submitting herewith the Notice convening the 41<sup>st</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Monday, the 26<sup>th</sup> day of September, 2022 at 01:00 P.M. through Video Conference ("VC") / Other Audio-Visual Means ("OAVM") for taking the same on record.

Further as per the requirement of Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the copy of Annual Report is also attached for your record.

The copy of the above Notice and the Annual Report is also available on the website of the Company at [www.spml.co.in](http://www.spml.co.in)

Kindly take the above on record.

Thanking you,

**For SPML Infra Limited**

*Swati Agarwal*

**Swati Agarwal**  
Company Secretary



**SPML INFRA LIMITED**

CIN: L40106DL1981PLC012228

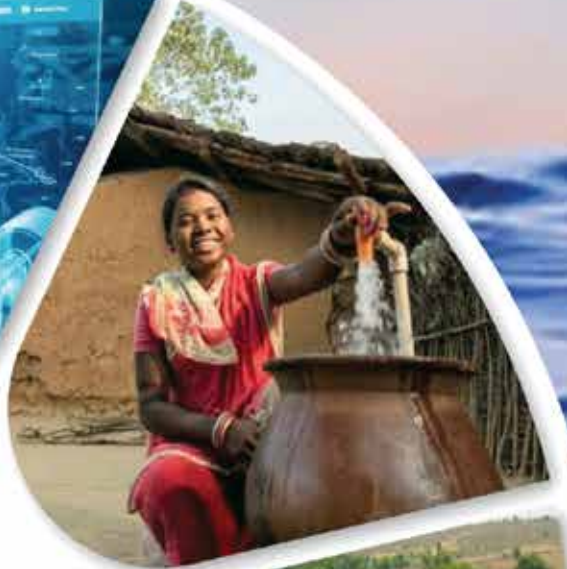
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Regd. Office: F-27/2, Okhla Industrial Area, Phase-II, New Delhi-110020





**Clean Drinking  
Water For All  
Jal Jeevan  
Mission**



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**CHAIRMAN'S MESSAGE**

**SUBHASH SETHI**  
 Chairman  
 SPML Infra Ltd.

*Dear esteemed shareholders,* \_\_\_\_\_

My warm greetings to you all, on the occasion of 75 years of India's independence. This year we are celebrating "Azadi ka Amrit Mahotsav" with a vision of building a new Aatm Nirbhar Bharat.

Indian businesses are gaining steady momentum with increase capital expenditure, capacity building, good demand, and government's push for infrastructure, spending in water and renewable energy and the launch of Gati Shakti scheme to fast paced development. Tier II and tier III cities have become front runners in driving demand across sectors. We are entering an era of inclusive growth with bottom-up transformation.

The Government of India is taking every possible step to achieve rapid economic growth. In the last few years, it has increased the spending on infrastructure projects, making it the growth driver of country's economy. This thrust to infrastructure development is also increasing employment opportunities

and creating demand for goods and services. With strategic planning and suitable policy reforms, government also hopes to make India a manufacturing hub, reducing the cost of logistics and making the produce more competitive. The average time for granting environmental clearances has reduced significantly from an average of more than 150 days in 2019 to less than 90 days, and in some sectors, even within 60 days. These efforts to streamline the tedious process of environmental clearances through digital intervention and transparent mechanism have been well received by the Industry.

This is a year to reset and resolve to move forward from the pandemic disruptions and meet the challenges that 2022 presents. The last two years have been a reckoning of sorts for our ability to confront problems and design and implement solutions. We must be more mindful of the goals we set, the approaches we use to reach them and how the outcomes will affect all people across the nation.

## The Opportunities

For infrastructure development companies and project professionals, this means drawing upon an entire set of capabilities. We need to supercharge our creativity and innovative thinking, adapt to unusual circumstances and find extraordinary solutions and understand the context of our projects for making human life comfortable. By doing so, we can make ideas a reality and solve India's most pressing problems, water sustainability.

I believe that the future isn't something we are waiting for happening. The future is the reality we decide to create and execute with precision and planning. While saying so, my belief system says that every person has a significant impact that they can contribute to a team, to a project and towards nation building regardless of how big or small the role is.

The Hon'ble Prime Minister has made the path breaking announcement of investing INR 100 lakh crore towards infrastructure development under the national infrastructure master plan thus providing an integrated and holistic pathway to Indian economy. We, at SPML Infra are with the Government on this initiative to be a trusted partner in developing robust infrastructure solutions that will make India emerge as a nation with having globally competitive and strong economy.

Water sector having a critical importance for India's development agenda, is the main focus of the government. The ambitious Jal Jeevan Mission schemes which envisage making piped drinking water available to all Indian households by 2024 have been provided with a massive INR 6.47 Lakh crore budget. Water infrastructure is a harbinger of growth for all other sectors and our presence in this sector has further been strengthened that will enable SPML Infra to receive and execute large and complex projects with commitment and dedication.

## Project Implementation

SPML Infra being a project driven organization, everything that we do is a project — whether it's a one-day, 10-day, six-months or year long. We have developed dedicated team of professionals and project managers to make sure that the entire process of project execution from bidding to design and implementation is streamlined, duly supported with technological intervention. At SPML Infra, we are trying to make sure each project that we undertake and execute should create value for the future. If we don't consider the people who are going to be using these solutions, we are going to end up with infrastructure that doesn't fit us, and this is something that we have to focus making it people centric with long term sustainability.

## Technology

Technology has become a major game changer in every walk of life. The pandemic has opened the doors to a lot of things that earlier we didn't think could have been done virtually. From remote work culture to online presence and science based solutions that can produce reliable and positive changes. The technology implementation has been expedited after covid disruptions and SPML Infra has implemented advance

technologies and contemporary solutions to streamline the project planning, execution, monitoring and overall functioning of the organization which is being coordinated and controlled through technology. The modern management system, automation and technological intervention in our projects are helping us to have better control over the challenging situations while adhering to quality, cost and time management.

## Inclusivity

At SPML Infra, we have developed a corporate culture that embraces different perspectives and ideas that will enable creative thinking and adaptability and result in improved business outcomes. The organization that started in 1981 is continually expanding to newer areas and we are getting more representation from women and socially deprived section of the society making an inclusive work culture that goes beyond simple growth to have people around who understand our vision.

## Highlights from the Financial Year

### New Business:

- ✓ SPML Infra received its single largest project order under 'Jal Jeevan Mission' valued at INR 1158 Crore from Govt. of Rajasthan for Isarda Dausa Water Supply Scheme to provide clean drinking water facilities to 25 Lakh people in 1256 villages and 5 towns in Dausa and Sawai Madhopur districts.

### Project Completion:

- ✓ During the year, SPML Infra has completed several projects including water supply scheme under 'Jal Jeevan Mission' in Manipur that was inaugurated by the Hon'ble Chief Minister of Manipur; several power substation projects in Tripura which were inaugurated by the Hon'ble Finance Minister of India and Hon'ble Chief Minister and Dy. Chief Minister of Tripura respectively.
- ✓ We received the Physical Completion Certificate for Sauni 2 project in Gujarat, and Taken Over Certificate (TOC) for several power substation projects including Burdwan, Angul, and Murshidabad.
- ✓ We have financially closed the Pattuvam Project under Kerala Water Authority.
- ✓ We have started 10 years of O&M of water supply project in Dhanassar, Rajasthan after project completion.

### Arbitration Success:

- ✓ Company has received the arbitration award of INR 712 crore in its favour out of which INR 287 crore is already deposited in an escrow account.
- ✓ It has already filed construction claims to the tune of INR 3500 crore and further planning to file another INR 2000 crore claims.

### Digital Initiative & Up-skilling of Human Resources:

- ✓ The company implemented new age HR Portal 'Darwin Box' to digitally collect and communicate all manpower related

matters from 'Hire to Retire'. With the implementation, company has gained significant advantage in minimizing the human interference and streamline the process effectively through digitization.

- ✓ The company has successfully completed the implementation of Wrench System (Phase-I) with Engineering, Procurement, Correspondence, and Construction Management module. It has empowered the company to digitize the process of Concept to Commissioning while digitally storing all important documents for easy access.
- ✓ The company has also implemented 'Vakildesk', legal management software for efficiently managing construction claims and legal matters. It is also helpful in storing all legal documents digitally enhancing better time management practises with courts of law and legal professionals.

#### Other Notable Achievements:

- ✓ SPML Infra has come a long way, completed 40 years in business in August 2021. It is a matter of great pride and joy for this achievement despite the competition and volatile business situation.
- ✓ The international standing of our company has again been ratified by Global Water Intelligence, London with SPML Infra continue to feature amongst the World's Top 50 Private Water Companies, again in 2021.
- ✓ At all India level, SPML Infra has been selected as one of India's Top 100 Real Estate & Infra Companies, listed at No. 15.
- ✓ We have received latest version of ISO Certifications for Quality, Health & Safety and Environmental concerns.
- ✓ In terms of Debt-Restructuring, we have made substantial development and sanction proposals of the major banks (lender) have been forwarded by them to their competent authorities for the final approval.

#### Financial Performance in a Challenging Year

This has been a year of recovery and an indicator of the growth that is waiting to be tapped. In the face of widespread change, the company has shown remarkable resilience and adaptability, coming out stronger after global disruptions from the pandemic.

Financial performance has been on a growth path and for FY22 on a consolidated basis the revenue stood at INR 981.10 crore as against INR 746.62 crore in FY21. The PAT at INR 0.32 crore for FY22 as against loss of INR -117.20 crore in FY21 shows the consolidated performance is strong.

As regards the revenue on standalone basis in FY22 stood at INR 870.09 crore as against INR 658.58 crore in FY21. Net profit for FY22 was INR 9.98 crore as against loss of INR -107.17 crore posted in FY21.

For any infrastructure company it is the order book that always matters. To put the order book in perspective, as on March

2022, SPML Infra has order book worth of INR 2500 crore from the esteemed clients in the state like Rajasthan, Gujarat, Uttar Pradesh etc. including several projects under the most focused scheme - Jal Jeevan Mission. The company is currently executing about 40 projects in water, power, irrigation and sanitation sectors. With the debt issues being taken care for, restructuring expected soon; improvement inflow of order book in the current financial year can be predicted strong.

The Company is quite hopeful that with the support of the Lenders on the ongoing Debt Resolution the Company will be able to achieve the new height of growth on the basis of enormous business opportunity available in the market on the water EPC Sector.

#### Purposeful Commitment

We look at the future with determined enthusiasm. With water sector becoming the harbinger of economic growth and development of other sectors, it offers significant prospect for growth aided by a massive government push for water supply schemes. The Union Budget 2022-23 saw a significant increase in proposed capital expenditure, vindicating the government's sustained focus on developing water infrastructure in the country.

Since inception, we have built trust in SPML as a brand by ensuring consistency in quality and reliability of service to our esteemed clients. This is perhaps the most valuable asset we have created over the past four decades. We pledge to strengthen this trust by not only delivering on our promise of providing innovative and sustainable clean drinking water solutions, but also ensuring that the sector takes the lead in building a stronger and healthier India. The company is well-equipped to meet the expanding demand of water sector. Our guiding philosophy, which encompasses entrepreneurship, technology intervention, sustainability & inclusiveness and empowerment, has readied our company for a future commensurate with India's growth strategy and making water available to all citizens. We, at SPML Infra, are pledged to support the Government in their endeavour of Har Ghar Jal to realize the vision of our Hon'ble Prime Minister and making India, a \$5 trillion economy.

On behalf of the Company, I would like to thank the Directors for their valuable time and contributions to the Board of the Company. I express my gratitude towards all our shareholders, bankers, auditors, suppliers, sub-contractors, associates and all others for their continued trust in us. I thank all our employees for their commitment and engagement towards building a strong, agile and responsible organisation. We will continue to draw inspiration from your support to take on new challenges in our journey to meet our ambitions for the future.

Warm regards,

**Subhash Sethi**  
Chairman

# **STATUTORY REPORTS**

# DIRECTORS' REPORT

## Dear Shareholders,

The Board of Directors of your Company is pleased to submit their 41st Annual Report on the operations and performance of the Company along with the audited financial statements for the year ended 31st March 2022.

## Financial Results:

The brief summary of the financial performance of the Company for the year under review along with the comparative figures for the previous year is summarized herein below:

₹ In Lakhs

PARTICULARS	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	85,309.69	61,539.17	95,177.28	68,285.34
Other Income	1,699.98	4,319.15	2,933.65	6,377.41
<b>Total Income</b>	<b>87,009.67</b>	<b>65,858.32</b>	<b>98,110.93</b>	<b>74,662.75</b>
Total Expenses	86,123.64	66,497.46	98,303.91	75,771.23
<b>Earnings before Interest, depreciation, tax and amortization (EBIDTA)</b>	<b>4504.31</b>	<b>6,744.37</b>	<b>3,495.82</b>	<b>6,142.55</b>
Less:- Finance Cost	3228.46	6,840.53	3287.74	6,695.13
Less:- Depreciation	389.82	542.98	401.06	555.90
Profit/ (Loss) before tax from continuing operations	886.03	(639.14)	(192.98)	(1,108.48)
<b>Tax Expenses of Continuing Operations</b>				
Less: - Current tax	329.58	-	345.65	5.95
Less: - Deferred Tax	(441.61)	(598.18)	(458.00)	(458.68)
<b>Earning before share of profit/ (loss) of associate and joint venture, with continuing operations</b>	<b>-</b>	<b>-</b>	<b>(80.63)</b>	<b>(655.75)</b>
Share of profit/(loss) of Associates & Joint Ventures	-	-	66.74	(443.48)
Minorities share of profit/(loss)	-	-	(46.08)	(54.98)
Profit/ (Loss) after tax from continuing operations	998.06	(40.96)	32.19	(1,044.25)
Profit/ (Loss) before tax from discontinued operations	-	(10,676.46)	-	(10,676.46)
<b>Tax Expenses of discontinued Operations</b>				
Less: - Current tax	-	-	-	-
Less: - Deferred Tax	-	-	-	-
Profit/ (Loss) after tax from discontinued operations	-	(10,676.46)	-	(10,676.46)
<b>Earning Before Tax (EBT)</b>	<b>885.03</b>	<b>(11,315.60)</b>	<b>(80.16)</b>	<b>(12,173.44)</b>
<b>Tax Expenses</b>				
Less: - Current tax	329.58	-	345.65	5.95
Less: - Deferred Tax	(441.61)	(598.18)	(458.00)	(458.68)
<b>Profit After Tax</b>	<b>998.06</b>	<b>(10,717.42)</b>	<b>32.19</b>	<b>(11,720.71)</b>
Other Comprehensive Income for the Year (Net of Taxes)	(21.19)	(530.21)	(21.20)	(509.22)
Total Comprehensive Income for the year	976.87	(11,247.63)	10.99	(12,229.93)
Earnings per share (in Rs.) - Basic and Diluted (Nominal value Rs.2 Per Share)	2.68	(29.24)	0.09	(31.98)



## Financial Performance

on Standalone basis, the Operating Revenue of your Company for the financial year ended 31st March, 2022 stood at Rs. 85,309.69 Lakh as compared to Rs. 61,539.17 Lakh in the previous year. The Net Profit for the year is Rs. 998.06 Lakh over the previous year Net Loss of Rs. 10,717.42 Lakh.

On Consolidated basis, the Operating Revenue of your Company for the financial year ended 31st March, 2022 stood at Rs. 95,177.28 Lakh as compared to Rs. 68,285.34 Lakh in the previous year. The Consolidated Net Profit in Financial Year 2021-22 is Rs. 32.19 Lakh as compared to Net Loss of Rs. 11,720.71 Lakh in the previous year.

The financials of your Company has affected mainly due to delay in completion of ongoing resolution plan on account of obtaining the approval from all the lenders. However, your Company has taken various cost effective measures including deferment of chairman's remuneration and acceptance of non-executive position of the vice chairman.

## State of Company's Affairs

SPML Infra Ltd. is India's leading Public Listed Infrastructure Development Company with over four decades of experience in the public and private sectors. The Company has executed and commissioned over 650 large and medium infrastructure projects across India and created significant value for the country, thus touching lives of millions of people with provision of drinking water facilities, wastewater treatment, integrated sewerage network, better municipal waste management, power transmission & distribution and lighting up homes. The Company features among the World's Top 50 Private Water Companies and amongst India's 50 Best Real Estate & Infrastructure Companies. The Company operates on engineering, procurement, construction (EPC) segment and as on date, there is no change in the nature of business being undertaken by the Company.

Further, during the year under review Company received its single largest project order under 'Jal Jeevan Mission' valued at INR 1158 Crore from Govt. of Rajasthan for Isarda Dausa Water Supply Scheme to provide clean drinking water facilities to 25 Lac people in 1256 villages and 5 towns in Dausa and Sawai Madhopur districts.

## Achievements

- During the year, SPML Infra has completed several projects including water supply scheme under 'Jal Jeevan Mission' in Manipur that was inaugurated by the Hon'ble Chief Minister of Manipur; several power substation projects in Tripura which were inaugurated by the Hon'ble Finance Minister of India and Hon'ble Chief Minister and Dy. Chief Minister of Tripura respectively.
- Received the Physical Completion Certificate for Sauni 2 project in Gujarat, and Taken Over Certificate (TOC) for several power substation projects including Burdwan, Angul, and Murshidabad.
- Closed the financially Pattuvam Project under Kerala Water Authority.
- Started 10 years of O&M of water supply project in Dhanassar, Rajasthan after project completion.
- Company has received the arbitration award of INR 820 crore including interest upto 31st March 2022, in its favour out of which INR 287 crore is already deposited in the Court and Company account.
- During the year under review construction claims to the tune of INR 3500 crore has been filed and further planning to file another INR 2000 crore claims.

## New Initiative

- The company implemented new age HR Portal 'Darwin Box' to digitally collect and communicate all manpower related matters from 'Hire to Retire'. With the implementation, company has gained significant advantage in minimizing the human interference and streamlines the process effectively through digitization.
- The company has successfully completed the implementation of Wrench System (Phase-I) with Engineering, Procurement, Correspondence, and Construction Management module. It has empowered the company to digitize the process of Concept to Commissioning while digitally storing all important documents for easy access.
- The company has also implemented 'Vakildesk', legal management software for efficiently managing construction claims and legal matters. It is also helpful in storing all legal documents digitally enhancing better time management practises with courts of law and legal professionals.

## Debt Resolution

The operations of your company have suffered in last few years mainly due to general economic slowdown as well as actions and inactions by various Government bodies/authorities, including policy paralysis and various other factors beyond control of the Company or its management. The major clients/customers of your Company are government bodies wherein the monies of the company are stuck since long and for which the claims of the Company are pending.

Considering the financial stress in your Company, the Lenders restructured the debts of the Company in 2017 under the Reserve Bank of India's guidelines. However, the Company could not come out of financial stress and the mismatch in the cash flows was further widened with the non-release of sanctioned working capital credit facilities including Bank Guarantee limits, along with levy of excess margin & charges by some of the Lenders as against the agreed terms of sanction by the Banks. Due to the mismatch in the cash flows, the Company has not been able to service its debts or meet the payment obligations to the Lenders. Hence, the accounts of the Company with the Banks have been classified as sub - standard.

However, your company is in the process of formulating a resolution plan with Lenders which will be taken into their respective Committees for their approval. The Company has obtained the arbitration award of ~ Rs 800 cr including interest and filed claim for ~ Rs 3,500 crore, the recovery of which is sufficient to repay entire loan outstanding loan and the default made by the Company which the Lenders have taken note in the resolution plan.

Considering the above progress in implementation of a sustainable resolution plan together with positive future growth outlook, and expected realisation of various contingent assets in the form of arbitration awards and claims, the management is confident of improving the overall financials of the Company.

### Dividend

No dividend for the year under review has been recommended by the Board in order to conserve the resources for its optimal deployment and therefore all the internal accruals have been redeployed into the business in order to achieve efficient execution of the ongoing projects of the Company

### Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

### Deposits

Your Company has not accepted any Deposit from the Public in terms of the provisions of Section 73 of the Companies Act, 2013 read along with the Companies (Acceptance of Deposits) Rules, 2014 including any amendment thereto and as such there is no amount of principal or interest was outstanding as on 31st March 2022.

### Share Capital

During the year under review Company has converted part of an existing loan of the Promoter/Promoter group into Equity Shares and 0% Compulsorily Convertible preferential Shares (CCPS) on preferential basis.

The Company has allotted 2,775,000 Equity Shares of Rs. 2/- each fully paid-up at an issue price of Rs. 50/- each (including a premium of Rs.48/- each) aggregating to Rs. 1,387.50 Lakh. Company further allotted 3,404,930 0% Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 100/- each at par aggregating to Rs. 3,404.93 Lakh. Each CCPS shall be converted into 2 Equity Shares of face value of Rs. 2/- each at the conversion price of Rs. 50/- including premium of Rs. 48/- per share in one or more tranches.

Further, Company also increased the Authorised Preference Share Capital of the Company from Rs. 100,000,000/- (Rupees Ten Crores Only) divided into 10,00,000 (Ten Lakh) preference shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 750,000,000/- (Rupees Seventy Five Crores Only) divided into 75,00,000 (Seventy Five Lakh) preference shares of Rs. 100/- (Rupees One Hundred Only) each by creation of additional 65,00,000 (Sixty Five Lakh) preference shares of Rs. 100/- (Rupees One Hundred Only) each.

Accordingly, the Authorised Capital of the Company is Rs. 1,150,000,000/- (Rupees One Hundred and Fifteen Crore only) divided into 200,000,000 - Equity Shares of Rs. 2/- each and 7,500,000 Preference Shares of Rs. 100/- each.

As on 31st March, 2022, the revised Equity Share Capital of the Company is Rs. 788.50 Lakh divided into 39,425,276 Equity Shares of Rs. 2/- each and Preference Share Capital of the Company is 3,404.93 Lakh divided into 3,404,930 0% Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each.

### Subsidiary Companies/ Joint venture Companies / Associate Companies

As on 31st March 2022, the Company had 10 direct and indirect Subsidiaries including 3 Wholly Owned Subsidiaries, 5 Joint Ventures (JVs), 9 Joint Control Operations (JCOs) and 7 Associates. M/s Sanmati Infra Developers (P) Ltd. has been converted from Associates to Subsidiary and M/s Pondicherry Special Economic Zone Company Ltd. has been inserted as Subsidiary during the year under review.

Further, M/s Subhash Kabini Power Corporation Ltd (SKPCL); M/s Awa Power Company Pvt. Ltd., M/s Iqu Power Company Pvt. Ltd and M/s Neogal Power Company Pvt. Ltd. ceased to be an Associate of the Company due to dilution in their Shareholding w.e.f 25th March, 2022. The aforesaid Companies requested SPML for further investment to mitigate their working capital and other financial requirements. However, as your Company is under financial stress for last few years and the cash flows are tight and the Company has approached its Lenders for restructuring the debts of the Company, which is yet to be implemented, and accordingly the Board of Directors at their meeting held on 12th August, 2021 has allowed the aforesaid Companies to raise funds from other sources, including fresh equity infusion from either your existing shareholders and/ or any new strategic / financial investor. Accordingly, the Shareholding of your Company in SKPCL diluted and aforesaid Companies ceased to be an Associate of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read along with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the performance and financial position of each of the Subsidiaries/ Associates/ Joint Ventures in the prescribed Form AOC-1 has been prepared and is forming the part of the Financial Statements of the Company.

In compliance with the provisions of Section 136 of the Companies Act 2013, a copy of the Financial Statement consisting of the Standalone as well as the Consolidated, along with all relevant Annexures, Auditors Report, Directors Report are available on the website of the Company and will also be available for in electronic mode during working hours till the Annual General Meeting of the Company.

The Policy for determining the "Material Subsidiaries" in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, may be accessed on the Company's website at [www.spml.co.in](http://www.spml.co.in).

## Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 (6) of the Companies Act 2013 & the Rules framed thereunder and the applicable provisions of the Articles of Association of the Company Mr. Sushil Kumar Sethi (DIN No.:0062927), Whole Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the year under review Mr. Sushil Kumar Sethi resigned from the post of Managing Director owing to his age, health and his responsibility towards the society and family. However, he expressed his desire to continue as a Non-Executive Director of the Company. Accordingly, Board at its meeting held on 06th April, 2021 re-designated Mr. Sushil Kumar Sethi from Managing Director to Non-Executive Director and Vice Chairman of the Company.

To comply with the provision of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of your Company on the recommendation of Nomination and Remuneration Committee appointed Mr. Tirudaimarudhur Srivastan Sivashankar and Mr. Charan Singh as an Additional Independent Director of the Company w.e.f 08th June, 2021 and 07th July, 2021 respectively for a term of 5 consecutive years on which Shareholder accorded their approval at the Annual General Meeting held on 29th September, 2021.

Further, Mr. Dinesh Kumar Goyal Independent Director of the Company resigns from the Company w.e.f. 01st July, 2021 due to his pre-occupation. The Board records their sincere appreciation for the service rendered by Mr. Goyal during his tenure in the Company.

Further, all the Directors seeking re-appointment in the ensuing Annual General Meeting have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief details of all the aforesaid Directors seeking re-appointment at the ensuing Annual General Meeting is furnished in the explanatory statement to the notice calling the Annual General Meeting.

As on 31st March, 2022 Mr. Subhash Chand Sethi Whole-time Director, Mr. Manoj Digga, CFO and Mrs. Swati Agarwal, Company Secretary continue to be the Key Managerial Personnel (KMP) of the Company in accordance with the provisions of Section(s) 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Board Diversity

Your Company understands and believes that a well diverse Board enhances the quality of decisions by utilizing different skills, qualifications, professional experience, ethnicity and other distinguished quality of the individual Board members. Company believes that Board diversification is necessary

for effective corporate governance, driving business results, sustainable and balanced development and to monitor the effectiveness of the company's practices. In order to achieve the aforesaid your Board has well experienced and expertise combination of industry knowledge which is in the best interest of the Company.

Pursuant to the Regulation 19(4) & 20(4) and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of the Company has adopted a Policy on diversity of Board of Directors. The said policy is available on the website of the company at [www.spml.co.in](http://www.spml.co.in).

## Board Evaluation

In terms of the Regulation 19(4) & 20(4) and Part D of Schedule II of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and as per Companies Act, 2013 the Board is required evaluate its own performance along with the performance of the Committee and the individual director. The Board Evaluation Framework is conducted annually for all the Board Members on various factors viz Relationship with Stakeholders, Company's performance, decision making, information flow etc. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on rating.

## Familiarization Program for Independent Directors

In Compliance with Regulation 25(7) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the company has put in place the familiarization program for the Independent directors to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, roles rights and their responsibilities and any other relevant matters if any through various programs. The Policy on Familiarization programs for independent directors adopted by the Board is also available on the company's website at [www.spml.co.in](http://www.spml.co.in).

## Meeting of the Board of Directors

During the year under review, the Board met ten (10) times, the details of the Meetings of the Board held during the financial year 2021-22 are given under the section Corporate Governance Report which forms the part of this report.

## Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and as in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the separate meeting of the Independent Directors of the Company has been convened on 29th March, 2022 to review the matters as laid down in the aforesaid Schedule and Regulations.

## Declaration by Independent Director

In terms of Section 149(7) of the Companies Act, 2013, your Company has received the requisite declaration from each of

the Independent Directors of the Company specifying that he/she meets the criteria as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing of Obligations and Disclosure Requirements) Regulations, 2015.

### Directors Responsibility Statements

In terms of the provision of Section 134(5) of the Companies Act, 2013, your Directors hereby confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

### Extract of the Annual Return

In accordance with Section 92 (3) of the Companies Act, 2013 read along with Rule 12 (1) of the Company (Management & Administration) Rules, 2014 including any amendment thereto, an extract of the Annual Return in the prescribed format for the Financial Year ended 31st March, 2022 is available on the website of the Company at <https://www.spml.co.in/Investors/CorporateAnnouncements>

### Statutory Auditors and their Report

At the Annual General Meeting held on 29th September, 2017, M/s Maheshwari & Associates, Chartered Accountants (FRN No. 311008E), Kolkata were appointed as Statutory Auditor of the Company for a term of five years to hold office from the conclusion of 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the Calendar Year 2022. Maheshwari would be completing its first term of five years at the conclusion of the ensuing Annual General Meeting.

The Board of Directors, at its meeting held on August 11, 2022, based on the recommendation of the Audit Committee, approved

the re-appointment of M/s Maheshwari & Associates for the second term of five years to hold office from the conclusion of the 41st AGM till the conclusion of the 46th AGM to be held in the year 2027, Subject to the approval of Shareholders in the ensuing Annual General Meeting.

The Auditor's have confirmed that they are not disqualified from continuing as the Auditors of the Company.

The Auditors' Report(s) to the Members of the Company in respect of the Standalone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2022 are self-explanatory and the qualification or observations of the Auditors have been suitably addressed in Note No. 16.8 and 42 to 43 of the notes forming part of the standalone financials and Note No 17.11 and 42 to 43 of the notes forming part of the consolidated financials and therefore do not call for any further comments.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of your company had appointed Mr. Tumul Maheshwari Proprietor of M/s MT & Co., (erstwhile PTM & Co.,) Company Secretary in Practice as Secretarial Auditor to conduct the secretarial audit for the financial year ended on 31st March, 2022.

The Secretarial Audit Report for the Financial Year ended 31st March, 2022 in Form MR-3 is annexed to the Directors Report - Annexure - 1 and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report. However, there are

### Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Rules, 2014 the Company is required to get its cost record audited by a cost accountants in whole time practice. In this regard the Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Deepak Mittal & Co., Cost Accountants as the Cost Auditor of the Company for Financial Year 2022-23.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Board shall be ratified by the Members. Accordingly, requisite resolution seeking ratification of remuneration payable to the Cost Auditors for the Financial Year 2022-23 is forming part of the notice convening the ensuing Annual General Meeting.

### Related Parties Transactions

As a part of its philosophy of adhering to the highest ethical standards, transparency and accountability, your Company has historically adopted the practice of undertaking related party transaction in ordinary course of business and on arm's length basis. In line with the Companies Act, 2013 and Listing

Regulations, the Board has approved the policy on related party transaction and the same is placed on the website of the Company.

All the related party transactions are placed on quarterly basis before the Audit Committee and Board for their approval. Prior Omnibus approval also obtained from the Audit Committee and Board for the transactions which are repetitive in nature and entered in the ordinary course of business and at arm's length basis.

During the year under review, Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. Also, there were no material related party contracts entered into by the Company. However, the nil disclosure of related party transactions as required in Form AOC-2 is form part of this report and annexed as Annexure-2.

### Corporate Social Responsibility

During the year under review the Company has reconstituted the Corporate Social Responsibility Committee comprising of Mr. Sushil Kumar Sethi, Non-Executive Director as the Chairman of the Committee, Mr. Prem Singh Rana Independent Director and Mr. Charan Singh Independent Director of the Company as the Member of the Committee. The CSR Policy framework is available on Company's website at [www.spml.co.in](http://www.spml.co.in).

The Company has negative average net profit of three immediately preceding financial year as per the provision for calculation of CSR, therefore the Company was not required to spend any amount towards corporate social responsibility during the financial year 2021-22.

The Annual Report on CSR containing particulars specified in Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as Annexure – 3 to this report.

Further, during the year under review your Company has observed that the CSR amount of Rs. 88.80 Lakh for the Financial Year 2020-21 was inadvertently calculated. The actual amount was required to be spend by the Company in the financial year 2020-21 was Rs. 6.16 lakh which was wrongly calculated as Rs. 88.80 lakh.. However, your Company needs to spend Rs 210.71 Lakh out of the CSR due for the previous financial years which was not able to make because of the default made by the Company with the Lenders due to financial constrain beyond the control of the Company. However, Company shall explore the opportunity to spend during the current financial year.

### Committee of the Board

Your Company has the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Finance Committee, CSR Committee and Banking & Finance Committee. The details pertaining to such Committees are provided in the Corporate Governance Report, forming part of this report.

### Internal Financial Control Systems and their Adequacy

The Board of your Company has laid down internal financial Controls to be followed by the Company and that such controls are adequate and operating effectively. Such Systems are inherent in the Company and are working effectively and efficiently. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosure.

### Vigil Mechanism

In line with the requirement under Section 177(9) & (10) of the Companies Act, 2013, read with the Companies (Meeting of the Board and its Powers) Rules 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has adopted a Whistle Blower Policy establishing Vigil Mechanism, to provide a formal mechanism to the directors and employees to report any fraudulent financial or other information any unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available at Company's website at [www.spml.co.in](http://www.spml.co.in).

### Risk Management

The Board of your Company has framed a policy on Risk Management which provides for identification, assessment and control of risks that in the opinion of the Board may threaten the existence of the Company. The Management review, monitors, identifies and controls risks through a properly defined framework in terms of the Risk Management Policy.

### Particulars of Investments, Loans, Guarantees given or Securities Provided

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Securities and exchange Board of India (Listing Obligations and disclosures Requirements) Regulations, 2015, disclosure on particulars relating to Investments, Loans, Guarantees and Securities are forming part of the Annual Report.

The Company has made the necessary impairment of Investment and Loan given to various Companies based on the need and requirement of the Indian Accounting Standard (IND AS)

### Policy on Director's Appointment and Remuneration

The policy of the Company on Director's Appointment and Remuneration including qualification, positive attributes and independence of a Directors, Key Managerial Personnel, Senior

Management Personnel and their remuneration and other matters as required under Section 178(3) of the Companies Act, 2013 is available on our website at [www.spml.co.in](http://www.spml.co.in)

We further affirm that the remuneration paid to the directors is as per the terms laid down in the Nomination and Remuneration Policy.

### Material Changes and Commitments

During the year under review there have been no other material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year of the Company as on 31st March 2022 and the date of this report.

### Significant and Material Orders impacting Operations of Company in Future

There are no significant or material orders that have been passed by any Regulators/Court or Tribunals impacting the going concern status and future operations of your company.

### Investor Education and Protection Fund (IEPF)

Pursuant to Provisions of Section 124 of the Companies Act 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all unpaid or unclaimed dividends, which remains unpaid or unclaimed for a period of seven years are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Central Government.

Further, the Company is also required to transfer all the shares in respect of which dividend has not been paid or claimed for Seven (7) consecutive years or more to the Demat Account created by the IEPF Authority. However, in case if any dividend is paid or claimed for any year during the said period of Seven (7) consecutive years, the shares in respect of which dividend is paid so paid or claimed shall not be transferred to demat account of IEPF.

In compliance with the aforesaid provisions the Company has transferred the unclaimed and unpaid dividends and corresponding shares to IEPF. The details of the unclaimed / unpaid dividend during the last seven (7) years and also the details of the unclaimed shares transferred to IEPF are available on the website of the Company at [www.spml.co.in](http://www.spml.co.in)

### Secretarial Standards

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder either to the Company or to the Central Government.

## Management Discussion and Analysis

In terms of the Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Report on Management Discussion and Analysis forms part of the Annual Report.

### Corporate Governance Report

Pursuant to Listing Regulations and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' has incorporated in the Annual Report.

A certificate from the auditors of the company regarding compliance with the conditions of Corporate Governance also forms part of the Annual Report.

### Employees Relations

During the year under review the relations with the employees has been cordial. Your directors place on record their sincere appreciation for services rendered by the employees of the Company.

### Protection of Women at Workplace

SPML strives to provide a safe working environment to woman employees to avoid any gender discrimination. Therefore, the Company has formulated a Policy on Prevention of Sexual Harassment at work place in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at work place. Pursuant to the said act the Company has constituted the Internal Complaint Committee for Prevention of Sexual Harassment (ICC) of all women employees whether they are permanent, temporary or contractual. The said policy also covered the women service provider or women who visit any office premises of the Company. In order to raise awareness among the employees the aforesaid policy has been widely circulated to all the employees of the Company.

During the year under review, no case of sexual harassment was reported.

### Particulars of Employees

Disclosures required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Statement containing the name of top ten employee of the Company in terms of the receipt of the remuneration of Rs.102 lakhs if employed throughout the year and receipt of Rs. 8.50 lakhs if employed for a part of the financial year in terms of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure- 4 to this report.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo Conservation of Energy**

The Particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rule, 2014 pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo conservation of energy are attached as Annexure – 5 and form part of this report.

**One Time Settlement**

During the year under review, the Company has entered into one time settlement with Yes bank Ltd. and settled their dues as full and final and all the shares as pledged under Yes Bank has been released. The aforesaid Bank is no longer under the Consortium of Lenders.

Further, as on the date of this report Company also entered into One Time Settlement with IFCI Ltd primarily through the sale proceeds of the property exclusively charged to them. Company has no outstanding with IFCI Ltd. as on the date of the report.

**Insolvency and Bankruptcy Code, 2016**

Company has not made any application or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

**Acknowledgement**

Your Directors take this opportunity to thank and express their sincere appreciation for the valuable cooperation and support received from the Company's Bankers, Financial Institutions, Central and State Government Authorities, Joint Venture Partners, Clients, Consultants, Suppliers, Shareholders, employees and other stakeholders of the Company.

Further, the director value the contribution made by every member of the SPML family.

**On behalf of the Board**

Place: Kolkata  
Date: 11th August, 2022

Subhash Chand Sethi  
Chairman

**ANNEXURE - 1****Form No. MR-3  
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**SPML Infra Limited,**  
F-27/2, Okhla Industrial Area Phase-II,  
New Delhi-110020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPML Infra Limited**, (CIN No. L40106DL1981PLC012228) (hereinafter called the Company). I have not done audit of financial statements of the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March 2022, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: N.A.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; NA and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: NA

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI Listing Regulations (LODR), 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned above subject to the below stated observation:

1. The National Stock Exchange has imposed a penalty on the Company for non-compliance of the provisions of Regulation 17(1) of SEBI Listing Regulations (LODR), 2015 for non-composition of Board having minimum 6 Directors during the financial year and Company has prayed to the exchange for waiver of penalty.
2. The Company has not spent the amount as per the requirement of Section 135 of the Companies Act, 2013.



3. The Company has applied for 'in-principle' approval to the recognized Stock Exchanges for the issue of new securities by way of conversion of existing unsecured loan to the Promoter entities, but the same is pending for the approval.

**I further report that**

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act as required under the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed note on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the year under report, the Company has not undertaken any corporate event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For MT & Co.**  
Company Secretaries

**(Tumul Maheshwari)**

Proprietor

ACS No. 16464

C.P. No. 5554

PR - 1749/2022

Place: Delhi

Date: 11th August, 2022

UDIN No. A016464D000769931

**This report is to be read with Annexure-A which forms an integral part of this report.**

**ANNEXURE-A**

To,  
The Members,  
**SPML Infra Limited,**  
F-27/2, Okhla Industrial Area Phase-II,  
New Delhi-110020

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For MT & Co.**  
Company Secretaries

**(Tumul Maheshwari)**

Proprietor

ACS No. 16464

C.P. No. 5554

PR - 1749/2022

Place: Delhi

Date: 11th August, 2022

UDIN No. A016464D000769931

**ANNEXURE - 2****Form No. AOC-2****Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

**a. Name(s) of the related party and nature of relationship:** Company has not entered into any Material Related Party Transaction

**b. Nature of contracts / arrangements / transactions:** Not Applicable

**c. Duration of the contracts / arrangements / transactions:** Not Applicable.

**d. Salient terms of the contracts or arrangements or transactions including the value, if any:** Not Applicable

**e. Date(s) of approval by the Board, if any:** Not Applicable

**f. Amount paid as advances, if any:** Nil

On behalf of the Board

Place: Kolkata  
Date: 11th August, 2022

**Subhash Chand Sethi**  
Chairman

**ANNEXURE - 3****Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22  
(Pursuant to Section 135 of the Companies Act, 2013)****1. Brief outline on CSR Policy of the Company**

At SPML, Corporate Social responsibility (CSR) has been the cornerstone of success right from its inception. We are committed to operate and grow in a socially responsible way. With safety, health and environment protection high on its corporate agenda, SPML is committed to conducting business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of the quality of life of its employees, clients and the community.

SPML respects human rights, value its employees, and invests in innovative technologies and solutions for sustainable water and energy solutions for economic growth of the country.

**2. Composition of CSR Committee**

The CSR Committee of the Company comprises of the following Directors:

Sr. No.	Name of the Director	Designation	Date of Appointment	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sushil Kumar Sethi	Non-Executive Director	07.07.2021	1	1
2	Mr. Prem Singh Rana	Independent Director	28.05.2014	1	1
3	Mr. Charan Singh	Independent Director	07.07.2021	1	1

**3. Web links where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are**

- The web link for the composition of CSR Committee: <https://www.spml.co.in/Investors/BoardOfDirectors>
- The web link for the CSR Policy: <https://www.spml.co.in/Download/Policies/corporate-social-responsibility-policy.pdf>

**4. Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable****5. Details of amount available for set off in pursuance of sub rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if any: Not Applicable****6. Average Net Profit of the Company as per Section 135(5): ₹ (11,925.65) Lakh****7. a. Two percent of average net profit of the Company as per Section 135(5): Nil**

**b. Surplus arising out of the CSR projects or programmes or activities of the previous financial year: Nil**

**c. Amount required to be set off for the financial year: Nil**

**d. Total CSR obligation for the financial year (7a+7b7c): Nil**

**8. a. CSR amount spent or unspent for the financial year:**

Total amount unspent for the financial year (₹ In lakh)	Amount Unspent				
	Total amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
210.71	-	-	-	-	-

\*Aforesaid amount is related to previous financial years.

**b. Details of CSR amount spent against ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local area (Yes/No)	Location of the Project	Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account as per Section 135(6)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing agency
				State District						Name CSR Registration No.
-	-	-	-	-	-	-	-	-	-	-

**c. Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local area (Yes/No)	Location of the Project	Amount allocated for the project (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing agency
				State District			Name CSR Registration No.
-	-	-	-	-	-	-	-

**d. Amount Spent in Administrative Overheads:** Nil**e. Amount spent on Impact Assessment, if applicable:** N.A.**f. Total amount spent for the Financial Year (8b+8c+8d+8e):** Nil**g. Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. a. Details of Unspent CSR amount for the preceding three financial year:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Lakh)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	-	-	-	-	-	45.93
2.	2019-20	-	-	-	-	-	80.96
3.	2020-21	-	-	-	-	-	6.16
<b>Total</b>							<b>133.05</b>

b. Details of Unspent CSR amount for the preceding three financial year:

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project Duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
-	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset Wise Details): Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

During the F.Y. Company is not required to spend towards CSR. However, outstanding for the previous years also could not be spend because of the default made by the Company with the Lenders on account of financial constraint beyond the control of the Company. However, Company shall explore the opportunity to spend during the current financial year.

**Sushil Kumar Sethi**  
Chairman - CSR Committee

**Manoj Digga**  
CFO

**ANNEXURE - 4****A. Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1. Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:**

Median remuneration of all employees of the Company for Financial Year 2021-22	5,39,866
The percentage increase in median remuneration of employees in the Financial Year	28%
The number of permanent employees on the rolls of Company as on 31st March, 2022	299

**2. The percentage of increase in the remuneration of each Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year:**

Name of Director	Remuneration for financial Year 2021-22	Remuneration for financial Year 2020-21	% increase in remuneration in the Financial Year 2021-22	Ratio of Remuneration to median remuneration of all employees
<b>Independent Directors</b>				
Mr. Prem Singh Rana <sup>1</sup>	-	-	-	-
Mr. Charan Singh <sup>1*</sup>	-	-	-	-
Mr. Tirudaimarudhur Srivastan Sivashankar <sup>1*</sup>	-	-	-	-
Mrs. Pavitra Joshi Singh <sup>1</sup>	-	-	-	-
<b>Non-Executive Directors</b>				
Mr. Sushil Kumar Sethi <sup>2</sup>	-	82.78	-	-
<b>Executive Directors/KMP</b>				
Mr. Subhash Chand Sethi	100.39	82.78	21.36	-
Mr. Manoj Digga	85.86	58.88	-	-
Mrs. Swati Agarwal	7.79	2.90	-	-
Mr. Laxmi Narayan Mandhana	-	18.68	-	-

<sup>1\*</sup>Mr. TirudaimarudhurSrivastanSivashankar and Mr. Charan Singh appointed in the Company w.e.f 08th June, 2021 & 07th July, 2021 respectively

<sup>1</sup> Except sitting fees there was no remuneration or commission was paid to Independent directors

<sup>2</sup> No sitting fees or remuneration or commission was paid to Non-Executive Directors

**3. During the financial year 2021-22 the median remuneration has not increased for the employees. The total remuneration of the KMPs for the financial year 2021-22 was Rs. 194.04 lakh as against Rs. 246.02 lakh in the previous year.****4. Remuneration is as per the remuneration policy of the Company.**

**B. Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**1. Names of top ten employees in terms of remuneration drawn during the Financial Year 2021-22**

Sl No	Name	Designation	Remuneration in Lakhs	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment
1	Abhinandan Sethi	Chief Operating Officer	105.12	BBA	10	10-09-2020	33	SPML Infra Ltd
2.	Manoj Digga	CFO	95.00	Chartered Accountant	31	01-12-2011	52	Mc Nally Bharat Engineering Co. Ltd
3	Amitava Basu	Executive Vice President	60.00	M Tech - Electrical	30.7	01-08-1995	56	Consolidated Energy Consultant Ltd
4	Malay Chakraborti	Executive Vice President	50.00	DCE	31.6	02-06-1998	52	Batliboi Ltd
5	Sumit Bhattacharya	Chief Human Resources Officer	37.50	MBA	20	03-04-2017	34	JIS Group
6	Satish H	Associate Vice President	33.00	DEE	17	15-03-2021	49	Lawrace Sikutwa & Associates
7	Dwijendra Mukherjee	Vice President	30.30	DCE	34.6	29-03-2017	54	Khetan Financial Services Pvt. Ltd.
8	Partha Roy	Vice President	30.00	LLB	17	07-02-2005	38	Urban Electrical Pvt Ltd
9	Mohammed Ranapurwala	Chief Technology Officer	29.00	DCA	23	28-09-2020	54	Lawrence Sikutwa & Associates Ltd
10	Visveshwaraiiah O	Vice President	28.44	ME	34	18-12-1991	59	Enertek Engineering

**Notes:**

- i. The nature of employment in all cases is contractual
- ii. None of the employee held any equity shares in the Company as cited in Clause (iii) of Rule 5(2)
- iii. Except Mr. Abhinandan Sethi, son of Mr. Subhash Chand Sethi, Chairman & Whole Time Director of the Company none of the employees mentioned above is a relative of any Director or Manager of the Company

**2. None of the employees employed throughout the financial year 2021-22, was in receipt of aggregate remuneration not less than Rupees One Crore and Two Lakh.**

**3. None of the employee, who was employed for a part of the financial year 2021-22 and was in receipt of aggregate remuneration at not less than Rupees Eight lakh and Fifty Thousand per month.**

**On behalf of the Board**

Place: Kolkata  
Date: 11th August, 2022

**Subhash Chand Sethi**  
Chairman

**ANNEXURE - 5****Additional information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rule, 2014.****A. CONSERVATION OF ENERGY****a) Steps taken or impact on conservation of energy**

In Infrastructure industry, most of the equipment are powered by either electrical motor or by fuel oil powered engines. Since most of the work is carried out in remote locations and is subjected to harsh environmental conditions, the rate of depreciation and abnormal wear and tear is very high. The scope of energy efficiency in our industry will be energy conservation through well-planned actions such as quality preventive maintenance, machinery up gradation, modernization and introduction of sophisticated control system.

The Company is using modern fuel efficient machinery, wherever possible, which consumes less time to do a work thereby reducing i) Electric energy & ii) Fuel Oil consumption. The Company has formalized strategies to reduce idle running of machinery, thereby reducing wastage of energy and Fuel Oil consumption.

The company has been able to reduce electrical energy and fuel oil consumption. Though it is not possible to quantify the impact, the measures are expected to result in considerable savings.

**b) Steps taken by the Company for utilizing alternate sources of energy**

The Company is evaluating for the introduction of alternate source of energy.

**c) Capital investment on energy conservation equipment**

The Management of the Company continuously upgrades and/or replaces old machinery with new fuel efficient machinery as and when required.

**B. Technology Absorption**

- i) The Company has adapted state of the art technology, available in the Industry of operation of the Company to derive cost and efficiency benefits.
- ii) Expenditure incurred on Research & Development (R & D)- NIL

**C. During the financial year 2021-22 Company has not earned in Foreign Exchange nor incurred any expenses in Foreign Exchange**

**On behalf of the Board**

Place: Kolkata  
Date: 11th August, 2022

**Subhash Chand Sethi**  
Chairman





## MANAGEMENT DISCUSSION AND ANALYSIS

The past more than two years have been turbulent for global economies in ways many would not have imagined. The pandemic has created an economic and humanitarian havoc across all nations. When things started normalising, the world economy has been challenged again by the fallout of Russia-Ukraine conflict. These unforeseen events have had far-reaching consequences in the form of slowing growth, high commodity prices, rising interest rates and volatile financial markets. It threatens to undermine the economic recovery process that has been hesitantly making its way through the covid pandemic.

Though the Indian economy has waded through these challenges rather well with policy support from the government and the Reserve Bank, there is no denying that the uncertain global environment is posing a strong headwind to domestic growth through various channels. India's economic prospects are also challenged by these geo-political developments through disrupted supply chains and escalated prices of the key industrial inputs that resulted in elevated inflation and financial markets turbulence.

The silver lining is that there is a gradual improvement in domestic demand indicators and some easing of inflation is showing. It is heartening that India is the only economy among

the top ten leading economies in the world which has shown consistent improvement in economic performance during the last four years. India's robustness amidst the testing times of COVID-19 remains intact. The Indian Economy improved from 6th position in 2019 to 4th position in 2020, 3rd in 2021 and 2nd in 2022 among the top ten leading economies.

It is only pertinent though that the consumer sentiment recovers going forward to ensure a sustained rise in consumption demand. In FY22, despite the global and domestic turbulence, India Inc. managed to record healthy growth in sales and profits, but FY23 has further challenges in store. A jump in total expenditure due to high raw material and employee costs is a pain point already, and the slowing global growth, a depreciating rupee and rising interest rates could create further roadblocks.

### Indian Economy

Indian economy stands out yet, compared to most other major economies, India is well placed, with inflation largely under control and demand rising sharply in a post-Covid rebound. Further, our financial sector is now healthier as corporates have largely delivered. Thus, smart policymaking over the past few years—including welcome fiscal prudence by the Finance Minister Mrs. Nirmala Sitharaman during the pandemic—and huge efforts, plus adaptability, by India Inc. have helped set the stage for sustained strong growth.

According to the recent United Nations World Economic Situation and Prospects (WESP) 2022 report, India's economic recovery is on a 'solid path'. The Reserve Bank of India (RBI) has also pegged the economic growth rate at 7.8 per cent for 2022-23, thus adding impetus to the buzz on the economic recovery. This is a far cry from the time the country and the world came to a standstill with the onset of the COVID-19 pandemic, which took deadlier proportions in 2021.



The government needs to be lauded for successfully steering the nation out of the crises and helping it regain its growth momentum. The country's economic recovery has seen several sectors surpassing their pre-pandemic growth curve. The overall job market has also displayed a sharp recovery at 18.4 per cent year on year. In fact, there has been a huge rebound and optimistic recovery patterns across different sectors. Interestingly, hospitality and travel, two of the worst affected sectors during the pandemic and lockdowns, are leading the recovery trend at 48 per cent in March 2022. This is closely followed by the energy sector, which had a 41.5 per cent increase in its headcount, and IT/ ITES services which had a 27 per cent increase in growth. Indian economy is opening to scores of untapped opportunities that the post-pandemic world has to offer.

Going ahead, extracting the innate robustness of its underlying fundamentals and supported by a pragmatic and encouraging policy mix, Indian economy is projected to continue to grow at the fastest rate as compared to other leading economies in the world. As per the IMF estimates of April 2022 WEO, India's real GDP growth rate is expected to be more bullish to be the strongest at 8.2 per cent and merchandise export growth rate for 2022 is projected at 7.0 per cent.

At this juncture, further expansion of trade and industry would be imperative to sustain the growing economic momentum. The encouragement to MSMEs, agricultural and manufacturing sectors to make Indian supply chains more diverse will go a long way in realizing India's economic recovery, further strengthening its economic resilience, and thus allowing for

its even faster adaptation to such unprecedented times. Going forward, there is a greater need for the Indian economy to focus more on long-term growth prospects which would help leverage the ever-evolving geostrategic opportunities.

It is suggested that India calibrate its economic policies in such a way that helps to take advantage of its external economic environment to foster an even stronger internal transformation. Further, even a more pronounced thrust on prioritising innovation would be a vital ingredient to unlock post COVID economic growth. Therefore, further improvement in ease of doing business would help uplift business confidence and pull a larger number of both domestic and foreign investments to the Indian economy.

The post-COVID new normal is absolutely distinctive from the pre-COVID times. The concerted efforts of the central government and the state governments, through harmonization of both monetary and fiscal policy measures, would help address the challenges posed by rising inflationary pressures, thus allowing the Indian economy to further nurture its resilience and hence come out of the compounded effects of pandemic induced structural constraints.

#### Infrastructure Sector Outlook

As the nation is celebrating 75 years of Independence, the Government of India is looking at achieving rapid economic growth of the nation and also at means to have a positive social impact of its policies on the lives of the people. The government, over the last several years, has increased the spending on infrastructure projects. This is also having a positive effect on

other allied sectors. This thrust to infrastructure is increasing employment opportunities and thus triggering demand for goods and services. The government also hopes to make India a manufacturing hub by reducing the cost of logistics and making the produce more competitive.

The Hon'ble Prime Minister launched Gati-Shakti – National Master Plan with the INR 100 trillion for multi-modal connectivity to economic zones in the country. This master plan aims to integrate Infrastructure schemes of different Ministries like Bharatmala, Sagarmala, Inland Waterways, Sea/Land Ports, High Speed Railways, Roads & Highways, Aviation, Power transmission, Renewable Energy etc. and setting up new Economic Zones, Industrial, Agriculture or Pharmaceutical parks.

**“Infrastructure is not just about creating capital assets and generating long-term return on investment. It is not about the numbers, not just about money, but about people. It is about providing them high quality, dependable and sustainable services in equitable manner.”**

– Mr. Narendra Modi,  
Hon'ble Prime Minister of India

A national infrastructure master plan, Gati Shakti plans to envisage a centralized portal to unite the infrastructural initiatives planned and initiated by as many as 16 central ministries and departments. Last mile connectivity is to be prioritized while developing various economic zones and industrial parks and clusters, to make Indian businesses more competitive, with a reduced logistic cost along with the vision of providing Jobs opportunities to aspiring youth of the country.

An integral part of PMs' Aatmanirbhar Bharat vision, the master plan aims to lend more power and speed to projects under the \$1.5-trillion National Infrastructure Pipeline and accelerate the nation's goal of achieving a \$5-trillion economy, especially in wake of the recent economic impacts caused due to the coronavirus pandemic. The efficient infrastructure is the biggest enabler of growth. India with its growing economy is set to become the fastest construction market in the world by 2030. Infrastructure development is the backbone of economic progress and it has a significant contribution in all activities that help in development of a nation.

### Water Sector

Water availability defines economic growth of a nation. The SDG6 Goals calls upon ensuring access to water and sanitation for all by 2030, promulgated by the United Nations. Govt. of India keeping the SDG6 target, is working towards providing clean drinking water facility to all households in the country with dedicated schemes. There has been an increase in the



access to water supply in urban India, from only 48 per cent in 1990 to over 96 per cent in 2021.

The flagship scheme of Jal Jeevan Mission, as on 28th August 2022 has connected an additional 68.5 million rural households with functional water tap connections since its launch in 2019. The JJM progress suggest that the scheme is being implemented on a mission mode and as on August 28, 2022, it has covered all households in 75,051 panchayats spread across 1,57,277 villages of 114 districts in the country with assured tap water supply. The coverage of tap water connection on pan India basis has reached to 100.8 million rural households out of a total of 191.45 million in the country, thus covering 52.67 per cent.

The opportunities in water sector especially from Jal Jeevan Mission for the next few years are very promising. Govt. of India is investing comprehensively into water related projects including urban and rural water supply schemes under JJM (urban & rural), water resource management programs, groundwater augmentation, watershed development, and irrigation projects.

The dedicated schemes like Jal Jeevan Mission (Rural) with Rs.3.6 Lakh Crore budget upto 2024, Jal Jeevan Mission (Urban) with exclusive budget of Rs. 2.87 Lakh Crore for the duration of 2021-2026, Namami Gange programme with Rs. 20,000 Crore are some of the flagship programmes that will continue for a longer period. There are other schemes like Pradhan Mantri Krishi Sinchayee Yojana- Har Khet ko Pani (Rs. 9,050 Crore), Dam Rehabilitation and Improvement Project (DRIP) Phase 2 & 3 (Rs. 10,200 Crore) for the period of 2020 – 2031, National River Linking Project (Rs. 22,495 Crore), Atal Mission for Rejuvenation and Urban Transformation (AMRUT 2.0) with a massive allocation of Rs. 2.99 Lakh Crore for five years upto 2026, National Hydrology Programme with Rs. 3,680 Crore upto year 2024, and Atal Bhujal Yojana with Rs. 6,000 Crore upto year 2025 are other important initiatives that promises a better prospect for water infrastructure development companies, pipe and pump manufacturers and contractors for the next few years.

### Growing Water Market

The growing demand for quality water has changed the water landscape and global water and wastewater treatment market is expected to reach a value of USD 956.48 billion by 2032, at a



CAGR of 5.4 per cent during the forecast period of 2022–2032. The growth of the water and wastewater treatment market is driven by several factors - rapid population growth and urbanization, stringent water treatment regulations, rising need for new water resources, growing emphasis on water quality and public health, and the increasing prevalence of waterborne diseases.

Water sector in India has also evolved and with the new entrant, technology and growing demands, it is going to become one of the largest water markets globally. India water treatment market was valued at USD 2.1 billion in 2021, that is expected to reach USD 4.03 billion by 2029, registering a CAGR of 8.5 per cent during the forecast period of 2022-2029.

As the volume of wastewater is growing every year, so is the wastewater treatment market in India.

Indian wastewater treatment market was valued at USD 3.981 billion in 2020, is expected to grow at a CAGR of 12.92 per cent over the forecast period to reach a market size of USD 9.320 billion by 2027.

The global water and wastewater treatment technologies market is expected to reach USD 128.78 billion, at a CAGR of 5.4 per cent during the forecast period of 2022–2029. The Indian water and wastewater treatment (WWT) technology market is also growing and was valued at USD 2.1 billion in 2021, is projected to register a CAGR of more than 8 per cent during the period of 2022-2027.

The global water and wastewater treatment chemicals market is expected to reach USD 52.01 billion by 2029 at a CAGR of

4.7 per cent from 2022 to 2029. While in India, water and wastewater treatment chemicals market stood at USD 600 million in 2020 and is projected to achieve a healthy growth rate during the forecast period to reach USD 986 million by 2026.

### Business Reforms

Improving India's regulatory framework for business is a key prerequisite for increasing investment in India and thereby creating jobs. The Government of India has already embarked on an ambitious agenda to improve India's Doing Business rank to under 50 in the forthcoming World Bank's Ease of Doing Business Ranking; however, this effort will only address a small subset of the regulatory burden on investors. Doing Business reforms will only address central regulations, and regulations in Mumbai and Delhi; the rest of the country must also improve simultaneously if we are to convert our reforms into fruitful results. It is with this objective that states agreed to a 98-point action plan to suggest potential reforms that should be undertaken to improve the regulatory framework for business nationwide. More importantly, this assessment allows us to generate a wide base of knowledge on how states have been addressing the task of reducing the regulatory burden on business, and identifying a series of good practices already underway in each state.

### Technology Intervention

The government under the leadership of Hon'ble Prime Minister has adopted a strategic approach to strengthen technology with an idea to promote focused consumption and reforms & incentives for private investment to revive the economy. India is

well-positioned to take the advantage of emerging technologies with the world's 3rd largest Startup ecosystem.

Technology being the active segment can help the economy to grow. There is a greater need for increasing the tech intensity in the corporate and local environment by adapting to new advances. Government playing the active role should enforce forward looking digital policies and building trust and confidence in people to use it responsibly.

The COVID-19 pandemic has revolutionized the way we live today. It has forced both the government and the private players to adopt digital technology and upgrade infrastructure. The transformation and growth of digital payments are commendable and interest in digital currency can be one of the fastest tractions of technology that people are adapting to. It will also support the digitization schemes by the government in the long run.

During the pandemic, small and medium businesses, which are considered to be the backbone of the economy, were able to leverage technology to a great extent and were able to speed up, simplify, and automate various everyday tasks. Even retail businesses and consumers leveraged digital technology to trade goods and services online. There was a huge rise in e-commerce's share in the global retail trade in the past two years.

There have been efforts to strengthen the IT Act, 2000 to make it suitable with recent technological advancements, ensure the security of electronic data, and promote the ease of doing business in the country. The adaption of remote working culture led to digital initiatives to ensure minimal impact on routine activities. The time of crisis put forth opportunities for innovation and an inevitable shift from offline to online.

At 14GB per person, data consumption in India is among the highest making data protection and data privacy not only very important but there is also the need for collaboration between industry, government, and other stakeholders for a harmonious data protection regime. India needs a stronger cyber security system and framework for avoiding cyber breaches and heavy financial loss. Government's role to strengthen the cyber security system in the nation for safety of the economy has become more important.

SPML Infra has recognised the importance of advance technologies much earlier and implemented a number of initiatives to help streamline the project planning, execution, monitoring and overall functioning of the organization which is being coordinated and controlled through technology. The modern management system, automation and technological intervention in our large water and power projects is helping us to have better control over the challenging situations and creating a swift remedial system. The next wave of digitization is coming through newer technologies including general ledger technologies like block chain and smart artificial-intelligence (AI) that will revolutionize the construction projects and we are not far away from using these in our projects as the post

pandemic era demands contact less working with lesser human intervention.

### Environment Consciousness

The pandemic has raised awareness of the impact humans have on the environment and the effect environmental degradation has on human well-being and on the world economy. The U.S. and EU have committed to carbon neutrality by 2050; China has pledged to do the same by 2060 and India by 2070. Most renewables are now cheaper than fossil fuels, thanks to investments made over the past decade. And projects have been initiated to remove carbon dioxide from the atmosphere; the AFR100 megaproject in Africa, for example, aims to reforest 247 million acres across 10 countries by 2030.

The environmental pollution is the biggest threat to humanity and has wider economic implications for the country and the world. But at the same time it is a preventable tragedy that can be averted only by the joint effort of individuals and government by devising and implementing necessary policies. Air and water pollution is the man-made potential catastrophe for the ecosystem as well as the health of all living beings. It is the leading cause of critical diseases and deaths across the globe.

Environmental consciousness is among the top priorities of SPML Infra Limited. The Company is closely concerned about environmental issues and with high level of awareness to design, build and operate infrastructure projects in an environmentally responsible manner with sustainability. The Company's commitment of improving human life goes beyond the regulatory compliance as it put conscious efforts of environmental safety and quality while reducing the water footprint and adopting energy efficiency practices. The Company has been certified with ISO 14001:2015 along with other quality, health and safety certificates.



## Opportunities & Outlook

India is one of the fastest growing economies and is entering into an era where infrastructure will be at the core of economic development. The water sector plays a critical role in the growth of Indian economy, and the Government of India's efforts to provide clean drinking tap water to every household in India under the Jal Jeevan Mission is commendable. The target to complete the scheme by 2024 at a steady pace reflects the focus for offering safe water to the public at large.

SPML Infra Limited has in recent times witnessed the push on infrastructure development with objective on better health and economic development with sustainable water supply network across the nation. With consistently reviewing the progress of Jal Jeevan Mission by top authorities including the Hon'ble Prime Minister himself and rapid pace of progress, the Company see a lot of traction in the future order inflows. The Company has been constantly focusing on strengthening its foothold and up scaling its capabilities to undertake opportunities arising in the sector. The Company has also adopted digital technology which will enable daily activity monitoring and bring in efficiencies. These steps will help the Company utilise the resources more efficiently, which, in turn, will lead to margin expansion and healthy financials.

## Risk Management

The Company has in place a robust and effective risk management framework, which identifies and mitigates various operational and business risks. The major risk areas are systematically reviewed by the senior management on a periodic basis. The comprehensive policies and procedures help to identify, mitigate and monitor risks at various levels. By taking such proactive risk management measures, the Company ensures that strategic business objectives are achieved seamlessly.

## Human Resources

The Company considers its employees as one of its biggest assets, thereby, validating the importance of the human capital. The Company undertakes several measures to ensure inclusive growth of its employees that is aligned with the growth of the Company. The human resource division of the Company plays a crucial role in hiring, training, managing and retaining employees to build a strong and talented workforce. The human resource division also focus on helping the employees to reach their full potential and work diligently towards the growth of the

organisation. The Company has implemented new age HR Portal called as 'Darwin Box' to digitally collect and communicate all manpower related matters from 'Hire to Retire'. With the implementation, Company has gained significant advantage in minimizing the human interference and streamline the process effectively through digitization.

The Company has created a level playing field, whereon equal opportunities to all employees are provided. With its belief in creating a people-centric working culture, the Company has aligned several measures to ensure that the employee morale stays boosted, productivity increases, people absenteeism and attrition reduces. The Company's industrial relations continue to be friendly throughout the year by adhering to the best safety standards at manufacturing units. The Company also conducts specific employee training and workshops to drive efficiency and promote safety among the workforce.

## Internal Controls

The Company has in place an adequate system of internal control procedures. It is committed to good corporate governance practices and has well-defined systems and processes covering all the corporate functions and units. The Internal Audit processes ensure all the assets are safeguarded and protected against loss.

Furthermore, all the transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee at the Board level.

## Cautionary Statement

Some of the statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable Laws and Regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in economic conditions affecting demand, supply and price movements in the domestic markets in which your Company operates changes in the Government regulations, Tax Laws and other Statutes or other incidental factors. The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future.

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is based on various principles such as to safeguard integrity in financial reporting, Good composition of Board to maximize the value, to make legal and statutory compliances in letter and spirit. The Company also ensures to evolve and follow the corporate governance diligently not only to enhance larger shareholders value but also to protect right of the minority shareholders.

SPML further believes that the sound corporate governance is critical to create value for all its stakeholders. Few of the Corporate Governance elements of SPML are accountability, fairness, transparency, trust, compliance and responsibility.

## 2. BOARD OF DIRECTORS

### (a) Composition and Category of Directorship / Chairmanship

The composition of the Board of the Company is in accordance with Regulation 17 of the Listing (Obligations and Disclosures Requirements) Regulations, 2015, which maintains a combination of executive and non-executive directors. As on the date of this report, the Board comprises six Directors, including four Independent Directors and one Non-Executive Directors. The details of the Directors as on 31st March 2022 are as follows:

Sl No	Name of the Directors	Category	Other Directorship <sup>1</sup>	Committee Memberships <sup>2</sup>	Committee Chairmanships
1	Mr. Subhash Chand Sethi	Promoter & Executive Director - Whole Time Director, Chairman	10	1	Nil
2	Mr. Sushil Kumar Sethi	Promoter & Non-Executive Director, Vice-Chairman	8	1	Nil
3	Mr. Prem Singh Rana	Non-Executive Independent Director	3	1	2
4	Mr. Charan Singh	Non-Executive Independent Director	Nil	1	Nil
5	Mr. Tirudaimarudhur Srivastan Sivashankar	Non-Executive Independent Director	3	1	1
6	Mrs. Pavitra Joshi Singh	Non-Executive Independent Director	Nil	1	Nil

<sup>1</sup>The other directorship excludes the directorship in foreign companies and membership of managing committees of chambers of commerce/professional bodies.

<sup>2</sup>In accordance with Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public limited companies (including SPML Infra Limited) have been considered. Membership of Committees includes chairmanship, if any.

#### Notes:

- None of the Directors except Mr. Subhash Chand Sethi and Mr. Sushil Kumar Sethi is related to any of the Director.
- During the year, the Company did not have any material pecuniary relationship or transaction with any of the non-executive director's.
- During the year, the Company did not have any material pecuniary relationship or transaction with the Independent Directors other than the payment of fees for attending meetings of the Board and/or its Committee(s).
- None of the non-executive director serves as independent director in more than seven listed companies and none of the Executive or Whole-time Directors serve as independent director in not more than three listed companies.

**(b) Attendance of Directors at the meeting of Board of Directors and the last Annual General Meeting:**

During the year under review the Board of the Company met 10 times on 06th April, 2021, 08th June, 2021, 29th June, 2021, 07th July, 2021, 12th August, 2021, 11th November, 2021, 18th November, 2021, 20th January, 2022, 12th February, 2022 and 07th March, 2022 respectively.

SI No	Name of the Directors	No of board meetings held during the tenure of Directors <sup>1</sup>	No. of Board Meetings attended	Whether attended the last AGM
1	Mr. Subhash Chand Sethi	10	8	No
2	Mr. Sushil Kumar Sethi	10	9	Yes
3	Mr. Prem Singh Rana	10	10	Yes
4	Mr. Charan Singh*	7	7	Yes
5	Mr. Tirudaimarudhur Srivastan Sivashankar*	8	8	Yes
6	Mrs. Pavitra Joshi Singh	10	8	No
7	Mr. Dinesh Kumar Goyal**	3	3	N.A.

<sup>1</sup>Excludes the separate meeting of Independent Directors

\* Mr. Tirudaimarudhur Srivastan Sivashankar and Mr. Charan Singh appointed in the Company w.e.f 08th June, 2021 & 07th July, 2021 respectively.

\*\* Mr. Dinesh Kumar Goyal resigned from the Company w.e.f 01st July, 2021

**(c) Name of the other listed entities where a director is director and the category of directorship:**

SI No	Name of the Director	Name of Other Listed Entities	Category of Directorship
1.	Mr. Sushil Kumar Sethi	SPML India Limited	Non-Executive Director

**(d) Details of equity shares of the Company and convertible instruments, if any, held by non- executive directors:**

SI No	Name of the Directors	Category	Number of equity shares
1	Mr. Prem Singh Rana	Non-Executive & Independent Director	Nil
2	Mr. Charan Singh	Non-Executive & Independent Director	Nil
3	Mr. Tirudaimarudhur Srivastan Sivashankar	Non-Executive & Independent Director	Nil
4	Mrs. Pavitra Joshi Singh	Non-Executive & Independent Director	Nil
5	Mr. Sushil Kumar Sethi	Non-Executive Director	1,334,660

**(e) Familiarisation Programme for Independent Directors:** The Company follows familiarization programme for the Independent Directors as per the requirement of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this program is to provide insights into the Company and make them to understand the business so that they can contribute significantly to the Company. The detail of such familiarization programs framed by the board for its Independent directors can be accessed on the Company's website at [www.spml.co.in](http://www.spml.co.in)

**(f) Details of Skills, Expertise and Competence identified by the Board:** The Board has identified the following core skills and competencies, available with the Board that are essential for effective functioning of the business of the Company:



Areas	Details of Skills, Expertise and Competence	Name of the Directors
Leadership	Having leadership experience, judgment on issues of strategy, performance, risk management, resources and standards of conduct;	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Charan Singh Mr. Tirudaimarudhur Srivastan Sivashankar Mr. Prem Singh Rana
Expertise & Experience	Relevant expertise and experience relating to the business of the Company and project understanding, general management, business development	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Charan Singh Mr. Tirudaimarudhur Srivastan Sivashankar Mrs. Pavitra Joshi
Knowledge	Understands the business of the Company, resulting in knowledge for reviewing the proposed tender, increasing the brand value, achieving agreed goals and objectives and monitor the reporting of performance	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Charan Singh Mr. Tirudaimarudhur Srivastan Sivashankar Mrs. Pavitra Joshi Singh
Financial Skill	Having depth knowledge of financial management, capital allocation, dealing with Banks and supervise the auditor or any other person who deals with financials if required	Mr. Subhash Chand Sethi Mr. Sushil Kumar Sethi Mr. Prem Singh Rana Mr. Charan Singh Mr. Tirudaimarudhur Srivastan Sivashankar

**(g) Confirmation on Independence of the Independent Director:** As per the disclosure received from the Independent Directors and in the opinion of the Board, the Independent Directors fulfill the conditions specified in Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**(h) Reason for resignation of Independent Directors before expiry of their tenure:** Mr. Dinesh Kumar Goyal resigns from the Company w.e.f. 01st July, 2021 due to his pre-occupation. He also confirmed that other than his pre-occupation there is no other reason for his resignation before the expiry of their tenure.

### 3. COMMITTEES OF THE BOARD

As on 31<sup>st</sup> March, 2022, the Board has six Committees for uninterrupted operation of the Company. The committees have been constituted to focus on the specific areas and make decisions with the delegated authorities. All the decisions and recommendation made by the various Committees are to be placed before the Board for their approval or record. The following Committees have been constituted by the Board. The detail of such committees viz Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Finance

Committee, Corporate Social Responsibility Committee and Banking & Finance Committee provided herein below:

#### i) Audit Committee

**Brief description of terms of reference:** Audit Committee has been constituted in conformity with the provisions of Section 177 of the Companies Act, 2013 and rules framed thereunder and in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of the Committee is to overview the Company's financial reporting processes, monitor and provide an effective supervision to ensure accurate and timely disclosures, compliance with legal and statutory requirements, the adequacy of internal control systems, review of related party transaction, functioning of Whistle Blower Mechanism, adequacy of internal audit function etc. within the given time frame.

**Composition, meetings and attendance:** During the year under review six Meetings of the Audit Committee has been held on 06th April, 2021, 29th June, 2021, 12th August, 2021, 11th November, 2021, 20th January, 2022 and 12th February, 2022.

The Composition of the Audit Committee as on March 31, 2022 and details of attendance for the Meetings of the Audit Committee are as under:

SI No	Name of the Director	Category	No of Meetings held	No. of Meetings attended
1	Mr. Prem Singh Rana	Chairman/ Independent Director	6	6
2	Mr. Charan Singh*	Member/ Independent Director	4	4
3	Mr. Tirudaimarudhur Srivastan Sivashankar*	Member/ Independent Director	5	5
4	Mrs. Pavitra Joshi Singh	Member/ Independent Director	6	5
5	Mr. Sushil Kumar Sethi	Member/ Non- Executive Director	5	5
6	Mr. Dinesh Kumar Goyal**	Member/ Independent Director	2	2

\* Mr. Tirudaimarudhur Srivastan Sivashankar and Mr. Charan Singh appointed in the Company w.e.f 08th June, 2021 & 07th July, 2021 respectively.

\*\* Mr. Dinesh Kumar Goyal resigned from the Company w.e.f 01st July, 2021

## ii) Stakeholders' Relationship Committee

The Stakeholder Relationship Committee oversees, review and redress the grievances of shareholders in compliance with the Section 178 of Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is responsible for resolving shareholder's complaint with regard to share transfers, dividend, non-receipt of Annual Report,

Shares Transfer, Duplicate Share Certificates and other queries related to them.

During the year under review 1 Meetings of the Stakeholder Relationship Committee was held on 12th February, 2022.

The composition and the details of the attendance for the Meetings of the Stakeholder Relationship Committee are as under:

SI. No.	Name of the Director	Category / Position	No of Meetings held	No. of Meetings attended
1.	Mr. Tirudaimarudhur Srivastan Sivashankar	Chairperson/Independent Director	1	1
2.	Mrs. Pavitra Joshi Singh	Member/ Independent Director	1	1
3.	Mr. Subhash Chand Sethi	Member/Executive Director	1	1

Mrs. Swati Agarwal, Company Secretary of the Company acts as the Compliance Officer of the Company.

The Company attends to the investors' grievances/correspondence expeditiously, except in the cases that are constrained by disputes or legal impediments.

The status of investors' grievances/correspondence during the year is as under:

- |  |   |   |
|--|---|---|
| (a) No. of Shareholders complaints received during the year                | : | 0 |
| (b) No. of complaints disposed of during the year                          | : | 0 |
| (c) No. of complaints not resolved to the satisfaction of the Shareholders | : | 0 |
| (d) No. of pending complaints as on 31.03.2022                             | : | 0 |

## iii) Nomination and Remuneration Committee:

**Brief description of terms of reference:** The purpose of Nomination and Remuneration Committee is to review the performance of the individuals whether to qualify to be an executive, non-executive and independent Director and to recommend to the Board for the approval of the same. The committee is also responsible to review the compensation programme for the individuals and other senior managerial personnel. In addition to above the committee makes recommendation to the Board the annual base salary, incentive, bonus employment agreement etc. of Executive Directors and other Senior Managerial Personnel. The powers, role and terms of reference of the Nomination & Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013 and Listing Regulations.

The Company Secretary of the Company acts as a Secretary to the Committee.

**Composition and attendance:** During the year under review three meetings of the Nomination and Remuneration Committee were held on 06th April, 2021, 08th June, 2021 and 07th July, 2021.

The following is the Composition of the Committee & the details of the attendance for the Meetings of the Nomination and Remuneration Committee:

SI No	Name of the Director	Category / Position	No of Meetings held	No. of Meetings attended
1	Mrs. Pavitra Joshi Singh	Chairperson /Independent Director	3	3
2	Mr. Prem Singh Rana	Member/Independent Director	3	3
3	Mr. Tirudaimarudhur Srivastan Sivashankar*	Member/Independent Director	1	1
4	Mr. Dinesh Kumar Goyal**	Member/ Independent Director	2	2

\* Mr. Tirudaimarudhur Srivastan Sivashankar appointed in the Company w.e.f 08th June, 2021

\*\* Mr. Dinesh Kumar Goyal resigned from the Company w.e.f 01st July, 2021

#### Performance Evaluation criteria for Independent

**Directors:** In Compliance with provisions of Section 134, 149 and Schedule IV of the Companies Act, 2013 read with Schedule V and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Performance Evaluation of Independent Directors was carried out by the entire Board. The Performance Evaluation is based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee meetings and other relevant parameters such as decision making, independent judgment on issues of strategy, performance, risk management, standards of conduct, safeguard of confidential information, adherence to code of conduct, ethics, integrity.

#### iv) Corporate Social Responsibility ("CSR") Committee.

As on 31st March, 2022 CSR Committees comprises of two independent directors and one non-executive director. Mr. Sushil Kumar Sethi is the Chairman of the Committee whereas Mr. Prem Singh Rana and Mr. Charan Singh are the members of the CSR Committee of the Board of Directors.

The Committee formulates and monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company pursuant to the provision of Companies Act, 2013.

#### v) Banking & Finance Committee

During the year under review "Banking and Finance Committee" has been constituted by the Board to review, consider and approve the banking plan and subsequent modification thereof, to discuss and prepare strategy on various banking approvals, rules and regulations and other matters related to banking and financial matters.

#### Composition and Meetings

The Committee comprises of three Directors namely, Mr. Charan Singh, Independent Director as Chairman of the Committee, Mr. Prem Singh and Mr. Tirudaimarudhur Srivastan Sivashankar, Independent Director of the Company as the Member of the Committee. The Committee meets on requirement basis. The Company Secretary of the Company acted as the secretary to the Committee.

## 4. REMUNERATION OF DIRECTORS

#### Nomination, Remuneration and Performance Evaluation Policy:

SPML's remuneration policy aims at attracting and retaining high caliber talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of each business to attract and retain quality talent and leverage performance significantly. Whole-time Director's Remuneration payment is governed by their terms of appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of Shareholders and the Central Government, if applicable. Independent Directors of the Company are paid sitting fees for attending the meetings of the Board/ Committees subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder. The Nomination and Remuneration Committee recommends and approves the remuneration of Directors and Key Managerial Personnel, subject to approval of board or shareholders, wherever necessary. The Policy on Nomination, remuneration and performance evaluation of Directors, Key Managerial Personnel and other employees of the Company is provided in the website of the Company [www.spml.co.in](http://www.spml.co.in).

**(a) Details of the remuneration for the financial year 2021-22****(i) Executive Directors:**

Name of Director	Salary (₹)	Commission (₹)	Benefits, Perquisites and Allowances (₹)	Term
Mr. Subhash Chand Sethi	93,98,803	-	6,40,000	3 Years w.e.f. 01.01.2020

The above remuneration is excluding the liability towards payment of Personal Accident Insurance Premium and Gratuity.

**(ii) Non-Executive Directors:**

Sl. No	Name of Director	Sitting Fees (₹)
1	Mr. Prem Singh Rana	5,10,000
2	Mr. Charan Singh	3,30,000
3	Mr. Tirudaimarudhur Srivastan Sivashankar	3,80,000
4	Mrs. Pavitra Joshi Singh	4,20,000
5	Mr. Dinesh Kumar Goyal*	1,50,000

\*resigns w.e.f. 01st July, 2022

Further, Mr. Sushil Kumar Sethi, Non-Executive Director is not entitled for any remuneration/sitting fees

**5. GENERAL BODY MEETINGS****a. Location and time of the last three Annual General Meetings held:**

Year	Venue	Date	Time	Special Resolution passed
2020-21	Held through Video Conferencing/ Other Audio Visual Means	29th September, 2021	02:30 PM	1. Shifting of Registered Office of the Company 2. To Disclose the Corrigendum Issued by the Company Pertaining to Extra Ordinary General Meeting held on 25.03.2021 for the Disclosure of Pre and Post Shareholding of Allottees in Case of Conversion of Loan into Equity to Promoters
2019-20	Held through Video Conferencing/ Other Audio Visual Means	17th December, 2020	02:30 PM	1. Special Resolution under Section 149 of the Companies Act, 2013 to re-appoint Mr. Dinesh Kumar Goyal as an Independent Director of the Company.
2018-19	PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	24th September, 2019	03:30 PM	3. Special Resolution under Section 196 & 203 of the Companies Act, 2013 to re-appoint Mr. Suhash Chand Sethi as Chairman & Whole time Director of the Company  1. Special Resolution under Section 149 of the Companies Act, 2013 to re-appoint Mr. Sarthak Behuria as an Independent Director of the Company.  2. Special Resolution under Section 149 of the Companies Act, 2013 to re-appoint Mr. Prem Singh Rana as an Independent Director of the Company.  3. Special Resolution under Section 196 & 203 of the Companies Act, 2013 to re-appoint Mr. Suhash Chand Sethi as Chairman & Whole time Director of the Company  4. Special Resolution under Section 196 & 203 of the Companies Act, 2013 to re-appoint Mr. Sushil Kumar Sethi as Managing Director of the Company.

\*Mr. Tumul Maheshwari, appointed as Company Secretary in whole-time practice, New Delhi was appointed by the Board as the Scrutinizer for e-voting and remote e-voting process during the Annual General Meetings held for 2020-21 and Mr. R. S Bhatia, Company Secretary in whole-time practice, New Delhi was appointed by the Board as the Scrutinizer for e-voting and remote e-voting process at the venue of the Annual General Meetings held for 2018-19 and 2019-20 in a fair and transparent manner. Further,

- b. Location and the time of Extraordinary General Meetings held during the FY 2021-22:** An Extra Ordinary General Meeting of the Company was held on 21st February, 2022 through Video Conferencing/Other Audio Visual Means at 1:00 PM.
- c. Detail of Special Resolution passed during FY 2020-21 through Postal Ballot:** During the FY 2021-22, no Special Resolution was passed through Postal Ballot
- d. Person who conducted the Postal Ballot exercise:** Not Applicable
- e. Whether any Special Resolution is proposed to be conducted through postal ballot:** Shifting of registered office from one State to another which was required to transact through postal ballot which was transacted in the Annual General Meeting of the Company. The same was in accordance with the Companies (Amendment) Act, 2017.
- f. Procedure for Postal Ballot:** Not applicable, as there was no postal ballot carried out during the FY 2021-22.

## 6. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are published in leading newspaper usually Business Standard in English & Hindi editions. The financial results, annual report, notices to the shareholders meetings, results of postal ballots, results of e-voting, news releases, press releases, any presentations made to Institutional Investors or Analysts and other important announcements are sent to the stock exchanges and are also displayed on Company's website at [www.spml.co.in](http://www.spml.co.in).

## 7. GENERAL SHAREHOLDER INFORMATION

### i) Annual General Meeting for FY 2020-21

Date	: 26th September, 2022
Time	: 1.00 PM
Venue	: The Company is conducting meeting through VC/OVAM.

### ii) Financial Calendar (tentative)

: Financial Year- 1st Apr 2022 to 31st Mar 2023

#### Adoption of Results for the Quarter ending:

- 30th Jun 2022 - During August, 2022
- 30th Sep 2021 - During November, 2021
- 31st Dec 2022 - During February, 2023
- 31st Mar 2023- During May, 2023

### iii) Dividend Payment Date

: Not Applicable.

### iv) Book Closure Date

: from 19th September, 2022 to 26th September, 2022 (Both days inclusive)

### v) Listing on Stock Exchanges

: **BSE Limited (BSE)**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

**National Stock Exchange of India Ltd. (NSE),**  
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

The annual listing fee for the year 2022-23 has been paid to the NSE& BSE.

The confirmation of delisting from Calcutta Stock Exchange is awaited.

### vi) Stock Code

: BSE - '500402', NSE - 'SPMLINFRA'

### vii) ISIN No

: INE937A01023

### viii) Registrar & Transfer Agents

: Maheshwari Datamatics Pvt. Ltd.  
23, R.N. Mukherjee Road Kolkata - 700 001  
Phone: +91-033-2248 2248  
email: mdpldc@yahoo.com

- ix) **Debenture Trustee** : SBICAP Trustee Company Limited  
6th Floor, Apeejay House  
3, Dinshaw Wachha Road,  
Churchgate, Mumbai- 400020

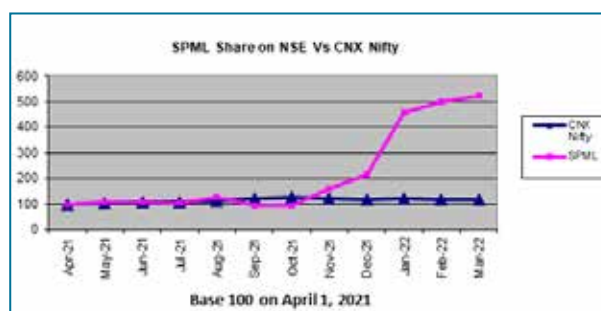
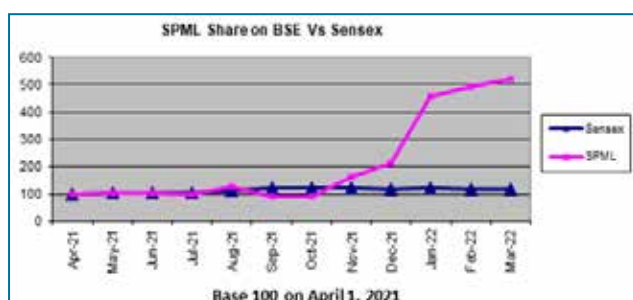
x) **Stock Prices data and performance of Company's share prices vis-à-vis Nifty & Sensex;**

a) **Share Price Data at BSE and NSE**

₹ Per share

Month	National Stock Exchange		BSE Limited	
	High	Low	High	Low
April, 2021	12.80	8.05	12.88	8.20
May, 2021	13.75	9.25	13.66	9.27
June, 2021	13.55	11.20	13.62	11.18
July, 2021	12.90	10.70	12.80	10.95
August, 2021	16.10	10.50	16.02	10.75
September, 2021	11.70	10.20	11.68	10.25
October, 2021	11.65	9.85	11.67	9.85
November, 2021	20.55	10.40	20.91	10.60
December, 2021	27.15	17.70	27.60	17.65
January, 2022	58.45	28.50	58.80	27.85
February, 2022	64.00	45.40	63.35	45.10
March, 2022	66.80	43.55	66.90	43.65

b) **Performance of Company's Share Price (monthly basis) vis-à-vis Sensex and CNX Nifty**



xi) **Trading of Securities of the Company and detail of suspension during the Financial Year 2021-22**

The Equity Shares of the Company were traded continuously at the National Stock Exchange Limited (NSE) and BSE Limited under the Scrip Code "SPMLINFRA" at NSE and "500402" at BSE and there was no event of suspension of trading during the year.

xii) **Share Transfer System**

The Board has constituted the Stakeholder Relationship Committee and delegated the power of transfer to the Committee. The Committee holds its

meeting as and when required, to consider all matters concerning transfer and transaction of shares. The shares received for transfer in physical mode by the Company are transferred expeditiously and the share certificates, duly transferred, are sent to the transferee(s).

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

**xiii) Reconciliation of Share Capital Audit Report**

As required under Regulation 76 of SEBI (Depositories and Participants), Regulations, 2018, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”) and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2022 was carried out. The audit reports confirm that the total issued / paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**xiv) Distribution of Shareholding by size as on March 31, 2022**

Shares held	Number of Shareholders	Number of Shares	% of Total Shares
From - To			
1- 500	8612	1085578	2.75
501-1000	812	685383	1.74
1001-2000	458	726341	1.84
2001-3000	160	409360	1.04
3001-4000	86	318487	0.81
4001-5000	88	417168	1.06
5001-10000	146	1103506	2.80
>10000	182	34679453	87.96
<b>Total</b>	<b>10544</b>	<b>39425276</b>	<b>100.0000</b>

**xv) Dematerialization of Shares and Liquidity**

The Company has arrangements with both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL), to establish electronic connectivity for trading of Company’s shares. As on 31st March, 2022 Equity Shares of the Company, forming 99.60% of total shareholding stands dematerialized. The International Securities Identification Number (ISIN) allotted to the Company’s shares is ‘INE937A01023’.

The shares of the Company are traded in compulsory Demat Mode at National Stock Exchange Limited (NSE) and BSE Limited (BSE).

**xvi) Share Ownership Pattern as on March 31, 2022.**

Category	No. of Shares held	% shareholding
Promoter and Promoter Group	13725200	34.82
Financial Institutions / Banks / Foreign Institutional Investors	1155634	2.93
Corporate Bodies	5024701	12.74
Resident Individual including HUF	12674069	32.16
Non Resident Individual	1050554	2.66
Clearing Members	161981	0.41
Investor Education and Protection Fund Authority	139261	0.35
Foreign Company	5493876	13.93
<b>Total</b>	<b>39425276</b>	<b>100.00</b>

**xvii) Outstanding Global Depository Receipt (GDR) or American Depository Receipt (ADR) or Warrants or any convertible instruments:** The Company has not issued any GDR, ADR, or Warrant. However, as on 31st March 2022 there are 5,453,517 Optionally Convertible Debentures (OCDs) of Rs. 1000 each are outstanding, which were issued to the lender banks of the Company in pursuance of Scheme for Sustainable Structuring of Stressed Assets (SPML S4A Scheme) as approved by the Overseeing Committee formed under the aegis of Reserve Bank of India. These OCDs can be converted within a period of 10 years from the date of allotment, in case of occurrence of any event of defaults as defined under the S4A documents at a price to be determined at the time of conversion of OCD into Equity shares of the Company. As the date and rate of conversion is not known at present and therefore, the impact of conversion on equity cannot be ascertained.

**xviii) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:** The Company does not deal with commodities and in the foreign market. Hence, no Commodity price risk or foreign exchange risk was involved during the period under review.

**xix) Plant Locations:** As the company is in the business of providing infrastructure services, it operates from various project / site offices across India.

**xx) Address for Correspondence:**

The Shareholders may address their communication / suggestion / grievances / other queries to:

The Company Secretary  
SPML Infra Limited  
22, Camac Street, Block-A,  
3rd Floor, Kolkata- 700016  
E-mail: [cs@spml.co.in](mailto:cs@spml.co.in)  
Website: [www.spml.co.in](http://www.spml.co.in)

**xxi) Credit Ratings**

As the Company account is NPA no credit rating has been assigned to the Company. However, as per the requirement of the Ongoing Resolution Plan with the lenders of the Company to restructure the debt of the Company as per the Prudential Framework for Resolution of Stressed Assets” of Reserve Bank of India pursuant to its Circular dated 07th June, 2019, ICRA Ltd and Brickwork Ratings India Pvt. Ltd., the Credit Rating Agencies, have assigned “RP4” rating to the debt of the Company

## 8. OTHER DISCLOSURES

**a. Related Party Transactions:**

Pursuant to the provisions of Section 188 of the Companies Act, 2013, rules framed thereunder read with Regulation 23 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the related party transaction entered during the year under review were on an arm’s length basis and in the ordinary course of business and have been approved by the Audit Committee as well as Board wherever required.

Further, for the transactions which are repetitive in nature, prior omnibus approval has also been obtained from the Audit Committee. All the Related Party Transactions are placed on quarterly basis before the Audit Committee and Board for their review. The Board has approved and adopted a policy on Related Party Transactions, which is available on the website of the Company at [www.spml.co.in](http://www.spml.co.in).

The significant accounting policies which are applied have been set out in the Notes to Financial Statements. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The detail on related party transaction has been provided in the Directors Report.

**b. Detail of Non Compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market:**

There was no instance of non-compliance by the Company on any matter related to Capital markets during the last three years. However, National Stock Exchange imposed the penalty of Rs. 340,000/- plus GST on the Company for June, Quarter for non-compliance of Regulation 17(1) of the SEBI (Listing of Obligations and Disclosures Requirements) Regulations, 2015. The same was paid by the Company. At same time Company also complied with the required regulation.

**c. Detail of Non Compliance under any requirement of Corporate Governance:**

Other than non-compliance of Regulation 17(1) of the SEBI (Listing of Obligations and Disclosures Requirements) Regulations, 2015 there were no other instance of non-compliance by the Company on any requirement of Corporate Governance during the year under review.

**d. Whistle Blower Policy:**

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy as defined under Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to provide a formal mechanism to the Directors and Employees under which they are free to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or Policy to the Chairman of the Audit Committee. The Company affirms that no person has been denied access to the Chairman of Audit Committee. The whistle blower policy is available at Company’s website at [www.spml.co.in](http://www.spml.co.in).

**e. Compliance with mandatory & non-mandatory requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

**i. Mandatory Requirements:**

The Company has complied with all mandatory requirements laid down by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ii. Non Mandatory Requirements:**

The Non-mandatory requirements complied with has been disclosed at the relevant places.

**f. Policy for determining material subsidiaries**

In terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company’s website at [www.spml.co.in](http://www.spml.co.in).



**g. Utilization of funds raised through preferential allotment:**

During the year under review the Company has not raised any new fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A). However, Company has converted part of the unsecured loan of the Promoter and Promoter Group into 2,775,000 Equity Shares of Rs. 2/- each fully paid-up at an issue price of Rs. 50/- each (including a premium of Rs.48/- each) aggregating to Rs. 1,387.50 Lakh and 3,404,930 0% Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 100/- each at par aggregating to Rs. 3,404.93 Lakh.

**h. Certificate from Practicing Company Secretary:**

A Certificate from Mr. Tumul Maheshwari, Practicing Company Secretary has been received that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**i. Detail of any instances for not accepting any recommendations of any committee by the Board:**

During the financial 2021-22, there was no instances recorded where the Board of the Company has not accepted any recommendations of any committee.

**j. Details of fees paid to Statutory Auditors**

During the Financial year 2021-22, a total fees of ₹ 44,02,520/- for all services was paid by the Company and its Subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor.

**k. Disclosure in relation to sexual harassment of women at workplace**

During the year under review Company has not received any complaint from any of the women employee in relation to Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013.

The status of complaints received, disposed of and pending during the FY 2021-22 is as under:

- (a) No. of complaints filed during the financial year: Nil
- (b) No. of complaints disposed of during the year: Nil
- (c) No. of complaints pending as on end of the financial year: Nil

**l. Compliance with regard to dealing with Unclaimed Shares pursuant to Section 124 and SEBI's Listing Regulations - Uniform Procedure for Unclaimed Shares:**

Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section

124 (6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of unclaimed shares to Investor Education and Protection Fund (IEPF), the Company has complied with all the required formalities by transferring the Unclaimed Shares in pursuance of the requirements of the aforesaid rules.

**m. Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:**

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

**9. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:**

Not Applicable

**10. DISCRETIONARY REQUIREMENTS:**

- (a) **The Board:** As the Chairman of the Board is an Executive Director and therefore, the discretionary requirements for re-imbusement of expenses incurred in performance of his duties is not applicable.
- (b) **Shareholder's Right:** The quarterly and half yearly financial results of the Company are published in the newspaper and also posted on the website of the Company.
- (c) **Modified Opinion in the Auditor's Report:** The financial Statement of the Company for the year ended 31st March, 2022 contains modified audit opinion. The management is putting all efforts to achieve regime of financial statements with unmodified audit opinions.
- (d) **Separate post of Chairman & CEO:** The Post of Chairperson of the Company is separate from the post of Managing Director or Chief Executive officer.
- (e) **Reporting of Internal Auditor:** The Internal Auditor of the Company makes half yearly/yearly presentation to the Audit Committee on their reports.

**11. CEO / CFO CERTIFICATION**

The Wholetime Director and CFO have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO certification for the financial year ended March 31, 2022.

**12. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

As required by as per Part E of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is annexed to this report.

### 13. CODE OF CONDUCT

The SPML Code of Business Conduct and Ethics, as adopted by the Board of Directors is a comprehensive Code applicable to all executive and non-executive directors and members of Senior Management. A copy of the Code has been put on the Company's website [www.spml.co.in](http://www.spml.co.in) and circulated to all members of the Board and Senior Management.

A declaration by the Whole Time Director of the Company that all the Board members and senior management personnel have affirmed compliance with Company's Code of Conduct forms part of this report.

For SPML Infra Limited

**Subhash Chand Sethi**

Chairman

DIN 00464390

Place: Kolkata

Date: 11th August, 2022

## DECLARATION BY THE WHOLE TIME DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the SPML Code of Business Conduct and Ethics as applicable to them for the financial year 2021-22.

For SPML Infra Limited

Place: Kolkata  
Date: 11th August, 2022

**Subhash Chand Sethi**  
Whole-Time Director  
DIN 00464390

## CEO/CFO CERTIFICATION

To,  
The Board of Directors  
SPML Infra Limited

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
  - i. there are no significant changes in internal control over financial reporting during the year;
  - ii. there are no significant changes in accounting policies during the year; and
  - iii. there are no instances of significant fraud of which we have become aware.

Place: Kolkata  
Date: 28th May, 2022

**Subhash Chand Sethi**  
Whole Time Director

**Manoj Kumar Digga**  
Chief Financial Officer

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

I, Tumul Maheshwari, Company Secretaries in practice confirm that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Place: Delhi  
Date: 28th May, 2022  
UDIN No. A016464C000505471

**For MT & Co.**  
Company Secretaries

**(Tumul Maheshwari)**  
Proprietor  
Membership No 055788  
C.P. No. 5554

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
SPML Infra Limited

1. We, Maheshwari & Associates, Chartered Accountants, the Statutory Auditors of SPML Infra Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (the Listing Regulations).

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations, as amended from time to time, during the year ended 31 March, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### For Maheshwari & Associates

Chartered Accountants  
Firm Registration No 311008E

### CA Bijay Murmuria

Partner  
Membership No 055788  
UDIN: 22055788AQRHHZ6272

Place: Kolkata  
Date: 11th August, 2022

**STANDALONE  
FINANCIAL  
STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

To the Members of SPML Infra Limited

## Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying standalone financial statements of SPML Infra Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 in respect of certain joint operations, as referred to in the Other Matters section of our report below, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2022, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

#### As stated in:

- a. Note no. 42 to the standalone financial statements, interest on YTM basis amounting to Rs. 6,027.24 lakhs (31st March, 2021: Rs. 5,560.59 lakhs) was not provided on Optionally Convertible Debentures ('OCDs') issued to lenders under S4A scheme, which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had such interest expense been recognized, the finance costs, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amount for the year ended 31st March, 2022. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs 23,314.53 lakhs as at 31st March, 2022 (31st March, 2021: Rs. 17,287.29 lakhs). The Auditor's Report for the year ended 31st March, 2021 was also qualified in respect of this matter.
- b. Note no. 16.8 to the standalone financial statements, interest expense of Rs. 19,795.66 lakhs on the Company's borrowings from certain financial creditors (banks &

financial institutions) has not been recognized for the year ended 31st March, 2022 (31st March, 2021: Rs. 18,685.60 lakhs). This is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had the aforesaid interest expense been recognized, the finance costs, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amount for the year ended 31st March, 2022. The Auditor's Report for the year ended 31st March, 2021 was also qualified in respect of this matter. Further, Rs.463.74 lakhs representing liability upto 31st March, 2021, towards interest expense on the Company's borrowings from financial creditors (other than banks and financial institutions), had been written back during the year ended 31st March, 2022 and interest expense of Rs.714.06 lakhs on such borrowings has not been recognized for the year ended 31st March, 2022. This is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had the aforesaid liability towards interest expense not been written back and the aforesaid interest expense been recognised, the finance costs, profit before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amounts for the year ended 31st March, 2022.

- c. Note no. 43 to the standalone financial statements, the Company's trade receivables (net of ECL) and inventories as at 31st March, 2022 include Rs. 8,066.17 lakhs and Rs.1,042.44 lakhs respectively (31st March, 2021: Rs. 8,017.29 lacs and Rs. 1,120.38 Lacs respectively) relating to certain projects where the claims are presently under arbitration/ litigation proceedings. Pending the ultimate outcome of these matters (fate of which is presently unascertainable), we are unable to comment on the recoverability thereof. The Auditor's Report for the year ended 31st March, 2021 was also qualified in respect of this matter.

We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Standalone Financial Statements 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements:

- (i) Note no. 44, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2022 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Company.
- (ii) Note no. 41, regarding write back of Rs. 727.96 lakhs (31st March, 2021: Rs. 2,118.18 lakhs) in respect of certain credit balances.
- (iii) Note no. 48, regarding postponement of recognition of income from interest on unsecured loans given to certain subsidiaries, joint ventures and associates which are impaired fully/partially by way of expected credit losses.
- (iv) Note no. 47, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak

matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section hereinabove, we have determined the matters described below to be the key audit matter to be communicated in our report.

on the Company's operations and management's evaluation of its impact on the standalone financial statements.

- (v) Note no. 16.7, which indicates that the Company has defaulted in payment of dues to financial creditors, is facing working capital constraints and its borrowing facilities are irregular with certain financial creditors as at 31st March, 2022. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note no. 16.7, the Company's Board of Directors is of the view that going concern basis of accounting is appropriate for preparation of the standalone financial statements.

**Our opinion is not modified in respect of these matters.**

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Correctness of Project Revenue Recognition and related costs – Construction Contracts (refer Note nos. 2(xiv) and 24 to the standalone financial statements )</p> <p>Revenue from construction contracts is recognized over a period of time in accordance with the requirements of IND AS 115 – Revenue from Contracts with Customers. Revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, reliable estimation of total project cost, identification of contractual obligations in respect of Company's rights to receive payments for performance completed till date, estimation of period of recovery of receivables, changes in scope and consequential revised contract price and recognition of liability for loss making contracts/onerous obligations, if any.</p> <p>Project revenue recognition is significant to the financial statements based on the quantitative materiality and the degree of management judgment required to apply the percentage of completion method. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the Company's accounting policy for revenue recognition;</li> <li>• Obtaining an understanding of the Company's processes and testing the design and operating effectiveness of key internal financial controls, including those related to review and approval of contract estimates;</li> <li>• Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard;</li> <li>• Testing a sample of contracts for appropriate identification of performance obligations and the appropriateness of contract revenue recognized by evaluating key management judgments inherent in the forecasted contract revenue and costs to complete;</li> <li>• For costs incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures;</li> <li>• Testing the forecasted cost by obtaining executed purchase orders/agreements and evaluating the reasonableness of managements judgments/estimates; .</li> <li>• Performing analytical procedures for reasonableness of revenue recognition; and</li> <li>• Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in accordance with the applicable accounting standards.</li> </ul>

### Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 SAs 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 these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place 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 management.
- Conclude on the appropriateness of management's 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- a. We did not audit the financial statements / financial information of 3 (three) joint operations included in the standalone financial statements, whose financial statements / financial information reflect total assets of Rs. 78.79 lakhs as at 31st March, 2022, total revenues of Rs. 0.64 lakhs and total net loss after tax of Rs. 9.04 lakhs for the year ended on that date, as considered in the standalone financial statements. 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 standalone financial statements, 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 Standalone Financial Statements hereinabove.
- b. We did not audit the financial statements / financial information of 7 (seven) joint operations included in the standalone financial statements, whose financial statements / financial information reflect total assets of Rs. 8,791.64 lakhs as at 31st March, 2022, total revenues of Rs. 10,607.19 lakhs and total net loss after tax of Rs. 12.29 lakhs for the year ended on that date, as considered in the standalone financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Company's management and our opinion on the standalone financial statements, 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 Standalone Financial Statements.
- c. Owing to non-availability of financial statements/ financial information/financial results of 2 (two) joint operations, the same were not included in the standalone financial statements. According to the information and explanations given to us by the Company's management, such financial statements/ financial information/financial results are not material to the Statement.

**Our opinion is not modified in respect of these matters.**

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and except for the possible effect of the matters described in the Basis for Qualified Opinion section hereinabove, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section hereinabove, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

- d) Except for the effects of the matters described in the Basis for Qualified Opinion section hereinabove, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ;
- e) In view of the matters described in the Basis for Qualified Opinion section hereinabove, we are unable to comment whether these may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.;
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section hereinabove;
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B" ;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 31 to the standalone financial statements;
  - ii. Except for the possible effects of the matters described in the Basis for Qualified Opinion section hereinabove, the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including a foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including a foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company. Hence, compliance with Section 123 of the Act is not applicable.
3. In our opinion, according to the information and explanations given to us, remuneration paid by the Company to its directors for the year ended 31st March, 2022 has been in accordance with the provisions of section 197 read with Schedule V to the Act;

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

**CA. Bijay Murmuria**  
Partner

Place: Kolkata  
Date: 28<sup>th</sup> May, 2022

Membership No.: 055788  
UDIN: 22055788ANAFXG4429

## Annexure-A to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date, to the members of SPML Infra Limited on the standalone financial statements for the year ended March 31, 2022]

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment under which they are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee ), disclosed in the standalone financial statements and included under the head 'Property, Plant and Equipment', are held in the name of Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, reporting under clause 3(i)(d) of the Order is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ii. (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and the coverage and procedure of such verification by the management seems to be appropriate; no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks/financial institutions on the basis of security of current assets of the Company; as explained and represented to us by the Company, the quarterly returns or statements filed by the Company with such banks/financial institutions are not in agreement with the books of account of the Company but the details in respect of the discrepancies have not been made available to us. Note No. 16.9 to the standalone financial statements may also be referred to in this respect.
- iii. (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any other entity. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made by the Company are prima facie not prejudicial to the Company's interest. The Company has not provided any guarantees or given any security; the terms and conditions of grant of certain loans to companies which are 'related parties' are prima facie prejudicial to the Company's interest on account of the fact that they are unsecured and were granted at rates of interest which are lower than the cost of funds to the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated but in some cases the repayments of principal and receipts of interest are irregular.
- (d) In respect of loans granted by the Company, there is no overdue for more than 90 days as at the balance sheet date.
- (e) There were no loans or advances in the nature of loan granted to any parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) of the Order is not applicable.

- iv. In our opinion, Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The Company is required to maintain cost records under sub-section (1) of section 148 of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- We have not, however, made a detailed examination of the same.
- vii. (a) Undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they become payable are as follows :

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due date	Date of payment
Professional Tax	Professional Tax	5.12	June 2016 to August 2020	15th day of the subsequent month	Not yet paid
Employee State Insurance,1948	Employee State Insurance Dues	21.53	June 2016 to August 2020	15th day of the subsequent month	Not yet paid
Gujarat Value Added Tax Act, 2003	Works Contract Tax	3.82	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Uttar Pradesh Value Added Tax Act, 2008	Works Contract Tax	3.17	Mar 2016 to June 2017	15th day of the subsequent month	Not yet paid
Delhi Value Added Tax Act, 2005	Works Contract Tax	11.94	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Jharkhand Value Added Tax Act, 2005	Works Contract Tax	4.19	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Tripura Value Added Tax Act, 2005	Works Contract Tax	1.22	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
Bihar Value Added Tax Act, 2005	Works Contract Tax	124.48	Apr 2015 to August 2016	15th day of the subsequent month	Not yet paid
Rajasthan Value Added Tax Act, 2003	Works Contract Tax	2.09	Apr 2017 to June 2017	15th day of the subsequent month	Not yet paid
The Orissa Value Added Tax Act, 2004	Works Contract Tax	1.76	Apr 2015 to June 2017	15th day of the subsequent month	Not yet paid

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities as on March 31, 2022, on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non production of C and E forms	105.10	-	FY 2005-06	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Claim exemption u/s 6(2)of Central Sales Tax Act,1956	293.97	-	FY 2007-08	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Non production of C and E forms	105.34	-	FY 2007-08	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Claim exemption u/s 6(2)of Central Sales Tax Act,1956	404.98	-	FY 2008-09	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non production of C and E forms	285.55	-	FY 2009-10	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Denial of deduction u/s18(2) of the WB VAT Act	335.63	-	FY 2009-10	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Exemption under RGGVY scheme & Denial of deduction u/s18(2) of the WB VAT Act	95.74	-	FY 2008-09	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Disallowance of input tax credit , interest charged and demand of purchase and output tax	75.27	-	FY 2012-13	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Bihar VAT Act, 2005	Disallowance of labour component	43.13	-	FY 2007-08	JCCT Appeals, Patna
Bihar VAT Act, 2005	Denied the exemption u/s 6(2) of the CST Act, on the grounds of pre-determined sales and non-production of statutory forms	234.27	-	FY 2010-11	JCCT Appeals, Patna
Central Sales Tax Act, 1956	Our CST Sales u/s 6(2) IS accepted and taxed where Form C and E1 are due to be received and produced, interest added	82.12	-	FY 2011-12	JCCT Appeals, Patna
UP VAT Act, 2008	Tax Liability on Exempted project RGGVY sales	44.13	8.82	FY 2007-08	Additional Commissioner, Agra
Jharkhand VAT Act, 2005	Tax Demand on receipts and suppression of turnover	193.41	-	FY 2005-06 to 2010-11	JCCT (Appeals) Jamshedpur
Jharkhand VAT Act, 2005	Tax Demand on receipts and suppression of turnover	38.24	-	FY 2011-12	JCCT (Appeals) Jamshedpur
Central Sales Tax Act, 1956	Tax Demand on receipts and suppression of turnover	61.53	-	FY 2011-12	JCCT (Appeals) Jamshedpur
Delhi VAT Act, 2004	Miscellaneous Demand	26.00	-	FY 2012-13	Commissioner DVAT, Delhi
Rajasthan VAT Act, 2003	Tax liability on interstate Sales	9.37	-	FY 2009-10	Deputy Commissioner, Appeals-II Jaipur
Rajasthan VAT Act, 2003	Tax liability on interstate Sales	110.64	-	FY 2011-12	Deputy Commissioner, Appeals-II Jaipur
Bihar VAT Act, 2005	Denied the exemption u/s 6(2) of the CSTAct, on the grounds of pre-determined sales and non-production of statutory forms	163.49	20.00	FY 2013-14	JCCT Appeals, Patna
Finance Act, 1994	Service Tax	23.13	-	FY 2005-06 to 2006-07	Commissioner Service Tax, Kolkata
West Bengal Value Added Tax Act, 2003	CST 6(2) sales taxed under VAT Act at full rate.	1,132.94		FY 2016-17	Sr JCCT, Appeals, Commercial Taxes, Kolkata
Central Sales Tax Act, 1956	Non submission of "C" forms and "E" forms	91.44		FY 2014-15	Appeal filed at JCCT – Patna

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(a) As at March 31, 2022, the Company is in default in respect of repayment of loans/ borrowings and in the payment of interest thereon to the following banks and financial institution as detailed below:

<b>Nature of Borrowing</b>	<b>Name of lender</b>	<b>Amount not paid on due date Rs. lakhs</b>	<b>Whether principal or interest</b>	<b>No. of days delay or unpaid</b>	<b>Remarks if any</b>
<b>Banks</b>					
Cash Credit	Andhra Bank	1,348.38	Principal	821	-
Cash Credit	Bank of Baroda	6,547.80	Principal	852	-
Cash Credit	Canara Bank	26,098.68	Principal	807	-
Cash Credit	ICICI Bank	4,214.67	Principal	821	-
Cash Credit	Oriental Bank of Commerce	3,065.33	Principal	883	-
Cash Credit	Punjab National Bank	13,372.29	Principal	883	-
Cash Credit	State Bank of India	23,445.87	Principal	854	-
Cash Credit	Syndicate Bank	8,479.62	Principal	807	-
Cash Credit	Union Bank of India	2,046.87	Principal	821	-
Working Capital Demand Loan	ICICI Bank	4,759.03	Principal	821	-
Working Capital Demand Loan	Oriental Bank of Commerce	761.47	Principal	883	-
Working Capital Demand Loan	State Bank of India	10,286.53	Principal	854	-
Term Loan	Canara Bank	1,246.28	Principal	807	-
Term Loan	Oriental Bank of Commerce	111.98	Principal	883	-
Term Loan	State Bank of India	258.19	Principal	854	-
Term Loan	State Bank of India	920.86	Principal	854	-
Term Loan	State Bank of India	183.48	Principal	854	-
Term Loan	Union Bank of India	67.07	Principal	821	-
<b>Financial Institution</b>					
Term Loan	IFCI	332.34	Principal	730	-

(b) As represented to us by the management, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion, prima facie the term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, prima facie no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person specifically on account of or to meet the obligations of its subsidiaries or associates.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.



- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has made preferential allotment of shares towards extinguishment of existing unsecured loans and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with. No private placement of shares or convertible debentures (fully, partially or optionally convertible) was made by the Company during the year.
- (xi) (a) As represented to us by the management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit in determining the nature, timing and extent of our audit procedures.
- (xv) As represented to us by the management, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As represented to us by the management, the Group does not have any CIC as part of the Group.
- (xvii) The Company has incurred a cash loss of Rs. 23,234.21 lakhs in the financial year covered by our audit and Rs. 32,373.84 lakhs in the immediately preceding financial year. The aforesaid figures have been arrived at after considering the effect of the quantified qualifications in the audit reports for the respective years. The effect of the unquantified qualifications has not been taken into consideration for the purpose of making comments in respect of this clause.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believe that as on the date of this audit report there are constraints regarding the Company's capability to meet its liabilities existing as at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. In this regard, we draw attention to Note No 16.7 to the standalone financial statements of the Company, which mentions the rationale as to why the Board of Directors of the Company considers it appropriate to prepare the financial results on a going concern basis. We further state that our reporting is based on the facts up to date of this audit report.
- (xx) (a) In respect of other than ongoing projects (i) the Company is not required to spend any sum during the financial year 2021-22, on Corporate Social Responsibility ('CSR'), as envisaged under Section 135(5) of the Companies Act, 2013 and hence the question regarding 'unspent amount' in respect of financial year 2021-22 does not arise, and (ii) in respect of previous financial years i.e. financial years prior to the financial year 2021-22, the Company has not transferred the unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year, so as to be in compliance with second proviso to sub-section (5) of section 135 of the said Act. As explained and represented to us by Company, it has been facing financial crisis since the last few years and is

in the process of formulating a resolution plan with its financial creditors i.e banks, which is at an advanced stage of discussions after completion of various processes ( refer Note No.16.7 to the standalone financial statements ). As further explained and represented to us, due to the financial stress and mismatch in cash flows the Company was unable to spend the CSR amount. However, the Company is in the process of transferring the unspent amount to a Fund specified in Schedule VII.

- (b) There is no unspent amount towards CSR in respect of 'ongoing project', requiring a transfer to a special account in compliance with the provisions of sub-section (6) of Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

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

**CA. Bijay Murmuria**  
Partner  
Membership No.: 055788  
UDIN: 22055788ANAFXG4429

Place: Kolkata  
Date: 28th May, 2022

# Annexure-B to the Independent Auditors' Report of SPML Infra Limited

[ Referred to in paragraph 2(h) under “Report on Other Legal and Regulatory Requirements” section in our Independent Auditors' Report of even date to the members of SPML Infra Ltd. on the standalone financial statements for the year ended 31st March, 2022 ]

## Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **SPML Infra Limited** (“the Company”) as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Maheshwari & Associates**

Chartered Accountants

FRN: 311008E

**CA. Bijay Murmuria**

Partner

Membership No.: 055788

UDIN: 22055788ANAFXG4429

Place: Kolkata

Date: 28<sup>th</sup> May, 2022

# BALANCE SHEET

as at March 31, 2022

₹ In Lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	9,372.67	9,649.35
(b) Right of Use Assets	4	5.56	68.16
(c) Intangible Assets	5	41.76	20.51
(d) Financial Assets			
(i) Investments	6	10,290.59	10,273.65
(ii) Trade Receivables	7	16,128.46	10,614.71
(iii) Loans	8	11,433.29	12,531.54
(iv) Other Financial Assets	10	2,723.93	2,642.99
(e) Deferred Tax Assets	39	11,856.42	11,405.20
(f) Other Non-Current Assets	11	32,744.38	30,909.66
		<b>94,597.06</b>	<b>88,115.77</b>
<b>Current assets</b>			
(a) Inventories	12	9,023.06	7,123.60
(b) Financial Assets			
(i) Trade Receivables	7	1,11,353.81	1,13,497.14
(ii) Cash and Cash Equivalents	13	3,942.52	3,797.47
(iii) Other Bank Balances	9	195.29	1,970.74
(iv) Other Financial Assets	10	24,406.85	25,248.60
(c) Other Current Assets	11	13,067.69	11,244.04
		<b>1,61,989.22</b>	<b>1,62,881.59</b>
		<b>2,56,586.28</b>	<b>2,50,997.36</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	14	874.95	819.45
(b) Compulsorily Convertible Preference Share Capital	14	3,404.93	-
(c) Other Equity	15	28,885.09	26,576.22
		<b>33,164.97</b>	<b>27,395.67</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	61,028.33	63,055.44
(ii) Trade Payables	17		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		7,036.15	5,242.15
(iii) Lease Liabilities	21	2.77	-
(iv) Other Financial Liabilities	18	6,923.23	4,987.02
(b) Provisions	19	301.56	297.19
		<b>75,292.04</b>	<b>73,581.80</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	1,13,192.37	1,17,924.19
(ii) Trade Payables	17		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		1,003.95	58.22
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		28,633.53	26,341.51
(iii) Lease Liabilities	21	2.43	74.48
(iv) Other Financial Liabilities	22	2,837.59	3,267.61
(b) Other Current Liabilities	23	2,305.75	2,185.09
(c) Provisions	19	153.65	168.80
		<b>1,48,129.27</b>	<b>1,50,019.90</b>
		<b>2,23,421.31</b>	<b>2,23,601.70</b>
<b>TOTAL LIABILITIES</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>2,56,586.28</b>	<b>2,50,997.36</b>

## Notes to Financial Statements (including Significant Accounting Policies)

1 to 53

The notes referred to above form an integral part of the Financial Statements

This is the Balance Sheet referred to in our report of even date.

### For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

### CA Bijay Murmura

Partner

Membership No - 055788

Place: Kolkata

Date: May 28, 2022

### Subhash Chand Sethi

Chairman

DIN: 00464390

### Manoj Kumar Digga

Chief Financial Officer

### For and on behalf of Board of Directors of

SPML Infra Limited

### Sushil Kr. Sethi

Director

DIN: 00062927

### Swati Agarwal

Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

₹ In Lakhs

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	24	85,309.69	61,539.17
Other Income	25	1,699.98	4,319.15
<b>Total Income</b>		<b>87,009.67</b>	<b>65,858.32</b>
<b>Expenses</b>			
Materials consumed and other construction Expenses	26	74,125.74	48,605.07
Employee Benefits Expense	27	2,771.95	2,580.80
Finance Costs	28	3,228.46	6,840.53
Depreciation and Amortisation Expenses	29	389.82	542.98
Other Expenses	30	5,607.67	7,928.08
<b>Total Expenses</b>		<b>86,123.64</b>	<b>66,497.46</b>
<b>Profit/(Loss) before tax from continuing operations</b>		<b>886.03</b>	<b>(639.14)</b>
<b>Tax Expenses</b>			
Current tax		329.58	-
Deferred tax credit (net)		(441.61)	(598.18)
<b>Income Tax Expense</b>		<b>(112.03)</b>	<b>(598.18)</b>
<b>Net Profit/ (Loss) after tax from continuing operations</b>		<b>998.06</b>	<b>(40.96)</b>
<b>Profit/(Loss) before tax from discontinued operations</b>		<b>-</b>	<b>(10,676.46)</b>
<b>Tax Expenses</b>			
Current tax		-	-
Deferred tax credit (net)		-	-
<b>Income Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Net Profit/ (Loss) after tax from discontinued operations</b>		<b>-</b>	<b>(10,676.46)</b>
<b>Total Profit/(Loss) before tax (I)</b>		<b>886.03</b>	<b>(11,315.60)</b>
<b>Total Tax Expenses</b>			
Current tax		329.58	-
Deferred tax credit (net)		(441.61)	(598.18)
<b>Total Income Tax Expense</b>		<b>(112.03)</b>	<b>(598.18)</b>
<b>Total Net Profit/ (Loss) after tax (II)</b>		<b>998.06</b>	<b>(10,717.42)</b>
<b>Other Comprehensive Income/ (Expenses)</b>			
<b>Items not to be reclassified subsequently to profit or loss</b>			
Gain/(Loss) on Fair valuation of Equity instruments measured at FVOCI		-	(808.71)
Income Tax effect		-	252.32
Gain/(Loss) on fair value of defined benefit plans		(30.80)	38.06
Income Tax effect		9.61	(11.87)
<b>Total Other Comprehensive Income / (Expenses) (III)</b>		<b>(21.19)</b>	<b>(530.21)</b>
<b>Total Comprehensive Income/ (Loss) for the year, net of tax (IV) = (II+III)</b>		<b>976.87</b>	<b>(11,247.63)</b>
(i) Basic and Diluted earnings per share for Continuing operations(in Rupees) (par value Rs. 2/- each)	40	2.68	(0.11)
(ii) Basic and Diluted earnings per share for Discontinued operations(in Rupees) (par value Rs. 2/- each)		-	(29.13)
(iii) Basic and Diluted earnings per share for Continuing and discontinued operations(in Rupees) (par value Rs. 2/- each)		2.68	(29.24)

**Notes to Financial Statements (including Significant Accounting Policies)**

1 to 53

The notes referred to above forms an integral part of the Financial Statements  
This is the Statement of Profit and Loss referred to in our report of even date

**For Maheshwari & Associates**

Chartered Accountants  
ICAI Firm Registration No. 311008E

**CA Bijay Murmuria**

Partner  
Membership No - 055788

Place: Kolkata  
Date: May 28, 2022

**Subhash Chand Sethi**

Chairman  
DIN: 00464390

**Manoj Kumar Digga**  
Chief Financial Officer

**For and on behalf of Board of Directors of SPML Infra Limited****Sushil Kr. Sethi**

Director  
DIN: 00062927

**Swati Agarwal**  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## A) Equity Share Capital (also refer Note 14)

₹ In Lakhs

Particulars	Subscribed and Fully Paid-up
	Amount
Balance as at March 31, 2021	819.45
Changes in equity share capital during the year	55.50
Balance as at March 31, 2022	874.95

## B) Preference Share Capital (also Refer Note 14)

Particulars	Subscribed and Fully Paid-up
	Amount
Balance as at March 31, 2021	-
Issue of 0% Compulsorily Convertible Preference Shares	3,404.93
Balance as at March 31, 2022	3,404.93

₹ In Lakhs

## C) Other Equity (also Refer Note 15)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	
Balance as at March 31, 2021	885.73	15,263.80	5,929.05	4,497.64	26,576.22
Profit for the year	-	-	-	998.06	998.06
Other Comprehensive Income for the year, net of tax	-	-	-	(21.19)	(21.19)
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>976.87</b>	<b>976.87</b>
Issue of equity shares	-	1,332.00	-	-	1,332.00
Balance as at March 31, 2022	885.73	16,595.80	5,929.05	5,474.51	28,885.09

### Notes to Financial Statements (including Significant Accounting Policies)

1 to 53

The notes referred to above form an integral part of the Financial Statements  
This is the Statement of Changes in Equity referred to in our report of even date

### For Maheshwari & Associates

Chartered Accountants  
ICAI Firm Registration No. 311008E

### CA Bijay Murmuria

Partner  
Membership No - 055788

Place: Kolkata  
Date: May 28, 2022

### Subhash Chand Sethi

Chairman  
DIN: 00464390

### Manoj Kumar Digga

Chief Financial Officer

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

### Sushil Kr. Sethi

Director  
DIN: 00062927

### Swati Agarwal

Company Secretary

# STATEMENT OF CASH FLOW

for the year ended March 31, 2022

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax from continuing operations	886.03	(639.14)
Profit / (Loss) before tax from discontinuing operations	-	(10,676.46)
Total Profit / (Loss) before tax	886.03	(11,315.60)
Adjustments for:		
Depreciation and amortisation expenses	389.82	542.98
Interest expenses	1,960.10	4,496.33
Commission income	(117.52)	(202.09)
Sundry balances written off	70.20	656.28
Expected Credit Loss on loans	1,989.34	722.69
Impairment of investment in equity shares of subsidiaries and associates	-	1,716.51
Expected Credit Loss charge /(reversal) on trade receivable	298.67	263.37
Profit on sale of property plant and equipment	(11.81)	(6.64)
Liabilities no longer required written back	(762.51)	(2,352.08)
Interest income	(785.71)	(1,567.99)
<b>Operating profit before Working Capital changes</b>	<b>3,916.61</b>	<b>(7,046.25)</b>
Adjustment for:		
Increase/(decrease) in trade payables	5,794.25	(23,418.88)
Increase/(decrease) in provisions	(31.94)	(590.15)
Increase/(decrease) in other current liabilities	1,816.78	(13,278.69)
(Increase)/decrease in trade receivables	(4,194.59)	15,444.53
(Increase)/decrease in inventories	(1,899.46)	(849.87)
(Increase)/decrease in loans and advances	755.22	(965.58)
(Increase)/decrease in other current assets	(3,334.32)	2,866.17
<b>Cash generated/(used) from operations</b>	<b>2,822.55</b>	<b>(27,838.72)</b>
Taxes paid (net of refunds)	110.59	628.89
<b>Net cash from operating activities</b>	<b>2,933.14</b>	<b>(27,209.83)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress	(134.39)	175.16
Proceeds from sale of property, plant and equipment	11.78	11.09
Fixed Deposits encashed/ (invested)	1,020.56	123.27
Loans (given) / repayment received	(885.46)	(111.26)
Interest received	1,322.63	1,322.63
<b>Net cash generated/(used) in Investing Activities</b>	<b>1,335.12</b>	<b>1,520.89</b>



**STATEMENT OF CASH FLOW for the year ended March 31, 2022 (Contd..)**

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in long term borrowings	(2,027.11)	(1,131.43)
Net movement in short term borrowings	(4,731.82)	33,555.68
Proceeds from issue of share capital	3,460.43	-
Securities premium received	1,332.00	-
Interest paid	(2,156.71)	(4,865.47)
<b>Net cash generated/(used) in Financing Activities</b>	<b>(4,123.21)</b>	<b>27,558.78</b>
<b>Net increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>145.05</b>	<b>1,869.84</b>
Cash & Cash Equivalents at the beginning of the year	3,797.47	1,927.63
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,942.52</b>	<b>3,797.47</b>

**Note:** The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (IndAS 7) "Statement of Cash Flow"

This is the Cash Flow Statement referred to in our report of even date.

**For Maheshwari & Associates**

Chartered Accountants  
ICAI Firm Registration No. 311008E

**CA Bijay Murmuria**

Partner  
Membership No - 055788

Place: Kolkata  
Date: May 28, 2022

**For and on behalf of Board of Directors of  
SPML Infra Limited****Subhash Chand Sethi**

Chairman  
DIN: 00464390

**Manoj Kumar Digga**

Chief Financial Officer

**Sushil Kr. Sethi**

Director  
DIN: 00062927

**Swati Agarwal**

Company Secretary

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

**Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2022. (All amount in INR lakhs, unless otherwise stated)**

## 1. CORPORATE INFORMATION

SPML Infra Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on premier stock exchanges of India viz. BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of infrastructure development which inter-alia includes water management, water infrastructure development, waste water treatment, power generation, transmission and distribution, solid waste management, and other civil infrastructures.

These standalone financial statements for the year ended March 31, 2022 have been approved by the Board of Directors on May 28, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (i) Basis of Preparation and compliance with the Indian Accounting Standards (Ind AS)

These financial statements for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

### (ii) Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

### (iii) Current and Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent treated as current unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

### (iv) Basis of Measurement

These Ind AS Financial Statements have been prepared on an accrual basis of accounting and going concern basis using historical cost convention, except for certain financial instruments measured at fair value, Freehold Land measured at Fair value and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS (refer Accounting Policies for Financial Instruments, Property, Plant and Equipment and Employee Benefits).

### (v) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional and presentation currency.

### (vi) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance cost, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

## (vii) Intangible Assets and Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Company's intangible assets constitutes software which has finite useful economic lives and these are amortised on a straight line basis, over their useful life of 5 years. The amortisation period and the amortisation method are reviewed at the end of each reporting period.

## (viii) Depreciation/Amortisation

Depreciation on items of Property, Plant & Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

The Company has used the following useful economic lives to provide depreciation on its property, plant & equipment:

Block of Assets	Useful economic life (in years)
Buildings (including temporary structure)	3- 60
Furniture & Fixtures	10
Plant & Equipment	9- 20
Computers	3 - 6
Vehicles	8- 10
Office Equipment	5
Software (Intangible asset)	5

The useful economic lives of buildings and plant and equipment as estimated by the management and supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

The Company's intangible assets constitutes software which has finite useful economic lives and these are amortised on a straight line basis, over their useful life of 5 years. The amortisation period and the amortisation method are reviewed at the end of each reporting period.

## (ix) Impairment of Property, Plant & Equipment and Intangible Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

## (x) Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings measured at Effective Interest rate (EIR).

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

All other borrowing costs are expensed in the period they are incurred.

## (xi) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

### Financial Assets:

#### a) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### b) Initial Recognition

Financial assets are recognised initially at fair value considering the concept of materiality. Transaction costs that are directly attributable to the acquisition of the financial asset (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets.

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## c) Subsequent Measurement of Financial Assets

Financial assets are subsequently measured at amortised cost if they are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are subsequently measured at fair value through other comprehensive income (FVTOCI), if it is held within a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

## d) Impairment of Financial Assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109: Financial Instruments, the Company recognises impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognised during the year is charged to the Statement of Profit and Loss.

## e) Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

## Financial Liabilities:

### a) Classification

The company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost using the effective interest method.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

### b) Initial Recognition

Financial liabilities are recognised at fair value on initial recognition considering the concept of materiality. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition.

### c) Subsequent Measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

**Amortised cost:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## d) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Offsetting of Financial Instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## (xii) Inventories

Materials, components and stores & spares to be used in contracts are valued at lower of cost, or net realisable value. Cost is determined on weighted average basis.

Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

## (xiii) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

## (xiv) Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation

by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party.

## Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

## (I) Revenue from operations

- a) Revenue from contracts for supply/commissioning of complex plant and equipment and other project related activity is recognised as follows:

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Unbilled Revenue”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “Due to customers”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”. The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

- b) Commission income is recognised as and when the terms of the contract are fulfilled.

## (II) Other income

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through Other Comprehensive Income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

## (xv) Liquidated Damages

No provision is made for liquidated damages deducted by the customers, wherever these have been refuted by the Company and it expects to settle them without any loss. Pending settlement of these claims, the relative trade receivables are shown in the accounts as fully recoverable and the corresponding amounts are reflected as contingent liability.

## (xvi) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

### The Company as lessee:

The Company's lease asset classes primarily consist of leases for buildings or part thereof. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognises the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses.

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet.

## (xvii) Foreign Currency Translations

### Initial Recognition

In the financial statements of the Company, transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the date of the transaction.

### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements and / or on conversion of monetary items, are recognised at income or expense in the year in which they arise.

### Forward Exchange Contracts (not intended for trading or speculation purpose)

The premium or discount arising at the inception of forward exchange contracts is amortised at expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

## (xviii) Retirement and Other Employee Benefits

### Employee benefits

#### (A) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex gratia.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such short-term compensated absences are provided for in the Statement of Profit and Loss based on estimates.

#### (B) Post-employment benefits

The Company operates the following post-employment schemes:

- i) Employee benefits in the form of Provident Fund is made to a government administered fund and charged as an expense to the Statement of Profit and Loss, when an employee renders the related service. There are no obligations other than the contributions payable to the fund.
- ii) Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year.
- iii) Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

## (xix) Income Taxes

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns Vis a Vis position taken in books of account which are subject to interpretation and creates provisions where appropriate.

## Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

## (xx) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

## (xxi) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

## (xxii) Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## (xxiii) Accounting for Interests in Joint Operations

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. In case of Interests in joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

## (xxiv) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT

₹ In Lakhs

Particulars	Freehold land	Buildings	Temporary site sheds and shuttering materials	Plant and machinery	Furniture and fixtures	Vehicles	Site office/equipments	TOTAL
<b>GROSS BLOCK</b>								
<b>As at March 31, 2020</b>	<b>7,435.52</b>	<b>1,460.32</b>	<b>2,360.62</b>	<b>6,734.95</b>	<b>1,614.37</b>	<b>1,262.79</b>	<b>2,449.31</b>	<b>23,317.87</b>
Additions	-	-	18.13	3.80	0.18	1.48	8.38	31.97
Adjustments	-	-	-	-	-	-	-	-
Deductions	-	-	-	(89.10)	-	-	-	(89.10)
<b>As at March 31, 2021</b>	<b>7,435.52</b>	<b>1,460.32</b>	<b>2,378.75</b>	<b>6,649.64</b>	<b>1,614.55</b>	<b>1,264.27</b>	<b>2,457.69</b>	<b>23,260.73</b>
Additions	-	-	-	26.47	3.51	-	33.08	63.06
Adjustments	-	-	-	-	-	-	-	-
Deductions	-	-	-	(208.43)	-	(12.94)	-	(221.37)
<b>As at March 31, 2022</b>	<b>7,435.52</b>	<b>1,460.32</b>	<b>2,378.75</b>	<b>6,467.68</b>	<b>1,618.06</b>	<b>1,251.33</b>	<b>2,490.77</b>	<b>23,102.42</b>
<b>DEPRECIATION AND IMPAIRMENT</b>								
<b>As at March 31, 2020</b>	-	<b>343.20</b>	<b>2,341.08</b>	<b>5,867.57</b>	<b>1,508.03</b>	<b>1,075.63</b>	<b>2,182.76</b>	<b>13,318.28</b>
Charge for the year	-	25.53	0.57	242.06	18.43	41.30	49.86	377.75
Deductions	-	-	-	(84.65)	-	-	-	(84.65)
<b>As at March 31, 2021</b>	-	<b>368.73</b>	<b>2,341.65</b>	<b>6,024.98</b>	<b>1,526.46</b>	<b>1,116.93</b>	<b>2,232.62</b>	<b>13,611.38</b>
Charge for the year	-	25.53	0.01	204.29	14.55	37.29	41.48	323.15
Deductions	-	-	-	(192.48)	-	(12.29)	-	(204.77)
<b>As at March 31, 2022</b>	-	<b>394.26</b>	<b>2,341.66</b>	<b>6,036.79</b>	<b>1,541.01</b>	<b>1,141.93</b>	<b>2,274.10</b>	<b>13,729.75</b>
<b>NET BLOCK</b>								
<b>As at March 31, 2021</b>	<b>7,435.52</b>	<b>1,091.59</b>	<b>37.10</b>	<b>624.66</b>	<b>88.09</b>	<b>147.34</b>	<b>225.07</b>	<b>9,649.35</b>
<b>As at March 31, 2022</b>	<b>7,435.52</b>	<b>1,066.06</b>	<b>37.09</b>	<b>430.89</b>	<b>77.05</b>	<b>109.40</b>	<b>216.67</b>	<b>9,372.67</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 4: RIGHT OF USE ASSETS

₹ In Lakhs

Particulars	
<b>GROSS BLOCK</b>	
<b>As at March 31, 2020</b>	<b>373.23</b>
Additions	-
Deductions	18.05
<b>As at March 31, 2021</b>	<b>355.18</b>
Additions	-
Deductions	-
<b>As at March 31, 2022</b>	<b>355.18</b>
<b>ACCUMULATED DEPRECIATION</b>	
<b>As at March 31, 2020</b>	<b>120.97</b>
Charge for the year	166.05
Deductions	-
<b>As at March 31, 2021</b>	<b>287.02</b>
Charge for the year	61.68
Deductions	(0.92)
<b>As at March 31, 2022</b>	<b>349.62</b>
<b>NET BLOCK</b>	
<b>As at March 31, 2021</b>	<b>68.16</b>
<b>As at March 31, 2022</b>	<b>5.56</b>

## NOTE 5: INTANGIBLE ASSETS

₹ In Lakhs

Particulars	
<b>GROSS BLOCK</b>	
<b>As at March 31, 2020</b>	<b>409.85</b>
Additions	-
Deductions	-
<b>As at March 31, 2021</b>	<b>409.85</b>
Additions	26.24
Deductions	-
<b>As at March 31, 2022</b>	<b>436.09</b>
<b>ACCUMULATED AMORTISATION</b>	
<b>As at March 31, 2020</b>	<b>389.22</b>
Charge for the year	0.12
Deductions	-
<b>As at March 31, 2021</b>	<b>389.34</b>
Charge for the year	4.99
Deductions	-
<b>As at March 31, 2022</b>	<b>394.33</b>
<b>NET BLOCK</b>	
<b>As at March 31, 2021</b>	<b>20.51</b>
<b>As at March 31, 2022</b>	<b>41.76</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 6: NON- CURRENT INVESTMENTS

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) In Quoted Equity Instruments (fully paid up) at FVOCI</b>		
<b>Indian Acrylics Limited</b>	0.01	0.01
100 (Previous year 100) equity shares of Rs.10/- each		
Less : Impairment Loss	0.01	0.01
	-	-
<b>Best and Crompton Engineering Limited</b>	0.10	0.10
200 (Previous year 200) equity shares of Rs.10/- each		
Less : Impairment Loss	0.10	0.10
	-	-
<b>Net quoted Investments</b>	-	-
<b>(b) In Unquoted Equity Shares in Subsidiaries (Fully paid up) at Cost</b>		
<b>Madurai Municipal Waste Processing Company Private Limited</b>	-	587.80
5,878,000 (Previous year 5,878,000) equity shares of Rs.10/- each		
Less : Impairment Loss	-	587.80
	-	-
<b>Bhagalpur Electricity Distribution Company Private Limited</b>	1.03	1.03
10,000 (Previous year 10,000) equity shares of Rs.10/- each		
Less : Impairment Loss	1.03	1.03
	-	-
<b>Mizoram Infrastructure Development Company Limited</b>	5.00	5.00
34,500 (Previous year 34,500) equity shares of Rs.10/- each		
Less : Impairment Loss	5.00	5.00
	-	-
<b>SPML Infrastructure Limited</b>	2,946.62	2,946.62
7,432,000 (Previous year 7,432,000) equity shares of Rs.1/- each		
Less : Impairment Loss	1,326.44	1,326.44
	<b>1,620.18</b>	<b>1,620.18</b>
<b>SPML Utilities Limited</b>	762.30	762.30
200,000,000 (Previous year 200,000,000) equity shares of Rs.1/- each		
Less : Impairment Loss	762.30	762.30
	-	-
<b>Doon Valley Waste Management Private Limited</b>	2.50	2.50
25,000 (Previous year 25,000) equity shares of Rs. 10/- each		
Less : Impairment Loss	2.50	2.50
	-	-
<b>Mathura Nagar Waste Processing Company Limited</b>	2.55	2.55
255,000 (Previous year 255,000) equity shares of Rs. 1/- each		
Less : Impairment Loss	2.55	2.55
	-	-

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 6: NON- CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Allahabad Waste Processing Company Limited</b>	<b>2.55</b>	<b>2.55</b>
255,000 (Previous year 255,000) equity shares of Rs.1/- each		
Less : Impairment Loss	2.55	2.55
	-	-
<b>(c) In Unquoted Equity Shares in Associates (Fully paid up) at Cost</b>		
<b>Bhilwara Jaipur Toll Road Private Limited*</b>	<b>5,191.39</b>	<b>5,191.39</b>
3,520,302 (Previous year 3,520,302) equity shares of Rs.10/- each. Of the above, 17,95,348 (Previous year 17,95,348) equity shares are pledged with ICICI Bank and Punjab National Bank against loans obtained by the said investee Company.		
<b>Madurai Municipal Waste Processing Company Private Limited</b>	<b>587.80</b>	<b>-</b>
5,878,000 (Previous year 5,878,000) equity shares of Rs.10/- each		
Less : Impairment Loss	587.80	-
	-	-
<b>Subhash Kabini Power Corporation Limited*</b>	<b>-</b>	<b>2,063.16</b>
13,172,000 (Previous year 13,172,000) equity shares of Rs.10/- each. Of the above, 13,122,000 (Previous year 13,122,000) equity shares are under first pari passu charge with State Bank of India against Loan.		
Less : Impairment Loss	-	773.62
	-	<b>1,289.54</b>
<b>Delhi Waste Management Limited</b>	<b>838.27</b>	<b>838.27</b>
292,500 (Previous year 292,500) equity shares of Rs.10/- each		
<b>SPML Energy Limited</b>	<b>466.94</b>	<b>466.94</b>
99,550,000 (Previous year 99,550,000) equity shares of Rs.1/- each		
<b>IQU Power Company Private Limited</b>	<b>-</b>	<b>412.57</b>
2,580,500 (Previous year 2,580,500) equity shares of Rs.1/- each. Of the above, 2,506,875 (Previous year 2,506,875) equity shares are pledged with Punjab National Bank against loans obtained by the said investee Company.		
Less : Impairment Loss	-	412.57
	-	-
<b>Awa Power Company Private Limited</b>	<b>-</b>	<b>203.27</b>
2,639,605 (Previous year 2,639,605) equity shares of Rs.1/- each		
Less : Impairment Loss	-	203.27
	-	-
<b>Neogal Power Company Private Limited</b>	<b>-</b>	<b>66.61</b>
1,136,774 (Previous year 1,136,774) equity shares of Rs.1/- each		
Less : Impairment Loss	-	66.61

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 6: NON-CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Binwa Power Company Private Limited</b>	436.09	436.09
2,948,340 (Previous year 2,948,340) equity shares of Rs.1/- each		
Less : Impairment Loss	436.09	436.09
	-	-
<b>SPML Bhiwandi Water Supply Infra Limited</b>	2.25	2.25
224,700 (Previous year 224,700) equity shares of Rs.1/- each		
Less : Impairment Loss	2.25	2.25
	-	-
<b>SPML Bhiwandi Water Supply Management Limited</b>	2.50	2.50
250,000 (Previous year 250,000) equity shares of Rs.1/- each		
Less : Impairment Loss	2.50	2.50
	-	-
	<b>6,496.60</b>	<b>7,786.14</b>
<b>(d) In Unquoted Equity Shares in Joint Venture (Fully paid up) at Cost</b>		
<b>Malviya Nagar Water Services Private Limited</b>	220.50	220.50
2,205,000 (Previous year 2,205,000) equity shares of Rs.10/- each		
<b>Gurha Thermal Power Company Limited</b>	2.50	2.50
25,000 (Previous year 25,000) equity shares of Rs.10/- each		
Less : Impairment Loss	2.50	2.50
	-	-
<b>Aurangabad City Water Utility Limited</b>	104.77	104.77
Less : Impairment Loss	104.77	104.77
	-	-
<b>MVV Water Utility Private Limited TYPE A Shares</b>	1.00	1.00
10,000 (Previous year 10,000) equity shares of Rs.10/- each		
Less : Impairment Loss	1.00	1.00
	-	-
<b>MVV Water Utility Private Limited TYPE B Shares</b>	0.42	0.42
364,693 (Previous year 364,693) equity shares of Rs.10/- each		
Less : Impairment Loss	0.42	0.42
	-	-
	<b>220.50</b>	<b>220.50</b>
<b>(e) In Unquoted Equity Instruments (Fully paid up) at FVTPL</b>		
<b>Luni Power Company Private Limited (Refer Note 6.1)</b>	337.92	337.92
7,049,597 (Previous year 7,049,597) equity shares of Rs.1/- each		
Less : Impairment Loss	337.92	337.92
	-	-
<b>IQU Power Company Private Limited</b>	412.57	-
2,580,500 (Previous year 2,580,500) equity shares of Rs.1/- each. Of the above, 2,506,875 (Previous year 2,506,875) equity shares are pledged with Punjab National Bank against loans obtained by the said investee Company.		
Less : Impairment Loss	412.57	-
	-	-
<b>Awa Power Company Private Limited</b>	203.27	-

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2020
2,639,605 (Previous year 2,639,605) equity shares of Rs.1/- each		
Less : Impairment Loss	203.27	-
	-	-
<b>Neogal Power Company Private Limited</b>	66.61	-
1,136,774 (Previous year 1,136,774) equity shares of Rs.1/- each		
Less : Impairment Loss	66.61	-
	-	-
<b>Subhash Kabini Power Corporation Limited</b>	2,063.16	-
13,172,000 (Previous year 13,172,000) equity shares of Rs.10/- each. Of the above, 13,122,000 (Previous year 13,122,000) equity shares are under first pari passu charge with State Bank of India against Loan.		
Less : Impairment Loss	773.62	-
	<b>1,289.54</b>	-
	<b>1,289.54</b>	-
<b>(f) In Unquoted Equity Instruments (Fully paid up) at FVOCI</b>		
<b>Bharat Hydro Power Corporation Limited</b>	239.15	239.15
3,294,150 (Previous year 3,294,150) equity shares of Rs.10/- each		
<b>Arihant Leasing and Holding Limited</b>	0.75	0.75
24,000 (Previous year 24,000) equity shares of Rs.10/- each		
Less : Impairment loss	0.75	0.75
	-	-
<b>SPML India Limited</b>	1.50	1.50
10,000 (Previous year 10,000) equity shares of Rs.10/- each		
Less : Impairment loss	1.50	1.50
	-	-
<b>Petrochem Industries Limited</b>	0.14	0.14
500 (Previous year 500) equity shares of Rs.10/- each		
Less : Impairment loss	0.14	0.14
	-	-
<b>Om Metal - SPML Infraproject Private Limited</b>	0.50	0.50
4,999 (Previous year 4,999) equity shares of Rs.10/- each		
<b>Pondicherry Port Limited</b>	0.01	0.01
100 (Previous year 100) equity shares of Rs. 10/- each		
Less : Impairment Loss	0.01	0.01
	-	-
<b>Jaora Nayagaon Toll Road Company Private Limited</b>	0.05	0.05
500 (Previous year 500) equity shares of Rs. 10/- each. The equity shares are pledged with OBC Bank against loans obtained by the said Investee Company.		
Less : Impairment Loss	0.05	0.05
	-	-
	<b>239.65</b>	<b>239.65</b>
<b>(g) In Unquoted Debt Instruments (Fully paid-up) at Amortised Cost</b>		

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Escorts Tractors Limited</b>	0.01	0.01
25(Previous year 25) Debentures of Rs.1/- each		
<b>Hindustan Engineering &amp; Industries Limited</b>	0.06	0.06
110 (Previous year 110) Debentures of Rs.1/- each		
Less : Impairment loss	0.06	0.06
	-	-
	<b>0.01</b>	<b>0.01</b>
<b>(h) In Unquoted Debt Instruments (Fully paid-up) at Amortised cost</b>		
<b>Allahabad Waste Processing Company Private Limited</b>	450.00	450.00
5,000,000 (Previous year 5,000,000) Preference Shares of Rs. 1/- each		
Less : Impairment loss	450.00	450.00
	-	-
	-	-
<b>(i) In Others</b>		
<b>SPM Holdings Pte Limited*</b>	392.28	392.28
	<b>392.28</b>	<b>392.28</b>
<b>(j) In Others at FVTPL</b>		
<b>National Saving Certificate</b>	0.52	0.52
<b>Mutual funds</b>	31.31	14.38
50,000 units of Rs.10/- each		
	<b>31.83</b>	<b>14.90</b>
<b>Total</b>	<b>10,290.59</b>	<b>10,273.65</b>

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Aggregate value of investments</b>		
Quoted (net of Impairment Loss)	-	-
Unquoted (net of Impairment Loss)	10,290.59	10,273.65
Market value of quoted investment	-	-

\* The Investments in these companies include the impact of IND AS adjustments on account of fair valuation of Financial Guarantees extended by the Company (SPML Infra Limited) against the financial assistance availed by them. Details as below:-

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
SPM Holdings Pte Limited	392.28	392.28
Subhash Kabini Power Corporation Limited	-	79.28
Bhilwara Jaipur Toll Road Private Limited	554.06	554.06
<b>Total</b>	<b>946.34</b>	<b>1,025.62</b>

**6.1** 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 December 23, 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

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 6: NON- CURRENT INVESTMENTS (CONTD..)

Luni at FVTPL as at March 31, 2022. Accordingly, as a matter of prudence, the Company has impaired its equity investment of Rs. 337.92 Lakhs in Luni to the extent of 100% . Further, the recoverability of the Company's remaining direct exposure in Luni as at March 31, 2022 is Rs. NIL by way of equity, Rs. NIL by way of loan and Rs. 58.78 Lakhs by way of trade receivables(net of ECL) (P.Y. Rs. 337.92 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 is in process now and the consequent impairment, if any, will be dealt with appropriately in the subsequent financial results.

### 6.2 On Pledge of Investments as held by SPML Infra Ltd. in other Group Companies:

Investments of SPML Infra Ltd. i.e. 19,99,99,700 Equity Shares in SPML Utilities Limited (Subsidiary); 74,32,000 Equity Shares in SPML Infrastructure Limited (Subsidiary); 2,55,000 Equity Shares in Allahabad Waste Processing Company Limited (Subsidiary); 9,999 Equity Shares in Bhagalpur Electricity Distribution Company Private Limited (Subsidiary); 29,48,340 Equity Shares in Binwa Power Company Private Limited (Associates); 2,92,500 Equity Shares in Delhi Waste Management Limited (Associates); 25,000 Equity Shares in Doon Valley Waste Management Private Limited (Subsidiary); 2,55,000 Equity Shares in Mathura Nagar Waste Processing Company Limited (Subsidiary); 2,24,700 Equity Shares in SPML Bhiwandi Water Supply Infra Limited (Associates); 2,49,700 Equity Shares in SPML Bhiwandi Water Supply Management Limited (Associates); 58,78,000 Equity Shares in Madurai Municipal Waste Processing Company Pvt. Ltd (Associates) has been pledged as on the Balance Sheet signing date in favour of the SBICAP Trustee/ S4A Lenders for securing the due repayment of the Debts as restructured under the "SPML S4A Scheme" as approved by the Overseeing Committee (governed under RBI) with the super majority of the Lenders Banks.

## NOTE 7: TRADE RECEIVABLES

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Receivables	28,100.33	22,337.63	34,408.60	36,354.20
Trade Receivables - related parties	142.88	23.16	2,501.82	2,868.31
Trade Receivables - which have significant increase in credit risk				
Trade Receivables - credit impaired	4,557.96	4,557.96	-	-
Less: Allowance for Expected Credit Loss	(16,672.71)	(16,304.04)	-	-
Unbilled Revenue	-	-	74,443.39	74,274.63
<b>TOTAL</b>	<b>16,128.46</b>	<b>10,614.71</b>	<b>1,11,353.81</b>	<b>1,13,497.14</b>

### Break- up for Security details:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivables</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	28,243.21	22,360.79	1,11,353.81	1,13,497.14
Considered doubtful	4,557.96	4,557.96	-	-
	<b>32,801.17</b>	<b>26,918.75</b>	<b>1,11,353.81</b>	<b>1,13,497.14</b>
<b>Allowance for Expected Credit Loss</b>				
on unsecured, considered good	(12,114.75)	(11,746.08)	-	-
on considered doubtful	(4,557.96)	(4,557.96)	-	-
	<b>(16,672.71)</b>	<b>(16,304.04)</b>	-	-
<b>Total</b>	<b>16,128.46</b>	<b>10,614.71</b>	<b>1,11,353.81</b>	<b>1,13,497.14</b>

**Note 7.1:** Trade Receivable from private limited companies in which Company 's director(s) is/ are director(s)/ member(s)



# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
MVV Water Utility Private Limited	-	-	480.11	480.11
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>480.11</b>	<b>480.11</b>

**Note 7.2:** Ageing of trade receivables and credit risk arising there from is as below:

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	618.14	546.94	126.33	1,310.14	11,347.67	13,949.22
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	4,557.96	4,557.96
Disputed Trade Receivables – considered good	-	-	-	12,350.07	-	1,943.92	14,293.99
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
		618.14	546.94	12,476.40	1,310.14	17,849.55	32,801.17
Less: Allowance for Expected Credit Losses considered credit impaired	-	-	-	-	-	-	16,672.71
<b>Non-current Trade Receivable</b>		<b>618.14</b>	<b>546.94</b>	<b>12,476.40</b>	<b>1,310.14</b>	<b>17,849.55</b>	<b>16,128.46</b>
Undisputed Trade Receivables – considered good	-	7,796.12	1,463.20	4,112.51	551.22	9,424.90	23,347.94
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	168.86	48.55	1,328.01	528.58	11,488.47	13,562.48
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	74,443.39	-	-	-	-	-	74,443.39
<b>Current Trade Receivable</b>	<b>74,443.39</b>	<b>7,964.98</b>	<b>1,511.75</b>	<b>5,440.52</b>	<b>1,079.80</b>	<b>20,913.37</b>	<b>1,11,353.81</b>

As at March 31, 2021

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	319.57	13.36	240.33	151.52	6,222.82	6,947.60
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	4,557.96	4,557.96
Disputed Trade Receivables – considered good	-	-	13,795.52	-	-	1,617.67	15,413.19
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	319.57	13,808.88	240.33	151.52	12,398.45	26,918.75
Less: Allowance for Expected Credit Losses considered credit impaired	-	-	-	-	-	-	16,304.04
<b>Non-current Trade Receivable</b>	<b>-</b>	<b>319.57</b>	<b>13,808.88</b>	<b>240.33</b>	<b>151.52</b>	<b>12,398.45</b>	<b>10,614.71</b>
Undisputed Trade Receivables – considered good	-	3,530.61	349.53	1,223.76	3,098.44	16,680.57	24,882.91
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	1,460.83	4.91	298.70	651.20	11,923.96	14,339.60
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	74,274.63	-	-	-	-	-	74,274.63
<b>Current Trade Receivable</b>	<b>74,274.63</b>	<b>4,991.44</b>	<b>354.44</b>	<b>1,522.46</b>	<b>3,749.64</b>	<b>28,604.53</b>	<b>1,13,497.14</b>

## NOTE 8: LOANS

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans to related parties* (Refer Note 35)	6,608.52	12,182.48	-	-
Loan to others	4,824.77	349.06	-	-
<b>TOTAL</b>	<b>11,433.29</b>	<b>12,531.54</b>	<b>-</b>	<b>-</b>

Break-up:

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-	-	-
Loans considered good - Unsecured	6,722.09	7,820.35	-	-
Loans which have significant increase in credit risk	8,937.06	6,947.72	-	-
Loans credit impaired	-	-	-	-
	<b>15,659.15</b>	<b>14,768.07</b>	-	-
Less:- Allowance for Expected Credit Loss	4,225.86	2,236.53	-	-
<b>TOTAL</b>	<b>11,433.29</b>	<b>12,531.54</b>	-	-

**Note 8.1.** Loans and receivables are non- derivative financial assets which generate a fixed or variable interest income for the Company. The Carrying value may be affected by changes in the credit risk of the Counterparties.

**8.2** Disclosure of outstanding loans and advances due from Related Parties to the company together with maximum amount thereof pursuant to schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements Regulations, 2015) are as below:

₹ In Lakhs

Name of Related Parties	As at March 31, 2022		As at March 31, 2021	
	Balance Outstanding	Maximum Amount Outstanding during the year	Balance Outstanding	Maximum Amount Outstanding during the year
Subhash Kabini Power Corporation Limited	-	-	207.73	207.73
Spml Energy Limited	-	22.38	22.38	219.87
SPML Infrastructure Limited	342.79	400.77	400.76	400.76
Awa Power Company Private Limited	-	-	1,794.96	1,794.96
IQU Power Company Private Limited	-	-	948.82	948.82
Neogal Power Company Private Limited	-	-	699.63	699.63
Binwa Power Corporation Private Limited	-	7.52	7.52	99.90
Spml Utilities Limited	-	0.70	0.70	128.01
Bhagalpur Electricity Distribution Company Private Limited	5,190.37	5,190.37	5,190.37	5,190.37
Allahabad Waste Processing Company Limited	-	3.58	3.58	34.72
Madurai Municipal Waste Processing Company Private Limited	-	207.64	207.64	207.64
Doon Valley Waste Management Private Limited	-	4.36	4.36	42.26
Spml Bhiwandi Water Supply Infra Limited	887.29	887.29	887.29	887.29
Spml Bhiwandi Water Supply Management Limited	-	0.65	0.65	41.15
Gurha Thermal Power Company Limited	-	1,401.22	1,401.22	1,401.22
Hydro-comp Enterprises (India) Private Limited	-	0.40	0.40	1.02
International Construction Limited	-	-	1,151.70	1,151.70
20th Century Engineering Limited	-	0.02	0.02	0.22
Bharat Hydro Power Corporation Limited	188.07	188.07	188.08	188.08
Less: Interest accrued and due on above	6,608.52	-	13,117.81	-
	-	-	935.34	-
<b>TOTAL</b>	<b>6,608.52</b>	-	<b>12,182.47</b>	-

**8.3.** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

(Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## NOTE 9: OTHER BANK BALANCES

(at Amortised Cost)

₹ In Lakhs

Particulars	current	
	As at March 31, 2022	As at March 31, 2021
Deposits with maturity more than 3 months but less than 12 months*	195.29	1,970.74
<b>TOTAL</b>	<b>195.29</b>	<b>1,970.74</b>

\*lying with banks as security against Letters of Credits, Guarantees and Demand loan facilities issued by them.

## NOTE 10: OTHER FINANCIAL ASSETS

(at Amortised Cost, unless otherwise stated)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Interest accrued on fixed deposit/loan	739.80	304.39	9.65	1,871.17
Security deposits	1,232.42	956.08	-	-
Retention money	-	-	23,027.15	22,463.94
Other receivables	-	-	738.86	259.73
Receivable against sale of investments	-	-	200.00	200.00
Earnest money deposit	-	-	431.19	453.76
Deposit with maturity more than 12 months*	751.71	1,382.52	-	-
<b>TOTAL</b>	<b>2,723.93</b>	<b>2,642.99</b>	<b>24,406.85</b>	<b>25,248.60</b>

\*lying with banks as security against Letters of Credits, Guarantees and Demand loan facilities issued by them.

## NOTE 11: OTHER ASSETS

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Capital advances	251.25	251.25	-	-
Less : Allowances for Expected Credit Loss	(251.25)	(251.25)	-	-
Advances recoverable in cash or kind	-	-	9,332.12	5,899.25
Less : Allowances for Expected Credit Loss	-	-	(1,555.44)	(924.56)
Prepaid expenses	-	-	127.81	74.61
Balance with revenue authorities	-	-	5,163.19	6,194.74
Advance income-tax (net of provision for taxation)	4,425.18	4,865.36	-	-
Interest accrued on arbitration awards (Refer Note 44)	28,319.20	26,044.30	-	-
<b>TOTAL</b>	<b>32,744.38</b>	<b>30,909.66</b>	<b>13,067.68</b>	<b>11,244.04</b>

## NOTE 12: INVENTORIES

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

(Valued at lower of Cost and Net Realisable Value)

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Project materials	8,832.66	6,941.53
Stores and spares	107.36	99.03
Work-in-progress	83.04	83.04
<b>Total</b>	<b>9,023.06</b>	<b>7,123.60</b>

## NOTE 13: CASH AND BANK BALANCES

(at Amortised Cost)

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Cash and cash equivalents</b>		
Balances with banks :		
on current accounts	1,622.97	3,311.57
Deposits with original maturity of less than 3 months*	2,313.78	478.19
Cash on hand	5.77	7.71
<b>Total</b>	<b>3,942.52</b>	<b>3,797.47</b>

\*lying with banks as security against Letters of Credits, Guarantees and Demand loan facilities issued by them.

## NOTE 14: SHARE CAPITAL

₹ In Lakhs

	Equity Shares		Preference Shares	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
Authorised capital				
As at April 01, 2021	20,00,00,000	4,000.00	10,00,000	1,000.00
Increase during the year	-	-	65,00,000	6,500.00
<b>As at March 31, 2022</b>	<b>20,00,00,000</b>	<b>4,000.00</b>	<b>75,00,000</b>	<b>7,500.00</b>

	Equity Shares		Preference Shares	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
Issued, subscribed and paid-up capital				
As at April 01, 2021	3,66,50,276	733.01	-	-
Add : Forfeited shares(amount originally paid up)	-	86.44	-	-
Add : Increase during the year	27,75,000	55.50	34,04,930	3,404.93
<b>As at March 31, 2022</b>	<b>39,425,276</b>	<b>874.95</b>	<b>3,404,930</b>	<b>3,404.93</b>

### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## (i) Equity Shares

₹ In Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	3,66,50,276	733.01	3,66,50,276	733.01
Addition during the year	27,75,000	55.50	-	-
Outstanding at the end of the year	3,94,25,276	788.51	3,66,50,276	733.01

## (ii) 0% Compulsorily Convertible Preference Shares

₹ In Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Addition during the year	34,04,930	3,404.93	-	-
Outstanding at the end of the year	34,04,930	3,404.93	-	-

- b. During the year ended March 31, 2022, the Company has allotted, by way of a preferential allotment, 27,75,000 equity shares of Rs. 2/- each fully paid-up, at an issue price of Rs. 50/- each (including a premium of Rs. 48/- per equity share) aggregating to Rs. 1,387.50 Lakhs, to Promoter and Promoter Group, on conversion of their existing unsecured loans to the Company. Further, the Company has also allotted, by way of a preferential allotment, 34,04,930 0% Compulsorily Convertible Preference Shares ("CCPS") having a face value of Rs.100/- each, at par, aggregating to Rs. 3,404.93 Lakhs, to the aforesaid Promoter and Promoter Group, on conversion of their existing unsecured loans to the Company. Each CCPS is convertible into 2 equity shares of face value of Rs. 2/- each at the conversion price of Rs. 50/- including premium of Rs. 48/- per share, in one or more tranches,

### c. (i) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 2/- per share. Each holder of equity shares is entitled one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. (ii) Terms and rights attached to 0% Compulsorily Convertible Preference Shares:

Each Compulsorily Convertible Preference Shares having par value of Rs. 100/- per share shall be compulsorily convertible into two equity share at any time within 18 months from the date of allotment. The Compulsorily Convertible Preference Shares shall have priority with respect to repayment of capital over equity shares of the company. The holders of CCPS would not participate in the surplus assets and profits on winding up which may remain after the entire capital has been repaid and shall not carry any voting right.

### d. (i) Details of Shareholders holding more than 5% shares in the Company is as below:

₹ In Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Client Rosehill Limited	54,93,876	13.93	54,93,876	14.99
Zoom Industrial Services Limited	41,26,000	10.47	25,00,000	6.82
SPML India Limited	29,90,380	7.58	21,19,055	5.78
Canara Bank	-	-	20,14,450	5.50

### d. (ii) Details of shareholders holding more than 5% shares of 0% Compulsorily Convertible Preference Shares in the Company is as below:

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Zoom Industrial Services Limited	16,74,300	49.17	-	-
SPML India Limited	4,32,330	12.70	-	-
Niral Enterprises Pvt. Ltd.	12,98,300	38.13	-	-

**e. Details of promoters' shareholding percentage in the Company is as below:**

Particulars	As at March 31, 2022		% Change during the year	As at March 31, 2021	
	No. of Shares	% holding		No. of Shares	% holding
Subhash Chand Sethi	15,23,280	3.86	(0.29)	15,23,280	4.16
Sushil Kumar Sethi	13,34,660	3.39	0.50	10,56,985	2.88
Deepak Sethi	5,82,250	1.48	(0.11)	5,82,250	1.59
Punam Chand Sethi	4,94,625	1.25	(0.10)	4,94,625	1.35
Punam Chand Sethi	3,72,735	0.95	(0.07)	3,72,735	1.02
Suman Sethi	1,83,735	0.47	(0.04)	1,83,735	0.50
Shilpa Sethi	1,81,515	0.46	(0.03)	1,81,515	0.50
Zoom Industrial Services Ltd.	41,26,000	10.47	3.64	25,00,000	6.82
20th Century Engineering Limited	10,00,000	2.54	(0.19)	10,00,000	2.73
Spm Engineers Limited	5,00,000	1.27	(0.10)	5,00,000	1.36
Arihant Leasing And Holding Limited	4,36,020	1.11	(0.08)	4,36,020	1.19
Spml India Limited	29,90,380	7.58	1.80	21,19,055	5.78

- f. In pursuance of the implementation of "SPML S4A Scheme", the Promoters of the Company had diluted their shareholding in the Company to the extent of "Principle of Proportionate loss sharing by Lenders (S4A Lenders)" in favour of the Lender Banks to entitle them to hold 21.44 % stake in the Company. As on balance sheet dated March 31, 2022 Lenders are holding 2.93% shareholding in the Company.
- g. In terms of the "SPML S4A Scheme" as approved by the Overseeing Committee (constituted under the aegis of Reserve Bank of India) the entire debt of the Company as bifurcated into Part A Debt and Part B Debt together with all interest thereon is also inter-alia secured by pledge of the Shares of the Company held by Promoters in favour of SBICAP Trustee Ltd. for the benefit of the Secured Parties. The Promoters & the Promoter Group of the Company as on the balance sheet dated March 31, 2022 had pledged 25.57% of the Shares as held by them in the Company in favour of the Security Trustee.
- g. **Shares allotted as fully paid-up pursuant to conversion of Loans into shares without payment received in cash during the period of 5 years immediately preceeding March 31, 2022:**

Particulars	Equity shares		0% Compulsorily Convertible Preference shares	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs.2/- par value per share issued during the year	27,75,000	55.50	-	-
0% Compulsorily Convertible Preference Shares of Rs.100/- par value per share issued during the year	-	-	34,04,930	3,404.93

No bonus shares or shares bought back over the last five years immediately preceeding the reporting date.

## NOTE 15: OTHER EQUITY

₹ In Lakhs

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021
A Capital reserve	885.73	885.73
B Securities premium account	16,595.80	15,263.80
C General reserve	5,929.05	5,929.05
D Retained Earnings (movements given below)	5,860.38	4,862.32
E Other Comprehensive Income	(385.87)	(364.67)
<b>TOTAL</b>	<b>28,885.09</b>	<b>26,576.22</b>

## Movement in Retained Earnings

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance</b>	4,862.32	15,579.73
Add: Profit for the year	998.06	(10,717.42)
<b>Closing balance</b>	<b>5,860.38</b>	<b>4,862.32</b>

## NOTE 16: BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term Loans</b>		
from banks (Refer Note 16.1)	324.75	343.73
<b>0.01% Optionally Convertible Debentures</b>		
issued to banks (Refer Note 16.3.3)	52,391.04	52,858.17
issued to financial institutions (Refer Note 16.3.3(c))	1,677.00	1,677.00
<b>Deferred Payment Credits (Refer Note 16.4)</b>		
from others	-	47.35
<b>Unsecured</b>		
<b>Term Loans</b>		
from related parties (Refer Note 16.5)	5,999.19	7,492.83
from bodies corporate (Refer Note 16.6)	636.35	636.35
<b>TOTAL</b>	<b>61,028.33</b>	<b>63,055.43</b>

### 16.1 Security and repayment terms in respect of term loans from banks

- Corporate Loan of Rs. 2787.87 Lakhs (P.Y. Rs. 2,898.08 Lakhs) from Consortium Member-Banks carries interest @ 12.65% p.a. and are repayable in uneven quarterly instalments along with interest thereon by FY 2022-2023. The said loans are secured on pari-passu basis by (i) Extension on all the current and non-current assets of the Company (both present and future) (ii) Exclusive mortgage on two Immovable Properties situated at Sarita Vihar, New Delhi owned by relatives of the Promoters (iii) Negative lien on one property at New Delhi owned by one of the associates (iv) Pledged shares of the Company held by Promoters/Associates. In addition, these loans are also secured by Personal Guarantee of relatives of promoter and others to the extent of the value of the their mortgaged properties as well as Personal Guarantees of the Promoters of the Company.
- As at the year ended March 31, 2022, the Company has defaulted in repayment of dues upto 90 days amounting to Rs. NIL (P.Y. Rs.14,906.67 Lakhs) and dues exceeding 90 days amounting to Rs. 1,07,214.30 Lakhs (P.Y. Rs. 58,939.70



# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Lakhs) in respect of Banks. The Company has also defaulted in repayment of dues upto 90 days amounting to Rs. NIL (P.Y. Rs. 137.59 Lakhs) and dues exceeding 90 days amounting to Rs. 332.34 Lakhs (P.Y. Rs. 392.30 Lakhs) in respect of financial institution.

## 16.2 Security and repayment terms in respect of term loans from financial Institutions

Term Loan of Rs. 332.34 (P.Y.Rs. 335.41 Lakhs) from a Financial Institution carries interest @ 13.55% p.a. (IBR +2.80% p.a.) and is repayable in twelve equated quarterly instalments by April 2021. The said loan is secured against an exclusive charge on (i) the Immovable Property situated at Faridabad owned by one of group entities (ii) Immovable Property of the Company situated in Gangapur, Sawai Madhopur in Rajasthan (iii) Pledge of shares of the Company held by Promoters/Group entities giving coverage of 1x of Loan amount. Further, the Loan is also backed by Personal Guarantees of Promoters, in addition to Corporate Guarantee & PDCs given by one of the group entities i.e SPML Industries Limited.

### 16.3.1 Restructuring of entire Debts as availed from the Banks/Financial Institutions under Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme")

The Company's debt has been restructured under the Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme") as approved by the Overseeing Committee (constituted under the aegis of the RBI) on October 06, 2017. Pursuant to the approval of the Company's business re-organisation plan by S4A, a framework agreement had also been executed on November 01, 2017 among the Company and lenders. In terms of the S4A the Company's debt portfolio was reorganised/reallocated. Consequentially, 54,53,517 Optionally Convertible Debentures (OCDs) of Rs. 1000/- each (carrying coupon rate @0.01 % p.a. with an YTM @8.15% p.a.) were issued in favour of the lender Banks based on their subscription to the OCDs, out of which 46,750 OCDs were redeemed during the period. The security details are given here under.

### 16.3.2 Note for Right of Re-compensation:

The Company acknowledges that the S4A Lenders reserves a Right of Recompense ("RoR") for Concessional Interest Rates. The recompense payable by the Company after the final redemption date depends on various factors such as improved performance of the Company, Cash Inflow & other conditions.

### 16.3.3 Security and repayment terms in respect of Optionally Convertible Debentures (OCDs)

The Company had allotted Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (OCDs) of the Rs.1000/- each under eight series to the Lender Banks, out of which two series issued to Yes Bank i.e. Series C & D have been redeemed during the period:

- a. OCDs issued under Series A, B, & H are secured by way of first ranking charge in favour of Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) on Hypothecation of Stocks and Book Debts of the Company, both present and future and all other current assets and non-current receivable, Plant and Machinery, Furniture and Fixture and office equipment. In addition to above these loans are secured by the Personal Guarantee of two Promoter Directors and others of the Company and Corporate Guarantee of one of the associates of the Company, except for OCDs issued to ICICI Bank under Series B which is secured by extension of exclusive securities with them. Over and above Lien of Fixed Deposit having issue value of Rs.38 Lakhs has been issued in favour of Lead Bank.
- b. OCDs issued under Series E are secured by way of first ranking charge in favour of the Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) (i) on all the current and non-current assets of the Company (both present and future)(ii) Exclusive charge on two Immovable Properties situated at Sarita Vihar, New Delhi, (iii) Pledge of Shares of the Company held by Promoters/Associates (iv) Negative lien on one property at New Delhi owned by one of the Associates. In addition, these OCDs are also secured by Personal Guarantee of two property owners to the extent of the value of the properties as well as Personal Guarantee of Promoters.
- c. OCDs issued under Series F are secured by way of exclusive charge in favour of IFCI Ltd. on (i) the Immovable Property owned by one of group entities situated in Faridabad (ii) Immovable Property owned by the Company situated in Gangapur, Sawai Madhopur, Rajasthan (iii) Pledge of shares of the Company held by Promoters/ Group entities giving coverage of 1x of Loan amount . Further, the Loan is also backed by Personal Guarantee of Main Promoters, Corporate Guarantee & PDCs given by one of Associates of the Company.
- d. OCDs issued under Series G are secured by way of exclusive charge in favour of ICICI Bank Ltd. on the Immovable Property

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

of the company situated in Gurugram.

- e. OCDS carry Coupon Rate of 0.01% p.a. to be paid in the first instance from November 01, 2017 to March 31, 2018 and thereafter at the end of each financial quarter commencing from last coupon payment date and ending on the next coupon payment date. OCDs also carry Yield-to-Maturity (YTM) of 8.15% p.a. are redeemable after a moratorium period of five years from the date of issue starting from quarter ending December, 2022 and ending on quarter ending September, 2027. Under the ongoing Resolution Plan, YTM is proposed to be waived.

**16.4.** Deferred Payment Credits from financial companies was secured against hypothecation of vehicle purchased against such loans which were repayable in 48 equated monthly installments carrying compounding interest rate of 10.81% p.a. However the balance as on 31.03.2022 is Rs.42.56 Lakhs.

**16.5.** Loans from Related Parties and Bodies Corporates carry interest @8.60%- 14.5% and are repayable within a maximum period of 10 years.

**16.6.** Loans from Bodies Corporates are repayable within a maximum period of 10 years.

**16.7.** The Company has been facing financial crisis since last few financial years and with effect from the financial year 2019-20, the Company is in default relating to payment of its dues to the financial creditors (mainly to banks/financial institutions, hereinafter referred to as "Lenders") and accordingly, the borrowing facilities of the Company with the Lenders are irregular as on March 31, 2022. The Company is in the process of formulating a resolution plan with Lenders, which is at an advanced stage of discussions after protracted negotiations and completion of various processes ('resolution plan'). The resolution plan has been assigned "RP4" rating by two independent rating agencies which is required for resolution under RBI's Prudential Framework for Resolution of Stressed Assets RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated June 07, 2019. Further, the Company is having recourse to arbitral award monies (approximately Rs.272 crores) by virtue of various arbitration awards in its favour and which have been considered as a part of the resolution plan. Also, the process of infusion of fresh funds into the Company, required for the debt resolution, has been initiated.

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

**16.8.** The operations of the company have suffered in the last few years mainly due to general economic slowdown as well as various actions and inactions by various Government bodies / authorities, including factors beyond the control of the Company or its management. The major clients / customers of the Company are government bodies wherein the monies of the company are stuck since long and for which the claims of the Company are pending. The situation has been further aggravated with the non-release of sanctioned working capital credit facilities including Bank Guarantee limits, alongwith levy of excess margin & charges by some of the Lenders as against the agreed terms of sanction by them. Due to the mismatch in the cash flows, the Company has not been able to service its debts or meet the payment obligations to the Lenders. Hence, the accounts of the Company with the Banks have been classified as irregular and sub - standard. Consequently, w.e.f. November 01, 2019, majority of the Lenders ceased charging interest on loans to the Company, in their books of account, as per RBI's prudential norms. In the on-going resolution with the Lenders, the Company has proposed issuance of a separate instrument towards the unpaid interest upto the cut-off date (October 31, 2019 has been proposed as the cut-off date for the implementation of the resolution plan), which is under active consideration. Hence the company is not recognizing any interest liability on the fund based borrowing facilities from the Lenders in the books of accounts as on March 31, 2022. Accordingly, based on the expectation of imminent approval and implementation of the resolution plan, interest expense of Rs.19,795.66 Lakhs on the said borrowings have not been recognized for the year ended March 31, 2022 (Rs. 8,592.57 Lakhs for the year ended March 31, 2021). Effect of the resolution plan would be provided in the financial statements of the Company as and when the plan is finally approved and implemented by the lenders. Further, on the aforesaid grounds, in respect of other borrowings including those from certain related parties (i.e. borrowing other than from 'Lenders'), the company had written back Rs. 463.74 Lakhs representing liability towards interest expense upto March 31, 2021 and has also not recognized interest expense of Rs. 714.06 Lakhs for the year ended March 31, 2022.

**16.9.** The Company is in the process of debt resolution with lenders because of mismatch of the overall cash flow of the

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Company. Subsequently Company's accounts with all the banks have been identified as Non Performing Assets. The Company has provided stock statements to the banks wherein current assets viz. Inventory and Trade Receivables have been considered on which bank has provided the facilities to the Company as per their terms of sanction. Accordingly, there are deviations in the stock statement against reported figures in these accounts on account of non consideration of various current assets for aligning it with the terms of sanction.

**16.10.** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## NOTE 17: TRADE PAYABLES

(at amortised cost)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Trade Payables</b>				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	1,003.95	58.22
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,036.15	5,242.15	28,633.53	26,341.52
<b>TOTAL</b>	<b>7,036.15</b>	<b>5,242.15</b>	<b>29,637.48</b>	<b>26,399.74</b>

Ageing schedule of trade payable is as below:

As at March 31, 2022

₹ In Lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	-	-	-	-	-	-
Undisputed dues- Others	-	2,108.87	617.58	905.72	3,127.00	6,759.17
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	63.50	175.55	37.93	276.98
<b>Non-current Trade Payables</b>	<b>-</b>	<b>2,108.87</b>	<b>681.08</b>	<b>1,081.27</b>	<b>3,164.93</b>	<b>7,036.15</b>
Undisputed dues- MSME	-	824.19	53.96	43.83	81.97	1,003.95
Undisputed dues- Others	11,069.81	11,354.12	792.83	1,950.22	2,764.18	27,931.16
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	182.49	89.22	430.66	702.37
<b>Current Trade Payables</b>	<b>11,069.81</b>	<b>12,178.31</b>	<b>1,029.28</b>	<b>2,083.27</b>	<b>3,276.81</b>	<b>29,637.48</b>

As at March 31, 2021

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	-	-	-	-	-	-
Undisputed dues- Others	-	97.17	227.24	1,884.27	2,756.49	4,965.17
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	114.01	152.75	1.96	8.26	276.98
<b>Non-current Trade Payables</b>	<b>-</b>	<b>211.18</b>	<b>379.99</b>	<b>1,886.23</b>	<b>2,764.75</b>	<b>5,242.15</b>
Undisputed Dues- MSME	-	51.37	1.55	1.02	4.28	58.22
Undisputed Dues- Others	2,848.89	15,112.96	5,215.08	1,068.06	1,394.16	25,639.15
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	131.98	112.29	448.70	9.40	702.37
<b>Current Trade Payables</b>	<b>2,848.89</b>	<b>15,296.31</b>	<b>5,328.92</b>	<b>1,517.78</b>	<b>1,407.83</b>	<b>26,399.74</b>

**Note: Information in terms of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

₹ In Lakhs

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	883.07	31.80
Interest	120.88	26.42
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
Principal	-	-
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

## NOTE 18: OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	6,553.53	4,518.40
Financial guarantee obligation	369.70	468.62
<b>TOTAL</b>	<b>6,923.23</b>	<b>4,987.02</b>

## NOTE 19: PROVISION

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Gratuity (Refer Note 32)</b>	301.56	297.19	105.41	121.35
Compensated absences	-	-	48.24	47.45
<b>TOTAL</b>	<b>301.56</b>	<b>297.19</b>	<b>153.65</b>	<b>168.80</b>

## NOTE 20: BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
From banks - Rupee loans payable on demand		
Cash Credit facilities (Refer Note 20.1)	88,619.40	89,703.16
Working Capital demand loan	15,807.03	16,098.99
Current maturities of long-term borrowings (from Bank and Financial Institutions)	2,838.02	2,895.33
<b>Unsecured</b>		
from bodies corporate (Refer Note 20.2)	5,927.92	9,226.71
<b>Total</b>	<b>1,13,192.37</b>	<b>1,17,924.19</b>

**20.1** - Cash Credit and working capital facilities in Indian rupees are secured by hypothecation of stocks and book debts of the Company, both present and future, hypothecation of certain specific plant and machinery, furniture/fixtures and office equipments and also the lien on fixed deposit having value of Rs. 38 Lakhs in favour of One member bank as a pari passu charge with other consortium banks. These loans are additionally secured by the guarantees of three promoter directors of the Company and corporate guarantee of SPM Engineers Limited (related party). The cash credit and working capital facilities carry interest @ 12.65% to 15.75% p.a.

**20.2** - Loans from bodies corporate carry interest @ 12% p.a to 18% p.a.

## NOTE 21: LEASE LIABILITIES

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Lease Liabilities</b>	2.77	-	2.43	74.48
<b>TOTAL</b>	<b>2.77</b>	<b>-</b>	<b>2.43</b>	<b>74.48</b>

## NOTE 22: OTHER CURRENT FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued and due on borrowings	-	15.78
Salaries and other employee benefit payable	1,005.86	953.37
Advance from customers	755.90	979.20
Interest accrued on Advances from customers	1,075.83	1,319.26
<b>TOTAL</b>	<b>2,837.59</b>	<b>3,267.61</b>

## NOTE 23: OTHER CURRENT LIABILITIES

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	1,008.65	1,199.01
Employees payable	463.64	494.31
Other liabilities	833.46	491.77
<b>TOTAL</b>	<b>2,305.75</b>	<b>2,185.09</b>

## NOTE 24: REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Operating revenue</b>		
- Construction/EPC contracts	76,381.28	57,510.25
- Operation and maintenance	5,844.79	1,384.54
<b>Other operating revenue</b>		
Interest income as per arbitration awards (Refer Note 44)	3,083.62	2,644.38
<b>TOTAL</b>	<b>85,309.69</b>	<b>61,539.17</b>

**24.1** The Company recognises revenue from contracts with customers (long-term construction contracts), which are mainly with Government parties, for construction / project activities over a period of time. During the year under report, substantial part of the Company's business has been carried out in India. Hence no dis-aggregation of revenue has been presented.

### 24.2 Contract balances

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Contract assets	97,470.54	96,738.57
Contract liabilities	7,309.43	5,497.60

The credit period towards trade receivables generally ranges between 30 to 60 days. Further the customer retains certain amounts as per the contractual terms which usually fall due on the completion of contract. These retentions are made to protect the customer from the Company failing to adequately complete all or some of its obligations under the contract.

Contract assets are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has not met requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Contract liabilities include advances received from customers towards mobilisation of resources, purchase of materials and machineries.

Increase in the Trade Receivables, Contract assets and Contract liabilities as at March 31, 2022 from April 1, 2021 is on account of changes in operations of the Company. Impairment loss recognized on trade receivables have been disclosed in Note 7. No Impairment loss has been recognised on contract assets since the management is of the opinion that the contract assets are fully recoverables.

**Changes in contract assets are as follows:**

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>96,738.57</b>	<b>1,02,141.83</b>
Revenue recognised in the reporting period	14,406.19	25,252.30
Amount received against contracts during the year	(13,674.22)	(30,655.57)
<b>Balance at the end of the year</b>	<b>97,470.54</b>	<b>96,738.57</b>

Changes in contract liabilities are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>5,497.60</b>	<b>17,720.16</b>
Amount received against contracts during the year	4,132.59	8,352.60
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(2,320.76)	(20,575.16)
<b>Balance at the end of the year</b>	<b>7,309.43</b>	<b>5,497.60</b>

## NOTE 25: OTHER INCOME

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest income on</b>		
Loans given	485.12	1,033.22
Bank deposits	121.76	238.83
Income tax refund	79.91	175.26
Others	98.92	120.68
<b>Other Non-operating income</b>		
Sundry balances / liabilities written back (Refer Note 41)	762.51	2,352.08
Commission received	117.52	202.09
Profit on sale of fixed assets (net)	11.81	6.64
Fair value changes on mutual fund	16.93	-
Others	5.50	190.35
<b>TOTAL</b>	<b>1,699.98</b>	<b>4,319.15</b>

## NOTE 26: MATERIALS CONSUMED AND OTHER CONSTRUCTION EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Construction materials and stores and spare consumed</b>		
Inventory at the beginning of the year	7,040.56	6,190.69
Add: Purchases	22,981.38	17,842.29
	<b>30,021.94</b>	<b>24,032.98</b>
Less: Inventory at the end of the year	8,940.02	7,040.56
	<b>21,081.92</b>	<b>16,992.42</b>
<b>Construction Expenses</b>		
Subcontractor charges	50,899.32	30,182.84
Drawing and designing charges	3.72	0.89
Equipment hire and running charges	165.61	378.38
Other direct expenses	1,975.16	1,050.54
	<b>53,043.82</b>	<b>31,612.65</b>
<b>Total</b>	<b>74,125.74</b>	<b>48,605.08</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 27: EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,579.21	2,373.90
Contribution to provident and others funds	65.71	74.65
Gratuity expense	67.31	69.90
Staff welfare expenses	59.73	62.35
<b>TOTAL</b>	<b>2,771.95</b>	<b>2,580.80</b>

## NOTE 28: FINANCE COSTS

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest	1,957.14	4,474.97
Finance cost on lease	2.96	21.36
Other borrowing costs	1,268.36	2,344.20
<b>TOTAL</b>	<b>3,228.46</b>	<b>6,840.53</b>

## NOTE 29: DEPRECIATION AND AMORTIZATION

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Tangible assets	323.15	376.81
Depreciation on ROU assets	61.68	166.05
Amortisation of Intangible assets	4.99	0.12
<b>TOTAL</b>	<b>389.82</b>	<b>542.98</b>



# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 30: OTHER EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	211.32	171.59
Rates and taxes	94.49	50.12
Repairs and maintenance:		
Building	12.97	16.48
Plant and machinery	33.39	30.89
Others	11.71	23.93
Insurance	234.24	332.25
Professional charges and consultancy fees	1,229.16	1,110.53
Vehicle running charges	146.46	88.31
Travelling and conveyance	152.67	56.00
Security charges	154.08	166.21
Communication expenses	28.91	22.56
Power and fuel	76.66	77.19
Printing & Stationery expenses	24.98	13.82
Charity and donations	0.03	0.31
Auditor's remuneration (Refer Note 30.1)	40.09	39.41
"Expected Credit Loss on loans to a subsidiary, JV and certain associates (Refer Note 30.2)"	1,989.34	722.69
"Impairment of equity investments in certain subsidiaries and associates (Refer Note 30.3)"	-	1,547.55
Expected Credit Loss on investment in preference shares of subsidiary		
Impairment of investment in equity shares of company fair valued through profit and loss	-	168.96
Expected Credit Loss on doubtful advance	630.88	1,175.81
Bad debts / sundry balances written off	70.20	656.28
Miscellaneous expenses	167.42	153.80
Expected Credit Loss on trade receivables	298.67	1,303.39
<b>TOTAL</b>	<b>5,607.67</b>	<b>7,928.08</b>

### Note 30.1: Payment to Auditors

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As Auditors		
- Audit fees	22.00	22.00
- Tax audit fees	4.50	4.50
- Limited review	10.50	10.50
- Reimbursement of expenses	0.61	2.06
In other capacity:		
- Other services (certification fees)	2.48	0.35
<b>TOTAL</b>	<b>40.09</b>	<b>39.41</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## Note 30.2: Expected Credit Loss on loans

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
SPML Utilities Limited (Subsidiary)	0.71	127.31
SPML Bhiwandi Water Supply Management Limited (Associate)	0.65	40.50
Luni Power Company Private Limited	340.86	-
Aurangabad City Water Utility Limited (Joint Venture)	-	194.39
Madurai Municipal Waste Processing Company Pvt Ltd (Associates)	207.64	-
Gurha Thermal Power Company Limited (Joint Venture)	1,401.22	-
Binwa Power Company Pvt. Ltd. (Associate)	7.52	92.38
Spml Energy Limited (Associate)	22.38	197.49
Allahabad Waste Processing Company Limited (Subsidiary)	3.58	31.14
Doon Valley Waste Management Private Limited (Subsidiary)	4.36	37.90
Meena Holdings Ltd.	-	0.76
Hydro Comp Enterprises (India) Limited (Joint Venture)	0.40	0.62
20TH Century Engineering Limited	0.02	0.20
<b>TOTAL</b>	<b>1,989.34</b>	<b>722.69</b>

## Note 30.3: Impairment of equity investments

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Neogal Power Company Private Limited	-	61.95
Awa Power Company Private Limited	-	190.04
IQU Power Company Private Limited	-	245.41
SPML Utilities Limited	-	80.00
Aurangabad City Water Utility Company Ltd.	-	104.77
Spml Bhiwandi Water Supply Mgt Ltd.	-	2.50
Spml Bhiwandi Water Supply Infra Ltd.	-	2.25
Allahabad Waste Processing Comapny Limited	-	82.00
Gurha Thermal Power Company Limited	-	2.50
Bhagalpur Electricity Distribution Company Pvt. Ltd.	-	1.03
MVV Water Utility Private Limited	-	1.42
Pondicherry Port Limited	-	0.01
Jarora Nayaganv Toll Road Comapny Pvt. Ltd.	-	0.05
Subhash Kabini Power Corporation Limited	-	773.62
<b>TOTAL</b>	<b>-</b>	<b>1,547.55</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 31: CONTINGENT LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Contingent Liabilities</b>		
i Claims against the Company not acknowledged as debts:		
(a) Demand for licence fees raised by Mines and Mineral Department, Government of Bihar	-	83.41
(b) Legal suits filed against the Company by third parties towards claims disputed by the Company relating to supply of goods and services	670.21	102.00
(c) Legal suites filed against the company by ex-employees towards claims disputed by the Company relating to non-payment of their dues	0.26	4.36
	<b>670.47</b>	<b>189.77</b>
ii Claims towards liquidated damages not acknowledged as debts by the Company (Against the above, debts of the like amounts are withheld by the customers. However, the Company expects no material liability to accrue on account of these claims)	19,953.36	14,462.92
iii Disputed Demands:		
(a) Excise/ Service tax	23.13	23.13
(b) Sales tax/ VAT	3,932.29	3,932.29
iv Performance bank guarantees, given on behalf of a Joint Ventures - MVV Water Utilities Private Limited	191.00	216.00
v Corporate Financial Guarantees given to banks for financial assistance extended to subsidiaries and other body corporates	4,232.51	27,500.12

## NOTE 32 EMPLOYEE BENEFITS

### (a) Contribution to defined Contribution Plans recognised as expense are as under

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund and other Funds	65.71	74.65

### (b) Defined Benefit Plan

#### Disclosure for Defined Benefit Plans based on actuarial report

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Changes in Defined Benefit Obligation:</b>		
<b>Present value of defined benefit obligation at the beginning of the year</b>	<b>418.53</b>	<b>478.47</b>
Current Service Cost	38.43	36.40
Interest Cost	28.88	33.49
<b>Re-measurements (gains)/losses</b>		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(1.12)	4.88
Actuarial (gains)/losses arising from changes in experience adjustments	31.92	(42.93)
Benefits paid	(110.08)	(91.78)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>406.56</b>	<b>418.53</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Interest cost	28.88	33.49
Current service cost	38.43	36.40
<b>Total</b>	<b>67.31</b>	<b>69.89</b>
<b>Expenses recognised in Other Comprehensive Income</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	(1.12)	4.88
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	31.92	(42.93)
Total actuarial (gains)/ losses recognized in Other Comprehensive Income	30.80	(38.05)

## The Principal actuarial assumption used:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate	7.10%	6.90%
Salary Growth Rate	<b>6.00%</b>	<b>6.00%</b>
Mortality Rate	Indian assured lives mortality (2012-14) Table Ultimate	Indian assured lives mortality (2012-14) Table Ultimate
Withdrawal Rate (Per Annum)	1% to 8%	1% to 8%

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

## Disclosure for Defined Benefit Plans based on actuarial report

### Current and Non Current Classification

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Gratuity</b>		
Current	106.68*	121.35*
Non-current	299.89*	297.18*

\*excludes figures of Joint Operations

### Basis used to determine expected rate of return on assets:

The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-cum-Life Assurance Cash Accumulation Policy offered by Life Insurance Corporation of India.

### Sensitivity Analysis for significant assumptions for the year ended March 31, 2021 are as follows:

₹ In Lakhs

Assumptions	Discount Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (Rs.)	381	435

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Assumptions	Future Salary increase	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (Rs.)	432	384

₹ In Lakhs

Assumptions	Withdrawal Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (Rs.)	409	403

Sensitivity Analysis for significant assumptions for the year ended March 31, 2021 are as follows:

₹ In Lakhs

Assumptions	Discount Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	393	448

₹ In Lakhs

Assumptions	Future Salary increase	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	444	396

₹ In Lakhs

Assumptions	Withdrawal Rate	
Sensitivity Level	1% increase	1% decrease
Impact on Defined Benefit Plan (₹)	421	416

The Weighted Average duration of the defined benefit obligation as at March 31, 2022 is 60 years

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate Risk:** The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

**Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 33: LEASES

### Company as a Lessee

#### Lease Assets and Lease Liabilities

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>		
Right of Use assets (Refer Note 4)	5.56	68.16
<b>Liabilities</b>		
<b>Lease Liabilities</b>		
- Current (Refer Note 21)	2.43	74.48
- Non-current (Refer Note 21)	2.77	-

#### Depreciation on Right of Use Assets & Interest Expenses on Lease Liabilities

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation and Amortisation expenses	61.68	166.05
Interest expenses	2.96	21.36
Short term lease payment	211.32	171.59

#### Carrying amounts of right-of-use assets recognised and the movement during the year:

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance (Previous year initial recognition on adoption of Ind AS 116)	68.16	252.26
Addition/(deduction) during the year	(0.92)	(18.05)
Depreciation expenses	(61.68)	(166.05)
<b>Closing balance</b>	<b>5.56</b>	<b>68.16</b>

#### Set out below are the carrying amounts of lease liabilities and the movements during the year:

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance (Previous year Initial recognition on adoption of Ind AS 116)	74.48	263.10
Addition/(deduction) during the year	-	(19.94)
Interest expenses during the year	2.96	21.36
Payments	72.24	190.04
<b>Closing balance</b>	<b>5.20</b>	<b>74.48</b>
Current	2.43	74.48
Non-current	2.77	-

#### The effective interest rate for lease liabilities is 12.65%, with maturity between April 2021 & March 2024

₹ In Lakhs

Maturity analysis of lease liabilities are as follows:	As at March 31, 2022	As at March 31, 2021
1 Year	2.43	74.48
2 to 5 Years	2.77	-

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 34: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24

### List of Related Parties

#### I. Subsidiary Companies including Step-Down Subsidiary Companies:

##### Names of related parties

SPML Infrastructure Limited

Madurai Municipal Waste Processing Company Private Limited (ceased to be a subsidiary w.e.f. March 31, 2022)

SPML Utilities Limited

Allahabad Waste Processing Company Limited

Mathura Nagar Waste Processing Company Limited

Bhagalpur Electricity Distribution Company Pvt. Ltd.

Doon Valley Waste Management Private Limited

SPMLIL- Amrutha Constructions Pvt. Ltd.(ceased to be a subsidiary w.e.f. March 31, 2022)

Sanmati Infra Developers (P) Ltd. (subsidiary w.e.f. August 4, 2021)

Pondicherry Special Economic Zone Company Limited (subsidiary w.e.f. August 4, 2021)

#### II. Joint Ventures of the Company

##### Names of related parties

Malviya Nagar Water Services Private Limited

MVV Water Utility Private Limited

Gurha Thermal Power Company Ltd.

Aurangabad City Water Utility Company Limited

Hydro Comp Enterprises (India) Limited

#### III. Associates of the Company

##### Names of related parties

Awa Power Company Private Limited (ceased to be an associate.w.e.f. March 31, 2022)

Binwa Power Corporation Private Ltd

Bhilwara Jaipur Toll Road Private Limited

Delhi Waste Management Ltd.

IQU Power Company Private Ltd. (ceased to be an associate.w.e.f. March 31, 2022)

Neogal Power Company Private Ltd. (ceased to be an associate.w.e.f. March 31, 2022)

Sanmati Infra Developers (P) Ltd. (associate.w.e.f. March 31, 2022)

SPML Bhiwandi Water Supply Infra Limited

SPML Bhiwandi Water Supply Management Limited

Subhash Kabini Power Corporation Limited (ceased to be an associate.w.e.f. March 25, 2022)

SPML Energy Limited

Madurai Municipal Waste Processing Company Private. Limited (associate.w.e.f. March 31, 2022)

SPMLIL- Amrutha Constructions Pvt. Ltd.(associate.w.e.f. March 31, 2022)

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 34: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24 (CONTD..)

### List of Related Parties

#### IV. Key Management Personnel

Names of related parties	Nature of relationship
Mr. Subhash Chand Sethi	Chairman
Mr. Sushil Kumar Sethi	Vice Chairman & Non-Executive Director
Mr. Dinesh Kumar Goyal (resigned w.e.f. July 1, 2021)	Independent Director
Mr. Prem Singh Rana	Independent Director
Mr. Charan Singh (appointed w.e.f July 7, 2021)	Independent Director
Mr. Tirudaimarudhur Srivastan Sivashankar (appointed w.e.f June 8, 2021)"	Independent Director
Mr. Pavitra Joshi Singh	Independent Director
Mr. Abhinandan Sethi	Chief Operating Officer
Mr. Manoj Digga	Chief Financial Officer
Mrs. Swati Agarwal	Company Secretary

#### V. Relatives of Key Management Personnel

Names of related parties	Nature of relationship
Mr. Anil Kumar Sethi	Brother of Chairman & Director
Mr. Harshavardhan Sethi	Son of Chairman
Mrs. Maina Devi Sethi	Mother of Chairman & Director
Mrs. Noopur Jain	Daughter of Director
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Director
Mr. Rishabh Sethi	Son of Director
Mrs. Shilpa Sethi	Daughter in law of Chairman
Dr. Ankit Jain	Son-in-law of Director
Mrs. Priyanshi Sethi	Daughter in law of Chairman
Mrs. Aanchal Sethi	Daughter in law of Director

#### VI. Entities over which Key Management Personnel and/or their relatives have significant influence

Names of related parties
Add Energy Management Company Private Limited
Arihant Leasing & Holding Company Limited
Rishabh Homes Private Limited
Subhash Systems Private Limited
SPM Engineers Limited
Zoom Industrial Services Limited
20TH Century Engineering Limited
SPML India Limited
Pondicherry Special Economic Zone Company Limited
Bharat Hydro Power Corporation Limited



# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Om Metal-SPML Infra Project Private Limited  
 Peacock Pearl Business Solution Pvt. Ltd.  
 Sethi Infratech Private Limited  
 Acropolis Properties Pvt. Ltd.  
 Niral Enterprises Pvt. Ltd.  
 JWIL Infra Limited  
 SPML Industries Limited  
 Latur Water Supply Management Company Limited  
 PT Sanmati Natural Resources  
 PT Bina Insan Sukses Mandiri  
 PT Vardhaman Mining Services  
 PT Vardhaman Logistics  
 Rabaan (S) Pte Limited  
 Sanmati Corporate Investments Private Limited  
 SJA Developers Private Limited  
 SPM Holding Pte. Limited  
 VidyaEdutech Private Limited  
 Amrutha Constructions Private Limited  
 Aleron Tradelinks (India) Pvt. Ltd.

## NOTE 35:

### A. DURING THE YEAR FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH THE RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS:

		₹ In Lakhs	
Transaction	Related Party	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Goods	<b>Joint ventures</b>		
	MVV Water Utility Pvt Ltd.	-	-
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	JWIL Infra Limited	28.50	-
Interest Income	<b>Subsidiary companies</b>		
	SPML Infrastrucurte Limited	-	51.41
	Allahabad Waste Processing Company Limited	-	3.89
	Doon Valley Waste Management Private Limited	-	4.74
	Madurai Municipal Waste Processing Company Private Limited	-	15.49
	Bhagalpur Electricity Distribution Com Private Limited	-	425.15

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Transaction	Related Party	Year ended March 31, 2022	Year ended March 31, 2021
	<b>Associate companies</b>		
	Awa Power Company Private Limited	-	165.86
	Binwa Power Corporation Private Limited	-	8.18
	IQU Power Company Private Limited	-	95.13
	Neogal Power Company Private Limited	-	76.95
	SPML Energy Limited	-	24.07
	Subhash Kabini Power Corporation Limited	18.11	17.02
	<b>Joint ventures</b>		
	Gurha Thermal Power Co. Limited	-	114.78
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	20TH Century Engineering Limited	-	0.02
	Bharat Hydro Power Corporation Limited	-	15.50
Interest Expenses	<b>Subsidiary companies</b>		
	Mathura Nagar Waste Processing Company Private Limited	-	67.34
	<b>Associate companies</b>		
	Delhi Waste Management Limited	-	396.40
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	SPML India Limited	51.38	-
	Zoom Industrial Services Limited	110.42	-
	Niral Enterprises Pvt Ltd	81.14	-
Rent Expenses	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	Arihant Leasing & Holding Company Limited	-	6.00
Loan/Advance Given/Repaid	<b>Subsidiary companies</b>		
	SPML Utilities Limited	-	0.71
	Mathura Nagar Waste Processing Company Private Limited(Int reversal during the year)	61.89	-
	Madurai Municipal Waste Processing Company Private Limited	-	102.59
	Pondicherry Special Economic Zone Company Limited	45.00	-
	SPML Infrastructure Limited	-	-

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Transaction	Related Party	Year ended March 31, 2022	Year ended March 31, 2021
	<b>Associate companies</b>		
	SPML Bhiwandi Water Supply Management Limited	-	0.65
	SPML Bhiwandi Water Supply Infra Limited	-	0.65
	SPML Energy Limited	-	0.26
	Subhash Kabini Power Corporation Limited	-	0.03
	Delhi Waste Management Limited (Int reversal during the year)	364.30	-
	<b>Joint ventures</b>		
	MVV Water Utility Pvt Ltd.	8.28	0.40
	Gurha Thermal Power Co Limited	-	0.01
	Hydro-Comp Enterprises (India) Private Limited	-	0.40
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	Pondicherry Special Economic Zone Company Limited	-	110.80
	Subhash Systems Private Limited	-	380.00
	Niral Enterprises Pvt Ltd	-	114.25
	SPML Industries Limited	-	1,366.37
Loan/Advance Taken/Repaid	<b>Subsidiary companies</b>		
	SPML Infrastructure Limited	57.21	108.95
	<b>Associate companies</b>		
	Subhash Kabini Power Corporation Limited	11.80	-
	<b>Joint ventures</b>		
	MVV Water Utility Pvt Ltd.	17.49	28.95
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	Zoom Industrial Services Limited	1,288.18	1,746.37
	Peacock Pearl Business Solution Pvt Ltd	0.13	-
	SPML Industries Limited	-	-
Preference share issued	SPML India Limited	432.33	-
	Zoom Industrial Services Limited	1,674.30	-
	Niral Enterprises Pvt Ltd	1,298.30	-
Equity share issued	Sushil Kumar Sethi	138.84	-
	SPML India Limited	435.66	-
	Zoom Industrial Services Limited	813.00	-
Managerial Remuneration/ Sitting Fees	Mr. Sushil Kumar Sethi	-	82.78
	Mr. Subhash Chand Sethi	100.39	2.00
	Mr. Abhinandan Sethi	104.02	62.08
	Mr. Dinesh Kumar Goyal	1.40	3.20
	Mr. Prem Singh Rana	5.10	3.20
	Mr. Charan Singh	3.30	-
	Mr. Tirudaimarudhur Srivastan Sivashankar	3.80	-
	Mr. Pavitra Joshi Singh	4.20	1.60
	Mr. Laxmi Narayan Mandhana	-	18.68
	Mr. Manoj Digga	85.86	58.88
	Mrs. Swati Agarwal	7.79	2.90

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## B. BALANCE OUTSTANDING AT THE YEAR END (CONTD...)

₹ In Lakhs

Outstanding	Related Party	As at March 31, 2022	As at March 31, 2021
Payable	<b>Subsidiary companies</b>		
	Mathura Nagar Waste Processing Company Limited	529.63	591.51
	Pondicherry Special Economic Zone Company Limited	749.71	-
	<b>Associate companies</b>		
	Delhi Waste Management Limited	3,150.98	3,515.28
	<b>Key managerial personnel (KMP)</b>		
	Mr. Sushil Kumar Sethi	29.51	168.35
	Mr. Subhash Chand Sethi	0.16	0.52
	<b>Relative of KMP</b>		
	Mr. Abhinandan Sethi	9.94	12.66
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	Arihant Leasing & Holding Company Limited	55.92	55.92
	SPML Industries Limited	-	-
	Zoom Industrial Services Limited	668.67	1,766.77
	SPML India Limited	0.27	822.03
	Pondicherry Special Economic Zone Company Limited	-	794.71
Niral Enterprises Pvt Ltd	73.03	1,298.30	

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Outstanding	Related Party	As at March 31, 2022	As at March 31, 2021
Receivable	<b>Subsidiary companies</b>		
	SPML Infrastructure Limited	342.79	400.76
	SPML Utilities Limited	554.00	556.87
	Allahabad Waste Processing Company Limited	34.72	34.72
	Bhagalpur Electricity Distribution Company Private Limited	6,614.61	6,614.61
	Madurai Municipal Waste Processing Company Private Limited	209.11	209.11
	Doon Valley Waste Management Private Limited	42.26	42.26
	<b>Joint ventures</b>		
	Malviya Nagar Water Services Pvt .Ltd	450.16	450.16
	MVV Water Utility Pvt Ltd.	516.74	526.95
	Gurha Thermal Power Co Limited	1,401.22	1,401.22
	Aurangabad City Water Utility Company Limited	215.99	215.99
	Hydro-Comp Enterprises (India) Private Limited	1.02	1.02
	<b>Associate companies</b>		
	Subhash Kabini Power Corporation Limited	-	207.73
	SPML Energy Limited	293.96	293.96
	Awa Power Company Private Limited	-	2,204.35
	Binwa Power Corporation Private Limited	99.90	99.90
	IQU Power Company Private Limited	-	1,164.39
	Neogal Power Company Private Limited	-	1,021.67
	SPML Bhiwandi Water Supply Infra Limited	1,043.76	1,043.76
	SPML Bhiwandi Water Supply Management Limited	48.30	48.30
	<b>Entities where significant influence is exercised by KMP and / or relatives</b>		
	Add Energy Management co. Private Limited	133.96	133.96
	20TH Century Engineering Limited	0.22	0.22
	International Construction Limited	-	1,046.20
	Bharat Hydro Power Corporation Limited	189.26	189.26
Acropolis Properties Pvt Ltd	1.08	1.08	
JWIL Infra Limited	34.23	5.73	
Peacock Pearl Business Solution Pvt Ltd	-	0.13	
Aleron Tradelinks (India) Pvt Ltd	1,151.13	1,151.13	
Corporate Guarantee outstanding (Also Refer Note 30 for details of security given)	<b>Associate companies</b>		
	Bhilwara Jaipur Toll Road Private Limited	2,040.93	19,002.02
	Subhash Kabini Power Corporation Limited	-	47.31

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Outstanding	Related Party	As at March 31, 2022	As at March 31, 2021
Performance	<u>Associate companies</u>		
Guarantee	MVV Water Utility Private Limited	191.00	216.00
Outstanding			

## C. Details of remuneration to Key Managerial Personnel is given below:

Particulars	₹ In Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
- Short-term employee benefits	305.98	207.24
- Post employment benefits	9.88	28.08
	<b>315.86</b>	<b>235.32</b>

### Notes:

#### Terms and conditions of transactions with related parties:

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

## NOTE 36.1 CATEGORIZATION OF FINANCIAL INSTRUMENTS

Particulars	₹ In Lakhs	
	Carrying value/ Fair value	
	As at March 31, 2022	As at March 31, 2021
<b>(i) Financial Assets</b>		
<b>a) Measured at FVTPL</b>		
- Investments in Mutual Fund	31.31	14.38
<b>b) Measured at FVOCI</b>		
- Investments in Equity Instruments	239.65	239.65
<b>c) Measured at Amortised Cost*</b>		
- Loans	11,433.29	12,531.54
- Trade Receivables	1,27,482.27	1,24,111.85
- Other Financial Assets	27,130.78	27,891.59
<b>(ii) Financial Liabilities</b>		
<b>a) Measured at FVTPL</b>		
- Financial Guarantee Obligation	369.70	468.62
<b>b) Measured at Amortised Cost*</b>		
- Borrowings (Secured and Unsecured)	1,74,220.70	1,80,979.62
- Other Financial Liabilities	46,069.95	39,502.38

\*Carrying Value of assets / liabilities carried at amortised cost are reasonable approximation of its fair values.

## NOTE 36.2 FAIR VALUE HIERARCHY

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## a) Financial assets and liabilities measured at fair value at March 31, 2022

₹ In Lakhs

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL	31.31	-	-	<b>31.31</b>
Investment at OCI	-	-	239.65	<b>239.65</b>
<b>Financial Liability</b>				
Financial Guarantee Obligation at FVTPL	-	-	369.70	<b>369.70</b>

## Financial assets and liabilities measured at fair value at March 31, 2021

₹ In Lakhs

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL	14.38	-	-	<b>14.38</b>
Investment at OCI	-	-	239.65	<b>239.65</b>
<b>Financial Liability</b>				
Financial Guarantee Obligation at FVTPL	-	-	468.62	<b>468.62</b>

## (b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another

## (d) Description of Significant Unobservable inputs to Valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity to the input of the fair value
Financial Guarantee Obligation	Discounted Cash Flow approach	Discount rate	1% increase in the discount rate will result in loss of Rs. 4.32 Lakhs in Profit and Loss and 1% decrease will have an equal but opposite effect.

## NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, comprise of Borrowings and Trade Payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as Trade Receivables, Loans, Investments, Short-term Deposits and Cash & Cash Equivalents which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's Board of Directors assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.

The Company's exposure to credit risk is influenced mainly by Cash and Cash Equivalents, Trade Receivables and financial assets measured at Amortised Cost.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes Security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

### a) Credit Risk Management

The Company provides for the Expected Credit Loss based on the following:

Asset Group	Description	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate Credit Risk	Trade receivables, loans and other financial assets	12 month expected credit loss/life time expected credit loss
High Credit Risk	Trade receivables, loans and other financial assets	Life time expected credit loss

\*Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

		₹ In Lakhs	
Credit Rating	Particulars	As at March 31, 2022	As at March 31, 2021
Low Credit Risk	Cash and cash equivalents, other bank balances, investments and other financial assets	41,559.18	43,933.45
High Credit Risk	Trade Receivables, Loans	1,59,814.13	1,55,183.96

### b) Credit Risk Exposure

Provision for Expected Credit Loss

The Company provides for Expected Credit Loss based on 12 month and Life time Expected Credit Loss basis for following Financial Assets:



# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## March 31, 2022

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Loans	15,659.15	4,225.86	11,433.29
Trade Receivables	1,44,154.98	16,672.71	1,27,482.27

## March 31, 2021

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Loans	14,768.07	2,236.53	12,531.54
Trade Receivables	1,40,415.89	16,304.04	1,24,111.85

The Company's allowance for Expected Credit Loss on Trade Receivables is created using Provision Matrix Approach.

₹ In Lakhs

Reconciliation of Loss Allowance	Trade Receivables	Loans
<b>As on March 31, 2020</b>	<b>15,000.65</b>	<b>1,513.83</b>
Allowance for Expected Credit Loss	1,303.39	722.69
<b>As on March 31, 2021</b>	<b>16,304.04</b>	<b>2,236.52</b>
Allowance for Expected Credit Loss	368.67	1,989.34
<b>As on March 31, 2022</b>	<b>16,672.71</b>	<b>4,225.86</b>

## B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

### Maturities of Financial Liabilities

The table below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities

#### March 31, 2022

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,13,192.37	324.75	60,703.58	1,74,220.70
Trade Payable	29,637.48	7,036.15	-	36,673.63
Other Financial Liabilities	2,837.59	6,923.23	-	9,760.82

#### March 31, 2021

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,17,924.19	391.08	62,664.35	1,80,979.62
Trade Payable	26,399.74	5,242.15	-	31,641.89
Other Financial Liabilities	3,267.61	4,987.02	-	8,254.63

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## C. Market Risk

### a. Interest Rate Risk

The Company has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk.

#### Interest Rate Risk Exposure

Particulars	₹ In Lakhs	
	March 31, 2022	March 31, 2021
Variable Rate Borrowing	1,04,426.43	1,05,802.15
Fixed Rate Borrowing	69,794.27	75,177.48

#### Interest rate sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	₹ In Lakhs	
	March 31, 2022	March 31, 2021
<b>Interest Sensitivity*</b>		
Interest Rates increase by 100 basis points	**	**
Interest Rates decrease by 100 basis points	**	**

\*Holding all other variables constant

\*\* Refer Note - 16.8

### b. Price Risk

The Company's exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

#### Sensitivity Analysis

Particulars	₹ In Lakhs	
	March 31, 2022	March 31, 2021
<b>Price Sensitivity*</b>		
Price increase/ decrease by 5%- FVOCI	-	27.82

\*Holding all other variables constant

## NOTE 38. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued Equity Capital, Share Premium and all Other Equity Reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the Net Debt to Equity Ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by Cash and Cash Equivalents (including restricted Cash and Cash Equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	1,74,220.70	1,80,979.63
Trade Payables	36,673.63	31,641.89
Less: Cash and Cash Equivalents	(3,942.52)	(3,797.47)
<b>Net debt</b>	<b>2,06,951.81</b>	<b>2,08,824.04</b>
Total Capital	33,164.97	27,395.67
<b>Capital and net debt</b>	<b>2,40,116.78</b>	<b>2,36,219.71</b>
<b>Gearing ratio</b>	<b>86%</b>	<b>88%</b>

## NOTE 39: DEFERRED TAX ASSET

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets arising out of:</b>		
Provision as per Expected Credit Loss model	5,598.07	5,504.88
Adjustment for modified retrospective impact of Ind AS 115 as on April 1, 2018	5,368.34	5,368.34
Impact of fair valuation of loans and advances	770.32	440.84
Fair valuation of investments	3,010.00	3,010.00
Provision for employee benefit plan	(7.47)	5.87
Impairment of property, plant and equipment	(59.44)	(100.72)
<b>Gross Deferred Tax Assets</b>	<b>14,679.81</b>	<b>14,229.21</b>
<b>Deferred Tax Liabilities arising out of:</b>		
Fair valuation of land	1,680.67	1,680.67
Profit on sale of investments	230.69	230.69
Interest income	874.26	874.26
Guarantee commission	37.66	37.66
Impact of Ind AS 116	0.11	0.73
<b>Gross Deferred Tax Liabilities</b>	<b>2,823.38</b>	<b>2,824.00</b>
<b>Net Deferred Tax Assets</b>	<b>11,856.42</b>	<b>11,405.20</b>

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance as of April 1</b>	<b>11,405.20</b>	<b>10,566.58</b>
Tax income/(expense) during the period recognised in profit or loss	441.61	598.18
Tax income/(expense) during the period recognised in OCI	9.61	240.45
Tax income/(expense) during the period recognised on reversal of interest free loan	-	(0.01)
<b>Closing balance as at March 31</b>	<b>11,856.42</b>	<b>11,405.20</b>

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## Statement of profit and loss:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit or loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	329.58	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(441.61)	(598.18)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(112.03)</b>	<b>(598.18)</b>
<b>OCI section</b>		
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Unrealised (gain)/loss on FVTOCI equity securities	-	(252.32)
Net loss/(gain) on remeasurements of defined benefit plans	(9.61)	11.87
<b>Income tax charged to OCI</b>	<b>(9.61)</b>	<b>(240.45)</b>

## Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2022:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Accounting profit before tax</b>	<b>886.03</b>	<b>(11,315.60)</b>
At India's statutory income tax rate of 31.20% (March 31, 2021: 34.608%)	276.44	(3,530.47)
Effect of Income being taxed at different rate (MAT Rate)	(138.22)	1,765.23
Adjustments in respect of items that are exempted from Income tax	(191.36)	(1,765.24)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>329.58</b>	<b>-</b>

## NOTE 40. EARNING PER SHARE:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit available for Equity Shareholders	998.06	(10717.42)
Weighted Average number of Equity shares	373.07	366.50
Basic and Diluted Earnings Per Share	2.68	(29.24)

**NOTE 41.** Other Income includes Rs. 727.96 Lakhs (Rs. 2,118.18 Lakhs during the year ended March 31, 2021) (i) consisting of certain credit balances of operational creditors, barred by the laws of limitation and not yet claimed by them and (ii) Works Contract Tax liability no longer payable.

**NOTE 42.** Interest on YTM basis amounting to Rs. 6,027.24 Lakhs for the year ended March 31, 2022 (Rs. 5,560.59 Lakhs as on March 31, 2021) has not been provided on Optionally Convertible Debentures (OCDs) issued to Lenders under S4A scheme, as the management believes that the same is not payable until maturity of such OCDs. However, the current resolution plan which is under consideration entails revision in the terms of these OCDs .

**NOTE 43.** 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 March 31, 2022 of Rs. 8,066.17 Lakhs (Rs. 8,017.29 Lakhs as on March 31, 2021) and Rs. 1,042.44 Lakhs (Rs. 1,120.38 Lakhs as on March 31, 2021) respectively, related to the aforesaid projects/contracts.

**NOTE 44.** The Company has certain Trade and Other Receivables of Rs. 42,573.94 Lakhs as at March 31, 2022 (Rs. 39,839.82 Lakhs as on March 31, 2021) backed by arbitration awards pronounced in its favour over the years. Further, the Company has recognised interest income of Rs.2,734.13 Lakhs during year ended March 31, 2022 (Rs. 2,644.38 Lakhs during the year ended March 31, 2021) 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.

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

**NOTE 45.** Trade Receivables aggregating Rs.15,506.40 Lakhs (March 31, 2021 Rs.9,754.31 Lakhs) are under arbitration proceedings. The management is confident that based on the facts of the respective cases; there is no uncertainty as regards their realisation.

**NOTE 46.** Disclosure in relation to Corporate Social Responsibility (CSR):

- i. Amount required to be spent by the company during the year: NIL
- ii. Amount of expenditure incurred: Not Applicable
- iii. Shortfall at the end of the year: Not Applicable
- iv. Total of previous years shortfall: Rs. 210.71 lacs
- v. Reason for shortfall: The default made by the Company with the Lenders on account of financial constraint beyond the control of the Company. However Company shall explore the opportunity to spend during the current financial year.
- vi. Nature of CSR activities:: Not Applicable
- vii. Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR Expenditure as per relevant Accounting Standard: NIL
- viii. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: There is no provision during the current financial year.

**NOTE 47.** The outbreak of COVID-19 pandemic had disrupted regular business operations of the Company during the year due to the lock down restrictions and other emergency measures imposed by the Central and State Governments from time to time, because of interruption in the project activities, supply chain disruption, human resource availability constraints etc. The business operations recommenced on a lower scale post lockdowns, as compared to pre-pandemic levels and there are no significant continuing impact on the operations of the Company as at March 31, 2022. The management has evaluated the possible impact of known events, upto the date of approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at March 31, 2022 and has concluded that no material adjustments are required currently at this stage, except for matters as mentioned in Note no. 49 herein below. The Management continues to monitor the current developments and possible effects of COVID-19 pandemic on it's operations and financial results.

**NOTE 48.** The company has given unsecured loans to certain subsidiaries, joint ventures and associates for developing various projects. However, due to the current financial difficulties being faced by the Company, as detailed in Note 16.7 here-in-above, it has not been able to continue providing required financial support which they have asked for subsequently for developing the projects. Consequently and coupled with various other reasons specific to each such subsidiary, joint venture and associate and the general economic conditions,, their financials have been adversely impacted over a period of time. Based on the assessment of financials etc. of these companies and as per the provisions of Ind AS, the Company has been providing for expected credit losses in respect of the loans given to them alongwith accrued interest. In view of the aforesaid circumstances and considering the probability that the Company will collect the interest to which it is entitled to, the Company has, with effect from April 01, 2021, postponed recognition of income from interest on such unsecured loans given to certain subsidiaries, joint ventures and associates which are impaired fully/partially by way of expected credit losses as per the provisions of Ind AS. The amount of such interest not recognized for the year ended March 31, 2022 is Rs.1,051.22 lakhs. The interest income would be considered as revenue, as per the provisions of Ind AS, in the period in which there is certainty of it's collection/it is ultimately collected. Notwithstanding the aforesaid, the Company always has the right to recover the entire outstanding loan along with interest accrued thereon

**NOTE 49.** Other Expenses includes Rs. 1,989.34 Lakhs for the year ended March 31, 2022 (Rs. 2,499.20 Lakhs for the year ended March 31, 2021) relating to impairment of certain equity investments and expected credit losses on certain loans advanced by the Company and Rs. 630.88 Lakhs (Rs. 1,175.81 Lakhs for the year ended March 31, 2021) relating to provision made towards certain vendor advances on a conservative basis, as these are old balances and the management feels that the realisability of the same has further been impacted during to the ongoing COVID-19 situation.

**NOTE 50.** The ratios as per the latest amendment to Schedule III are as below:

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for Variance(If change is more than 25%)
<b>(1) Current ratio (times)</b> (Current assets/Current liabilities)	1.09	1.09	-	
<b>(2) Debt equity ratio (times)</b> (Total Debt/Shareholder's Equity)	5.25	6.61	(20.5%)	
<b>(3) Debt service coverage ratio (times)</b>  (Earnings available for Debt Service/Debt Service) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. Debt service = Interest & Lease Payments + Principal Repayments	0.03	(0.01)	400%	The variance arising mainly on account of increase in earning of Debt Service.
<b>(4) Return on Equity (%)</b>  (Net profit after tax (PAT)/Average Equity) Net Profit after tax" means reported amount of "Profit / (loss) for the period and it does not include items of other comprehensive income.	3.30%	(32.5%)	110.2%	The variance arising mainly on account of increase in Net Profit after Tax.
<b>(5) Inventory turnover ratio (times)</b> (Sales/Average inventory) [Sales:Revenue from operations]	10.57	9.19	15%	
<b>(6) Trade receivable turnover Ratio (times)</b>  (Sales /Average trade receivables) [Sales:Revenue from operations]	0.68	0.46	45.9%	Variance is on account of increase in turnover
<b>(7) Trade payables turnover ratio (times)</b>  (Net Credit Purchases/Average Trade Payables) Net credit purchases consist of gross credit purchases minus purchase return	0.67	0.40	69.8%	Variance is because the Company has opted for longer credit period to balance the working capital position.
<b>(8) Net capital turnover ratio (times)</b>  (Sales/Average working capital) (Working capital: Current assets - Current liabilities) [Sales:Revenue from operations]	6.16	4.78	28.6%	Variance is because of Increase in turnover
<b>(9) Net profit ratio (%)</b>  (Net profit after tax/Sales) [Sales:Revenue from operations]	1.17%	(17.4%)	106.7%	Variance is mainly arising due to increase in sales and company's effort of taking various steps for reduction of cost

# NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for Variance (If change is more than 25%)
<b>(10) Return on Capital Employed (%)</b>	1.98%	2.98%	(33.6%)	Variance in mainly arising due to decrease in EBIT
(EBIT/Capital employed)				
[Capital Employed: Tangible Net Worth + Total Debt + Deferred Tax Liability]				
Tangible Net Worth: Total Assets-Intangible Assets -Total Liability				
[EBIT: Profit before taxes +/- Exceptional items +Finance Cost]				
<b>(11) Return on investment</b>	-	-	-	Company has not earned any return on in investments held for long term strategic purpose

## NOTE 51. Information on joint arrangements of the company

Description of Company's interest in the joint operations of the entity:

₹ In Lakhs

Name of the entity	As at March 31, 2022		As at March 31, 2021	
	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation
Siddartha - Mahavir-SPML	10%	India	10%	India
SPML - CISC JV	50%	India	50%	India
SPML - Simplex	50%	India	50%	India
SPML - HCIL	100%	India	100%	India
M&P + Subhash JV	40%	India	40%	India
SPML-JWIL JV	51%	India	-	-
SPML-BCPL JV	51%	India	-	-
PNC-SPML JV-MORADABAD	100%	India	-	-
SPML-Shree Hari JV	51%	India	-	-
Suez Environment France & SPML Infra Ltd India JV	48%	India	48%	India
JWIL SPML JV	30%	India	30%	India
Shristi SPML JV	26%	India	26%	India

Description of Company's interest in the joint ventures of the Company:

₹ In Lakhs

Name of the entity	As at March 31, 2022		As at March 31, 2021	
	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation
Malviya Nagar Water Services Private Limited	26.00%	India	26.00%	India
Gurha Thermal Power Company Limited	50.00%	India	50.00%	India
MVV Water Utility Private Ltd	48.08%	India	48.08%	India
Aurangabad City Water Utility Company Limited	40.01%	India	40.01%	India
Hydro Comp Enterprises (India) Limited	50.00%	India	50.00%	India

The Company's share of assets, liabilities, income and expenses in the joint Operations as at and for the year ended March 31, 2022 is as follows:-

₹ In Lakhs

Name of the Joint Operation		Company's Share in					Capital expenditure commitments and contingent liabilities
		Assets	Liabilities	Income	Expenses	Profit/(Loss) (-) after tax	
Siddartha-Mahavir-SPML **	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-
Shristi SPML JV **	2021-22	-	-	-	-	-	-
	2020-21	297.88	290.80	710.51	703.53	6.98	-
SPML CISC JV	2021-22	9.67	3.21	-	0.40	(0.40)	-
	2020-21	10.06	3.21	-	0.58	(0.58)	-
SPML - Simplex	2021-22	28.93	28.93	0.64	9.13	(8.49)	-
	2020-21	67.01	28.17	2.15	0.06	2.09	-
SPML-JWIL JV*	2021-22	2,573.85	2,574.34	5,423.54	5,423.95	(0.40)	-
	2020-21	-	-	-	-	-	-
SPML-BCPL JV *	2021-22	162.46	161.95	1,111.73	1,111.23	0.50	-
	2020-21	-	-	-	-	-	-
PNC-SPML JV-MORADABAD*	2021-22		1,626.80	834.46	826.57	7.89	-
		1,634.69					
SPML-Shree Hari JV *	2021-22	488.53	488.53	894.92	894.92	-	-
	2020-21	-	-	-	-	-	-
SPML - HCIL JV	2021-22	40.19	124.43	-	0.15	(0.15)	-
	2020-21	40.22	124.32	-	0.23	(0.23)	-
JWIL - SPML JV *	2021-22	1,589.36	1,586.85	2,183.31	2,180.45	2.86	-
	2020-21	1,682.13	1,682.49	3,373.39	3,373.64	(0.24)	-
Suez Environment France & SPML Infra Limited India JV *	2021-22	175.58	192.25	163.46	163.37	0.09	-
	2020-21	-	-	-	-	-	-
M&P + Subhash JV *	2021-22	2,167.17	2,148.93	1.68	0.15	1.53	-
	2020-21	2,165.07	2,148.93	1.72	0.15	1.57	-

The Company's share of income and expenses in the joint Ventures as at and for the year ended March 31, 2022 is as follows:-

₹ In Lakhs

Name of the Joint Venture		Company's Share in		
		Income	Expenses	Profit/(Loss) (-) after tax
Malviya Nagar Water Services Private Limited *	2021-22	695.07	596.42	98.65
	2020-21	-	-	-
Gurha Thermal Power Company Limited **	2021-22	-	-	-
	2020-21	-	-	-
MVV Water Utility Pvt Limited **	2021-22	-	-	-
	2020-21	508.63	502.14	6.49
Hydro Comp Enterprises (India) Limited *	2021-22	-	0.23	(0.23)
	2020-21	-	6.39	(6.39)
Aurangabad City Water Utility Company Limited**	2021-22	-	-	-
	2020-21	-	-	-

\* These financial statement have been accounted for based on the management certified financial statement.

\*\* This financial statement not received.



**NOTE 52 SEGMENT REPORTING**

The Company is operating in a single segment viz. EPC in accordance with IND AS -108 notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 , (as amended). The Company is primarily operating in India which is considered as single geographical segment.

**NOTE 53.** Previous periods's figures have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year.

Signatories to Notes 1 to 53

As per report attached of even date

**For Maheshwari & Associates**

Chartered Accountants

ICAI Firm Registration No. 311008E

**CA Bijay Murmuria**

Partner

Membership No - 055788

Place: Kolkata

Date: May 28, 2022

**For and on behalf of Board of Directors of  
SPML Infra Limited****Subhash Chand Sethi**

Chairman

DIN: 00464390

**Manoj Kumar Digga**

Chief Financial Officer

**Sushil Kr. Sethi**

Director

DIN: 00062927

**Swati Agarwal**

Company Secretary

# Form AOC-1

{Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014}  
Statement containing salient features for the financial statements of the subsidiaries/joint ventures/associate Companies

## PART 'A' - Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	Allanabad Waste Processing Company Limited	-	INR	1	12,110,000	90,387,864	258,956,818	156,458,968	2,000	5,680,240	(961,430)	(1,065,986)	104,556	-	95.01%
2	Bhagalpur Electricity Distribution Company Private Limited	-	INR	1	100,000	(308,604,098)	1,395,280,270	1,703,884,368	-	-	-	-	-	-	99.99%
3	Doon Valley Waste Management Private Ltd	-	INR	1	960,000	(23,314,079)	102,705	22,456,786	-	-	(1,094,620)	(264,333)	(830,287)	-	87.49%
4	Luni Power Company Private Limited	-	INR	1	32,011,986	267,603,539	642,661,806	342,923,749	-	-	-	-	-	-	43.62%
5	Madurai Municipal Waste Processing Company Private Limited	-	INR	1	228,270,000	(221,075,290)	67,539,110	60,344,401	-	93,677,858	(63,210,522)	(238,318)	(62,972,204)	-	92.33%
6	Mathura Nagar Waste Processing Company Limited	-	INR	1	6,193,000	34,643,947	104,974,500	64,137,544	2,700	2,066,200	(667,780)	(76,860)	(590,920)	-	90.25%
7	Pondicherry Special Economic Zone Company Limited	-	INR	1	283,995,000	(92,191,535)	242,204,300	50,400,810	-	3,672,232	2,591,602	1,237,877	1,353,724	-	74.95%
8	Sanmati InfraDevelopers Private Limited	-	INR	1	20,000,000	(254,734,873)	242,995,790	477,730,660	131,855,390	-	(3,759,060)	(924,230)	(2,834,830)	-	74.99%
9	SPML Infrastructure Limited	-	INR	1	7,433,042	121,285,230	295,309,493	166,591,220	98,830,265	135,080,539	(62,614,093)	(639,899)	(61,974,194)	-	99.99%
10	SPMILL Amrutha Constructions Private Limited	-	INR	1	100,000	13,756,251	581,366,288	567,510,040	-	890,700,540	1,330,140	559,810	770,330	-	50.99%
11	SPML Utilites Limited	-	INR	1	200,000,000	(129,205,099)	144,649,043	73,854,142	83,603,648	-	(33,900)	-	(33,900)	-	100.00%

₹ In Lakhs

₹ In Lakhs

## PART 'B' - Associates and Joint Ventures

₹ In Lakhs

Name of Entity	Latest Audited Balance Sheet Date	Reporting Currency	No. of Shares held by the Company in associate/ joint venture on the year end	Amount of Investment in associate/ joint venture	Extent of Holding (%)	significant Influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet	share of profit /loss for the year Considered in Consolidation	Not Considered in Consolidation
<b>A. Joint Ventures</b>										
1 Aurangabad City Water Utility Co. Ltd	31st Mar-22	INR	19,405	10,477,219	40.01%	Controls more than 20% of share Capital		-	-	-
2 Gurha Thermal Power Project	31st Mar-22	INR	25,000	250,000	50.00%	Controls more than 20% of share Capital		-	-	-
3 Hydro Comp Enterprises India Private Limited	31st Mar-22	INR	2,296,265	2,296,265	50.00%	Controls more than 20% of share Capital	(4,887,300)	(23,375)	(23,375)	(23,375)
4 MVV Water Utility Private Limited	31st Mar-22	INR	383,073	10,976,845	48.08%	Controls more than 20% of share Capital		-	-	-
5 Malviya Nagar Water Services Private Limited	31st Mar-22	INR	2,205,000	22,050,000	26.00%	Controls more than 20% of share Capital	(5,112,120.00)	9,754,680.00	27,763,320.00	27,763,320.00
<b>B. Associates</b>										
1 Delhi Waste Management Limited	31st Mar-22	INR	778,000	239,263,302	49.39%	Controls more than 20% of share Capital		380,284,614	2,422,993.56	2,482,596.07
2 Binwa Power Company Private Limited	31st Mar-22	INR	2,948,340	-	49.27%	Controls more than 20% of share Capital		33,475,967	1,018,320	1,048,680
3 SPML Energy Limited	31st Mar-22	INR	99,550,000	46,694,000	48.02%	Controls more than 20% of share Capital		106,858,737	4,025,165	4,356,966
4 Bhilwara Jaipur Toll Road Private Limited	31st Mar-22	INR	3,520,302	519,138,000	51.00%	Controls more than 20% of share Capital		450,558,793	82,958	79,704
5 Spml Bhiwandi Water Supply Infra Limited	31st Mar-22	INR	224,700	225,000	44.94%	Controls more than 20% of share Capital		(1,349,591)	(15,527)	(19,023)
6 Spml Bhiwandi Water Supply Management Ltd.	31st Mar-22	INR	250,000	250,000	50.00%	Controls more than 20% of share Capital		(253,705)	(47,250)	(17,250)

**Annexure-6: Companies that have become/ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies**

The names of companies which have become subsidiaries, joint ventures or associate Companies During the year:

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Subsidiary/JV/Associate</b>
1	Pondicherry Special Economic Zone Company Limited	Subsidiary
2	Sanmati Infradevelopers Private Limited	Subsidiary

The names of companies which have ceased to be subsidiaries, joint ventures or associate Companies During the year:

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Subsidiary/JV/Associate</b>
1	Madurai Municipal Waste Processing Company Private Limited	Subsidiary
2	SPMLIL Amrutha Constructions Private Limited	Subsidiary
3	Awa Power Company Private Limited	Associate
4	IQU Power Company Private Limited	Associate
5	Neogal Power Company Private Limited	Associate
6	Subhash Kabini Power Corporation Ltd.	Associate
7	Sanmati Infra Developers private Limited	Associate

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

**Subhash Chand Sethi**  
Chairman

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

## To the Members of SPML Infra Limited

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

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of SPML Infra Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st March, 2022, their consolidated profit (including other comprehensive expense), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis for Qualified Opinion

##### As stated in:

- a. Note no. 42 to the consolidated financial statements, interest on YTM basis amounting to Rs.6,027.24 Lakhs (31st March, 2021: Rs.5,560.59 lakhs) was not provided on Optionally Convertible Debentures ('OCDs') issued to lenders under S4A scheme by the Parent, which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had such interest expense been recognized, the finance costs, loss before tax, profit after tax and total comprehensive expense would have been impacted to the extent of the aforesaid amount for the year ended 31st March, 2022. Further, since the issue of OCDs, the total liability not provided for in respect of such interest on YTM basis is Rs.23,314.53 lakhs as at 31st March, 2022(31st March,

2021: Rs. 17,287.29 lakhs). The Auditor's Report for the year ended 31st March, 2021 was also qualified in respect of this matter.

- b. Note no. 17.11 to the consolidated financial statements, interest expense of Rs. 19,795.66 lakhs on the Parent's borrowings from certain financial creditors (banks & financial institutions) has not been recognized for the year ended 31st March, 2022 ( 31st March, 2021:Rs. 18,685.60 lakhs). This is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had the aforesaid interest expense been recognized, the finance costs, loss before tax, profit after tax and total comprehensive income would have been impacted to the extent of the aforesaid amount for the year ended 31st March, 2022. The Auditor's Report for the year ended 31st March, 2021 was also qualified in respect of this matter.
- c. Note no. 43 to the consolidated financial statements, the Parent's trade receivables (net of ECL) and inventories as at 31st March, 2022 include Rs. 8,066.17 lakhs and Rs.1,042.44 lakhs respectively (31st March,2021: Rs.8,017.29 lakhs and Rs.1,120.38 lakhs respectively), relating to certain projects where the claims are presently under arbitration/ litigation proceedings. Pending the ultimate outcome of these matters (fate of which is presently unascertainable), we are unable to comment on the recoverability thereof. The Auditor's Report for the year ended 31st March, 2021 was also qualified in respect of this matter.

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements:

- (i) Note no.45, regarding unavailability of financial

statements/ financial information/financial results of 1(one) subsidiary, 1(one) associate and 3(three) joint venture companies. According to the information and explanations given to us by the Parent's management, such unavailable financial statements/financial information/financial results are not material to the Group.

- (ii) Note no.44, regarding uncertainties relating to the recoverability of certain trade & other receivables as at 31st March, 2022 and recognition of interest income thereon, arising out of arbitration awards pronounced in favour of the Parent.
- (iii) Note no.41, regarding write back of Rs. 727.96 lakhs by the Parent in respect of certain credit balances.
- (iv) Note no.48, 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 consolidated financial statements.
- (v) Note no.17.10, which indicates that the Parent has defaulted in payment of dues to its financial creditors,

it is facing working capital constraints and its borrowing facilities are irregular with certain financial creditors as at 31st March, 2022. Based on ongoing discussion with such creditors for formulation of a resolution plan and other mitigating factors as mentioned in the aforesaid Note no.18.10, the Parent's Board of Directors is of the view that the going concern basis of accounting is appropriate for preparation of the consolidated financial statements.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section hereinabove, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Correctness of Project Revenue Recognition and related costs – Construction Contracts (refer Note nos. 2.5 (e) and 24 to the consolidated financial statements )</b></p> <p>Revenue from construction contracts is recognized over a period of time in accordance with the requirements of IND AS 115 – Revenue from Contracts with Customers. Revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, reliable estimation of total project cost, identification of contractual obligations in respect of Company's rights to receive payments for performance completed till date, estimation of period of recovery of receivables, changes in scope and consequential revised contract price and recognition of liability for loss making contracts/onerous obligations, if any.</p> <p>Project revenue recognition is significant to the financial statements based on the quantitative materiality and the degree of management judgment required to apply the percentage of completion method. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the consolidated financial statements.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the Group's accounting policy for revenue recognition;</li> <li>• Obtaining an understanding of the Group's processes and testing the design and operating effectiveness of key internal financial controls, including those related to review and approval of contract estimates;</li> <li>• Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard;</li> <li>• Testing a sample of contracts for appropriate identification of performance obligations and the appropriateness of contract revenue recognized by evaluating key management judgments inherent in the forecasted contract revenue and costs to complete;</li> <li>• For costs incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures;</li> <li>• Testing the forecasted cost by obtaining executed purchase orders/agreements and evaluating the reasonableness of managements judgments/estimates;</li> <li>• Performing analytical procedures for reasonableness of revenue recognition; and</li> <li>• Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in accordance with the applicable accounting standards.</li> </ul>

### **Information other than the Consolidated Financial Statements and Auditors' Report thereon**

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Associates and Joint Ventures in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act. 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/other relevant applicable regulations, for safeguarding the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, 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 management 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 Group and of its associates and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 SAs 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 these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group and its associates and joint ventures (covered under the Act) have adequate internal financial controls system in place 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 management.
- Conclude on the appropriateness of management's 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, 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 consolidated financial statements 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, its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements/financial information / financial results of 7(seven) subsidiaries included in the consolidated financial statements, whose financial statements / financial information / financial results reflect total assets of

Rs.10,614.22 lakhs as at 31st March, 2022, total revenues of Rs. 1,050.97 lakhs, total net loss after tax of Rs.601.34 lakhs, total comprehensive loss of Rs. 601.34 lakhs and cash outflow (net) of Rs. 856.19 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 301.04 lakhs and total comprehensive income of Rs. 302.00 lakhs for the year ended 31st March, 2022, in respect of 6(six) associates and 2(two) joint ventures, whose financial statements / financial information / financial results have not been audited by us. These annual financial statements / financial information / financial results are unaudited and have been furnished to us by the Parent's management and our opinion on the consolidated financial statements, 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 consolidated financial statements.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and, except for the possible effect of the matters described in the Basis for Qualified Opinion section hereinabove, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section hereinabove, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) Except for the effects of the matters described in the Basis for Qualified Opinion section hereinabove, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules

issued thereunder.;

- e) In view of the matters described in the Basis for Qualified Opinion section hereinabove, we are unable to comment whether these may have an adverse effect on the functioning of the Group;
- f) On the basis of the written representations received from the directors of the Parent as on 31st March, 2022 taken on record by the Board of Directors of the Parent and management representation provided by the Parent in respect of unaudited subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.;
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section hereinabove;
- h) With respect to the adequacy of internal financial controls with reference to financial statements of the Parent, its subsidiaries, associates and joint ventures incorporated in India, and the operating effectiveness of such controls, refer to our separate report in the Annexure ;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position - Refer Note no.32 to the consolidated financial statements;
  - ii. Except for the possible effects of the matters described under the Basis for Qualified Opinion section hereinabove, provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiaries, associates and joint ventures incorporated in India;
  - iv. (a) The Parent's management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of its subsidiary, associate or joint venture company to or in any other person or entity, including a foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of its subsidiary, associate or joint venture company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Parent's management has represented that, to the best of it's knowledge and belief, no funds have been received by the Parent or any of its subsidiary, associate or joint venture company from any person or entity, including a foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of its subsidiary, associate or joint venture company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Parent or any of its subsidiary, associate or joint venture company. Hence, compliance with Section 123 of the Act is not applicable.
2. According to the information and explanations given to us, the records of the Parent and a subsidiary examined by us in the course of our audit and the management representation provided by the Parent in respect of unaudited subsidiary companies, associate companies and joint venture companies incorporated in India, remuneration paid by the Parent and its subsidiaries, associates and joint ventures incorporated in India to their directors for the year ended 31st March, 2022 has been in accordance with the provisions of section 197 read with Schedule V to the Act.

3. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 ( the 'Order'/'CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us and based on the CARO reports of the companies included in the consolidated financial statements, details of the companies and the paragraph numbers of the respective CARO report containing qualifications or adverse remarks are as follows:-

Name of the Company	Paragraph number of the CARO report containing the qualification/ adverse remark
SPML Infra Ltd.	ii(b), iii(b) & (c), vii(a), ix(a), xix and xx(a)
SPMLIL- Amrutha Constructions Pvt. Ltd.	vii(a)

For **Maheshwari & Associates**

Chartered Accountants

FRN: 311008E

**CA. Bijay Murmuria**

Partner

Membership No.: 055788

UDIN: 22055788ANAFDK1798

Place: Kolkata

Date: 28th May, 2022

# Annexure to the Independent Auditors' Report of SPML Infra Limited

[Referred to in paragraph 1(h) under "Report on Other Legal and Regulatory Requirements" section in our Independent Auditors' Report of even date to the members of SPML Infra Ltd. on the consolidated financial statements for the year ended 31st March, 2022]

## Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of SPML Infra Limited ("the Parent") as of and for the year ended on 31st March, 2022, we have audited the internal financial controls with reference to financial statements of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Parent, its subsidiary companies, its associate companies and joint ventures.

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to:

- (i) certain subsidiaries, associates and joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India;
- (ii) certain subsidiaries, associates and joint ventures, is based solely on the representation provided by the management.

For **Maheshwari & Associates**

Chartered Accountants

FRN: 311008E

**CA. Bijay Murmuria**

Partner

Membership No.: 055788

UDIN: 22055788ANAFDK1798

Place: Kolkata

Date: 28th May, 2022

# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

₹ In Lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	9,751.94	10,037.86
(b) Capital Work in Progress	4	5,634.72	5,634.72
(c) Right of Use Assets	5	5.56	68.16
(d) Intangible Assets	6	3,499.54	1,571.42
(e) Financial Assets			
- Investments	7	6,492.01	6,984.74
- Trade receivables	8	16,128.46	12,316.46
- Loans	9	10,899.65	9,447.19
- Other Financial Assets	10	1,506.09	1,701.49
(f) Non Current Tax Assets	11	4,393.69	4,833.87
(g) Deferred Tax Assets	23	10,462.65	9,995.02
(h) Other Non-Current Assets	12	31,940.52	31,977.37
		<b>1,00,714.83</b>	<b>94,568.30</b>
<b>Current Assets</b>			
(a) Inventories	13	9,023.07	7,123.60
(b) Financial Assets			
- Trade Receivables	8	122,044.82	121,729.63
- Cash and Cash Equivalents	14	4,068.67	3,965.48
- Other Bank Balances	14	195.29	1,970.74
- Loans	9	681.42	494.07
- Other Financial Assets	10	24,150.49	23,875.75
(c) Current Tax Assets	11	181.36	432.58
(d) Other Current Assets	12	18,800.91	17,888.15
		<b>179,146.03</b>	<b>177,480.00</b>
<b>TOTAL ASSETS</b>		<b>2,79,860.86</b>	<b>272,048.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	874.95	819.45
(b) Compulsorily Convertible Preference Share Capital		3,404.93	-
(c) Other Equity	16	27,705.58	25,385.73
<b>Equity attributable to Owners of the parent</b>		<b>31,985.46</b>	<b>26,205.18</b>
(c) Non-Controlling Interests		669.57	1,528.61
<b>TOTAL EQUITY</b>		<b>32,655.03</b>	<b>27,733.79</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	17	66,359.44	65,033.49
- Lease Liabilities	33	2.77	-
- Trade Payables	18	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		7,036.15	5,242.15
- Other Financial Liabilities	21	6,882.01	4,945.80
(b) Provisions	19	312.63	307.70
		<b>80,593.00</b>	<b>75,529.14</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	20	114,785.31	119,250.48
- Lease Liabilities	33	2.43	74.48
- Trade payables	18	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		1,003.95	58.22
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		41,277.50	38,572.94
- Other Current Financial Liabilities	21	6,518.69	8,135.31
(b) Other Current Liabilities	22	2,871.03	2,524.90
(c) Provisions	19	153.67	168.80
(d) Current Tax Liabilities	11	0.24	0.24
		<b>166,612.82</b>	<b>168,785.37</b>
<b>TOTAL LIABILITIES</b>		<b>247,205.82</b>	<b>244,314.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,79,860.86</b>	<b>272,048.30</b>

Significant Accounting Policies &amp; Notes to Consolidated Financial Statements 1 to 53

The Notes referred to above form an integral part of the Consolidated Balance Sheet.  
This is the Consolidated Balance Sheet referred to in our report of even date.**For Maheshwari & Associates**Chartered Accountants  
ICAI Firm Registration No. 311008E**CA Bijay Murmuria**Partner  
Membership No - 055788

Place: Kolkata

Date: 28th May 2022

**Subhash Chand Sethi**Chairman  
DIN: 00464390**Manoj Kumar Digga**

Chief Financial Officer

**For and on behalf of Board of Directors of  
SPML Infra Limited****Sushil Kr. Sethi**Director  
DIN: 00062927**Swati Agarwal**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2022

₹ In Lakhs

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from Operations	24	95,177.28	68,285.34
Other Income	25	2,933.65	6,377.41
<b>Total Income</b>		<b>98,110.93</b>	<b>74,662.75</b>
<b>Expenses</b>			
Materials Consumed and Other Construction Expenses	26	83,976.53	55,331.35
Employee Benefits Expense	27	2,820.90	2,622.25
Finance Cost	28	3,287.74	6,695.13
Depreciation and Amortisation Expenses	29	401.06	555.90
Other Expenses	30	7,817.68	10,566.60
<b>Total Expenses</b>		<b>98,303.91</b>	<b>75,771.23</b>
<b>Profit / (Loss) before share of (Profit) / Loss of Associates and Joint Ventures, &amp; Tax from Continuing Operations</b>		<b>(192.98)</b>	<b>(1,108.48)</b>
Share of Profit/(Loss) from Investment in Associates and Joint Ventures		66.74	(443.48)
Adjustments for Non-Controlling Interests		(46.08)	(54.98)
<b>Profit/(Loss) before tax from continuing operations</b>		<b>(80.16)</b>	<b>(1,496.98)</b>
<b>Tax Expenses of continuing operations</b>			
Current tax		340.80	5.83
Tax for earlier years		4.85	0.12
Minimum Alternate Tax credit		0.00	0.00
Deferred tax credit (net)		(458.00)	(458.68)
<b>Total Tax Expense of continuing operations</b>		<b>(112.35)</b>	<b>(452.73)</b>
<b>Profit/(Loss) after tax from continuing operations</b>		<b>32.19</b>	<b>(1,044.25)</b>
<b>Profit/(Loss) before tax from discontinued operations</b>		<b>-</b>	<b>(10,676.46)</b>
<b>Tax Expenses of discontinued operations</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expense of discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) after tax from discontinued operations</b>		<b>-</b>	<b>(10,676.46)</b>
<b>Total Profit/(Loss) before tax (I)</b>		<b>(80.16)</b>	<b>(12,173.44)</b>
<b>Total Tax Expenses for the period</b>			
Current Tax		340.80	5.83
Minimum Alternate Tax Credit		-	-
Deferred Tax		(458.00)	(458.68)
Tax for Earlier Years		4.85	0.12
<b>Total Tax Expense</b>		<b>(112.35)</b>	<b>(452.73)</b>
<b>Total Profit for the year (II)</b>		<b>32.19</b>	<b>(11,720.71)</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT for the year ended March 31, 2022 (Contd..)**

₹ In Lakhs

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Other Comprehensive Income/(Expense)</b>			
<b>Items not to be reclassified to subsequently Profit or Loss</b>			
Gain/(Loss) on Fair Value of Defined Benefit Plans		(30.82)	42.94
Income Tax Effect on the above		9.61	(13.40)
Gain/(Loss) on Fair Value of Equity instruments measured at FVOCI		-	(808.71)
Income Tax Effect on Above		-	269.95
<b>Total Other Comprehensive Income/ (Expenses) (III)</b>		<b>(21.20)</b>	<b>(509.22)</b>
<b>Total Comprehensive Income / (Loss) for the year, net of tax (IV) = (II+III)</b>		<b>10.99</b>	<b>(12,229.94)</b>
<b>Earnings per Equity Share</b>	31		
(i) Earnings (Loss) per equity share for continuing operations (par value of ₹ 2 each) - Basic and Diluted EPS (in ₹)		0.09	(2.85)
(ii) Earnings (Loss) per equity share for discounted operations (par value of ₹ 2 each) - Basic and Diluted EPS (in ₹)		-	(29.13)
(i) Earnings (Loss) per equity share for continuing and discounted operations (par value of ₹ 2 each) - Basic and Diluted EPS (in ₹)		0.09	(31.98)

Significant Accounting Policies &amp; Notes to Consolidated Financial Statements

1 to 53

The Notes referred to above form an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

**For Maheshwari & Associates**

Chartered Accountants

ICAI Firm Registration No. 311008E

**CA Bijay Murmuria**

Partner

Membership No - 055788

Place: Kolkata

Date: 28th May 2022

**Subhash Chand Sethi**

Chairman

DIN: 00464390

**Manoj Kumar Digga**

Chief Financial Officer

**For and on behalf of Board of Directors of  
SPML Infra Limited****Sushil Kr. Sethi**

Director

DIN: 00062927

**Swati Agarwal**

Company Secretary



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## A) Equity Share Capital (also refer Note 15)

₹ In Lakhs

Particulars	Subscribed and Fully Paid-up
<b>Balance as at March 31, 2021</b>	<b>819.45</b>
Changes in equity share capital	55.50
<b>Balance as at March 31, 2022</b>	<b>874.95</b>

## B) PREFERENCE SHARE CAPITAL (also refer Note 15)

₹ In Lakhs

Particulars	Subscribed and Fully Paid-up
<b>Balance as at March 31, 2021</b>	-
Issue of 0% Compulsorily Convertible Preference Shares	3,404.93
<b>Balance as at March 31, 2022</b>	<b>3,404.93</b>

## C) Other Equity (also refer Note 16)

₹ In Lakhs

Particulars	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Foreign Currency Translation Reserve	Retained earnings (including Other Comprehensive Income)	TOTAL
<b>Balance as at March 31, 2021</b>	<b>952.89</b>	<b>757.70</b>	<b>15,669.78</b>	<b>5,929.05</b>	-	<b>2,076.31</b>	<b>25,385.73</b>
Profit for the year	-	-	-	-	-	32.19	32.19
Other comprehensive income for the year, net of tax	-	-	-	-	-	(21.20)	(21.20)
Total comprehensive income for the year	-	-	-	-	-	11.00	11.00
Other Additions/ (deductions)	392.18	584.68	1,332.00	-	-	-	2,308.86
<b>Balance as at March 31, 2022</b>	<b>1,345.07</b>	<b>1,342.38</b>	<b>17,001.78</b>	<b>5,929.05</b>	-	<b>2,087.30</b>	<b>27,705.58</b>

Significant Accounting Policies & Notes to Consolidated Financial Statements 1 to 53

The Notes referred to above form an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

### For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

### CA Bijay Murmuria

Partner

Membership No - 055788

Place: Kolkata

Date: 28th May 2022

### Subhash Chand Sethi

Chairman

DIN: 00464390

### Manoj Kumar Digga

Chief Financial Officer

### For and on behalf of Board of Directors of

SPML Infra Limited

### Sushil Kr. Sethi

Director

DIN: 00062927

### Swati Agarwal

Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2022

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before share of Profit/(Loss) of Associates and Joint Ventures & Tax from continuing operations	(192.98)	(1,108.48)
Profit/(Loss) before tax from discontinuing operations	-	(10,676.46)
<b>Profit before share of Profit/(Loss) of Associates and Joint Ventures &amp; Tax</b>	<b>(192.98)</b>	<b>(11,784.94)</b>
Adjustments for:		
Depreciation and Amortisation expenses	401.06	555.90
Interest Expenses	3,284.76	6,673.75
Bad debts written off	71.22	11,240.75
Provision for doubtful debts	2,599.26	5,693.64
Profit on sale of property plant and equipment	-	-
Liabilities no longer required written back	(1,764.50)	(4,400.42)
Interest Income	(814.23)	(1,092.77)
<b>Operating Profit before Working Capital changes</b>	<b>3,584.59</b>	<b>6,885.91</b>
Adjustment for:		
Increase/(decrease) in trade payables	7,208.79	(24,262.62)
Increase/(decrease) in provisions	(77.48)	(629.12)
Increase/(decrease) in other current liabilities	838.54	(16,936.51)
(Increase)/decrease in trade receivables	(7,360.88)	3,587.24
(Increase)/decrease in inventories	(1,899.47)	(849.87)
(Increase)/decrease in loans and advances	2,172.10	1,109.66
(Increase)/decrease in other current assets	(6,698.31)	424.50
<b>Cash generated/(used) from operations</b>	<b>(2,232.12)</b>	<b>(30,670.81)</b>
Taxes Paid (net of refunds)	336.14	438.13
<b>Net Cash from Operating Activities</b>	<b>(1,895.98)</b>	<b>(30,232.68)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE including capital work in progress	(65.33)	(33.32)
Proceeds from sale of PPE	375.13	256.55
Fixed Deposits encashed/ (Invested)	2,406.26	2,445.58
Sale / (purchase) of non-current investments:	492.74	4,932.01
Loans (given)/repayment received	(1,393.25)	353.92
Interest received	1,780.56	1,127.87
<b>Net Cash generated/(used) in Investing Activities</b>	<b>3,596.11</b>	<b>9,082.61</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Movement in Minority Interest	1,608.71	(384.99)
Net movement in Long Term Borrowings	(1,569.39)	(2,684.31)
Movement in Issued Capital	3,460.43	-
Net movement in Short Term Borrowings	(1,569.83)	34,172.59
Interest paid	(3,526.87)	(8,015.72)
<b>Net Cash generated/(used) in Financing Activities</b>	<b>(1,596.95)</b>	<b>23,087.57</b>

**CONSOLIDATED STATEMENT OF CASH FLOW for the year ended March 31, 2022 (Contd..)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Increase/(Decrease) in Cash & Cash Equivalents	103.18	1,937.50
Cash & Cash Equivalents at the beginning of the year	3,965.48	2,027.98
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>4,068.66</b>	<b>3,965.48</b>
<b>Cash &amp; Cash Equivalents includes :</b>		
Balance with Banks	1,737.16	3,468.33
Cash-in- Hand	17.73	18.96
Term Deposits with original maturity of less than three months	2,313.78	478.19
<b>Total Cash &amp; Cash Equivalents at the end of the year</b>	<b>4,068.67</b>	<b>3,965.48</b>

**Note:** The above Consolidated Cash Flow Statement has been prepared under the Indirect method as set out in Indian Accounting Standard 7 (Ind As 7) "Statement of Cash Flows".

This is the Consolidated Cash Flow Statement referred to in our report of even date.

**For Maheshwari & Associates**

Chartered Accountants

ICAI Firm Registration No. 311008E

**CA Bijay Murmuria**

Partner

Membership No - 055788

Place: Kolkata

Date: 28th May 2022

**For and on behalf of Board of Directors of  
SPML Infra Limited****Subhash Chand Sethi**

Chairman

DIN: 00464390

**Manoj Kumar Digga**

Chief Financial Officer

**Sushil Kr. Sethi**

Director

DIN: 00062927

**Swati Agarwal**

Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## 1. CORPORATE INFORMATION

The Consolidated Financial Statements comprised Financial Statements of SPML Infra Limited (the 'Company') and its Subsidiaries (collectively, the 'Group'), its Associates and Joint Arrangements for the year ended 31 March 2022.

The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two stock exchanges - The BSE Limited and the National Stock Exchange of India Ltd. in India. The Company is engaged in the business of infrastructure development which inter-alia includes water management, water infrastructure development, waste water treatment, power generation, transmission and distribution, solid waste management, and other civil infrastructures. Information about the Group Structure is given in Note 43.

The Consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 28, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation and compliance with Ind AS

These financial statements for the year ended 31st March 2022 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

### Basis of measurement

These Consolidated Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention, except for certain financial instruments measured at fair value, Freehold Land measured at Fair value and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS (refer accounting policies for financial instruments, Property, plant and Equipment and employee benefits).

### Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional and presentation currency.

### 2.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, Joint operations and

its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of any entity, the entity prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the entity.

In term of Ind AS 110- "Consolidated Financial Statements", the financial statements of the Group are consolidated on a line- by- line basis by adding together the book/ fair value of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized Profit/ Loss included therein. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The excess/shortfall of the cost to the Company of its investments in Subsidiaries over its proportionate share in

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

the equity of the respective investee companies as at the date of acquisition of stake is recognised in the Financial Statement as Goodwill /Capital Reserve, as the case may be.

Subsidiaries are entities over which the group has control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Investments in associates and Joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI").

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

## 2.2 Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the entities that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the entities sharing control.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity.

**2.3** The Consolidated Financial Statements are based on the audited financial statements of subsidiaries, associates and joint ventures except in the following cases where figures have been incorporated based on unaudited financial statements as certified by the management:

Nature of Entity	Name of Entity
Subsidiaries	Allahabad Waste Processing Co. Ltd.
	Doon Valley Waste Management Private Ltd
	Madurai Municipal Waste Processing Co. Pvt. Ltd.
	Mathura Nagar Waste Processing Co. Pvt. Ltd.
	SPML Utilities Limited
	Pondicherry Sez Co. Ltd.
	Sanmati Infra Developers Private Limited
	Binwa Power Company Pvt. Ltd.
	Sanmati Infra Developers (P) Ltd.
	Associates
Bhilwara Jaipur Toll Road Private Limited	
Spml Bhiwandi Water Supply Infra Limited	
Spml Bhiwandi Water Supply Management Limited	
Binwa Power Company Pvt. Ltd.	
Joint Ventures	SPML Energy Ltd.
	Hydro-Comp Enterprises (India) Limited
	Malviya Nagar Water Services Private Limited

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## 2.4 Interests in Joint Operations

When the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation. Interests in joint operations are included in the segments to which they relate.

## 2.5 Summary of significant accounting policies

### a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance cost, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipments are capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognized in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Group has elected to use the fair value of certain assets on the date of transition and designate the same as deemed cost on the date of transition.

### b) Intangible assets and Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The Group's intangible assets constitutes software which has finite useful economic lives and these are amortized on a straight line basis, over their useful life of 5 years. The amortization period and the amortization method are reviewed at the end of each reporting period.

### Depreciation/Amortisation

Depreciation on items of Property, Plant & Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

The Group has used the following useful economic lives to provide depreciation on its property, plant & equipment.

Particulars	Useful economic life (years)
Buildings (including temporary structure)	3- 60
Furniture & Fixtures	10
Plant & Equipment	9- 20
Computers	3 - 6
Vehicles	8- 10
Office Equipment	5
Software (Intangible asset)	5

The useful economic life of buildings and plant and equipment as estimated by the management, and supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

The Group's intangible assets constitutes software which has finite useful economic lives and these are amortized on a straight line basis, over their useful life of 5 years. The amortization period and the amortization method are reviewed at the end of each reporting period.

### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

On transition to Ind AS, The Company has applied Ind AS retrospectively, from the date of their acquisition for Intangible Assets

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## d) Impairment of property plant and equipment and intangible assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

## e) Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

## (I) Revenue from operations

### a) Revenue from contracts for supply/commissioning of complex plant and equipment and other project related activity is recognised as follows:

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled Revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

- b) Commission income is recognised as and when the terms of the contract are fulfilled.**

**(II) Other income**

a) Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through Other Comprehensive Income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

b) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

**f) Foreign Currency Translations**

In the financial statements of the Group, transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the date of the transaction. Foreign currency monetary items are translated into the functional currency at exchange rates prevailing on the reporting date. Exchange differences arising on settlement or translations of monetary items are recognized in statement of profit and loss.

**g) Government Grants**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants received against fixed assets are netted off from the cost of the related asset and the depreciation is provided on the net carrying value of those assets.

**h) Inventories**

Materials, components and stores & spares to be used in contracts are valued at lower of cost, or net realizable value. Cost is determined on weighted average basis.

Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

Unbilled Revenue (WIP) is valued at net realizable value. NRV is the estimated selling price in the ordinary course

of business, less estimated costs of completion and estimated costs necessary to make the sale.

**i) Employee benefits**

**(A) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Such short-term compensated absences are provided for in the Statement of Profit and Loss based on estimates.

**(B) Post-employment benefits**

The Company operates the following post-employment schemes:

- i) Employee benefits in the form of Provident Fund is made to a government administered fund and charged as an expense to the Statement of Profit and Loss, when an employee renders the related service. There are no obligations other than the contributions payable to the fund.
- ii) Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year.
- iii) Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**j) Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## The Company as lessee:

The Company's lease asset classes primarily consist of leases for buildings or part thereof. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet.

## k) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings measured at Effective Interest rate (EIR).

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the period they are incurred.

## l) Taxes

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

### Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns Vis a Vis position taken in books of account which are subject to interpretation and creates provisions where appropriate.

### Deferred tax

Deferred tax is recognized on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognized in OCI or equity, deferred / current tax is also recognized in OCI or equity.

## m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognized as a finance cost.

## n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

## o) Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## p) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## q) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

### Financial Assets:

#### i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### ii) Initial Recognition

Financial assets are recognised initially at fair value considering the concept of materiality. Transaction costs that are directly attributable to the acquisition of the financial asset (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets.

#### iii) Subsequent Measurement of Financial Assets

Financial assets are subsequently measured at amortized cost if they are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are subsequently measured at fair value through other comprehensive income (FVTOCI), if it is held within a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

#### iv) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109: Financial Instruments, the Group recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to the Statement of Profit and Loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## v) Derecognition of financial assets

### A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

### Financial Liabilities:

#### i) Classification

The group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost using the effective interest method.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

#### ii) Initial Recognition

Financial liabilities are recognized at fair value on initial recognition considering the concept of materiality. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition.

Transaction costs that are directly attributable to the issue of financial liabilities.

#### iii) Subsequent Measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

**Amortised cost:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### r) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## 2.6 Significant Accounting judgements, estimates and assumptions:

The preparation of the financial statements requires management to make judgements, estimates and

assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

The areas involving critical estimates or judgement are:

- a) Measurement of defined benefit obligations
- b) Estimated useful life of intangible assets, property, plant and equipment
- c) Recognition of revenue - Contract Revenue is recognized under Percentage of Completion method. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contracts are recognized as Revenue and Expenses respectively by reference to the stage of completion of the Contract activity.
- d) Provision for expected credit losses

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ In Lakhs								TOTAL
	Freehold land	Leasehold Land	Buildings	Temporary site sheds and shuttering materials	Plant and machinery	Furniture and fixtures	Vehicles	Site office/equipments	
<b>GROSS BLOCK</b>									
As at March 31, 2020	7,497.80	9.58	4,505.41	2,395.89	16,483.51	911.66	1,834.80	2,514.58	36,153.22
Additions	-	-	-	18.13	3.80	0.45	1.48	9.47	33.32
Deductions	-	-	-	(89.10)	-	-	-	-	(89.10)
As at March 31, 2021	7,497.80	9.58	4,505.41	2,414.03	16,398.21	912.11	1,836.28	2,524.05	36,097.44
<b>Additions</b>	-	-	-	-	<b>59.55</b>	<b>3.51</b>	<b>0.83</b>	<b>1.44</b>	<b>65.33</b>
Deductions	-	-	-	-	(208.43)	-	(13.21)	-	(221.64)
As at March 31, 2022	7,497.80	9.58	4,505.41	2,414.03	16,249.33	915.62	1,823.90	2,525.49	35,941.14
<b>ACCUMULATED DEPRECIATION</b>									
As at March 31, 2020	-	9.58	3,388.32	2,305.92	15,468.20	788.13	1,547.27	2,246.05	25,753.46
<b>Charge for the year</b>	-	-	<b>25.53</b>	<b>0.57</b>	<b>242.15</b>	<b>18.45</b>	<b>54.07</b>	<b>50.00</b>	<b>390.77</b>
Deductions	-	-	-	-	(84.65)	-	-	-	(84.65)
As at March 31, 2021	-	9.58	3,413.84	2,306.49	15,625.70	806.58	1,601.34	2,296.05	26,059.58
<b>Charge for the year</b>	-	-	<b>25.53</b>	<b>0.01</b>	<b>204.29</b>	<b>14.57</b>	<b>48.04</b>	<b>41.95</b>	<b>334.38</b>
Deductions	-	-	0.00	-	(192.48)	-	(12.29)	-	(204.77)
As at March 31, 2022	-	9.58	3,439.37	2,306.50	15,637.51	821.15	1,637.09	2,338.00	26,189.19
<b>NET BLOCK</b>									
As at March 31, 2021	7,497.80	-	1,091.57	107.54	772.51	105.53	234.94	228.00	10,037.86
As at March 31, 2022	7,497.80	-	1,066.04	107.53	611.82	94.47	186.81	187.49	9,751.94

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 4: CAPITAL WORK IN PROGRESS

₹ In Lakhs

Particulars	Building under construction	Plant & Machinery Under Erection	Toll Road under Construction	Project Development Expenditure	Subsidy	TOTAL
<b>As at March 31, 2020</b>	-	-	-	5,634.72	-	5,634.72
Additions	-	-	-	-	-	-
Less: Adjustment for CWIP Capitalized during the year	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	-	-	5,634.72	-	5,634.72
Additions	-	-	-	-	-	-
Less: Adjustment for CWIP written off/Capitalized during the year	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	-	-	5,634.72	-	5,634.72

Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date of payment				Total
	Less Than 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Project in Progress</b>	-	-	129.55	5,505.17	5,634.72
	-	-	129.55	5,505.17	5,634.72
Total Capital Work In Progress	-	-	129.55	5,505.17	5,634.72
<b>Total Capital Work In Progress</b>	-	-	129.55	5,505.17	5,634.72

## NOTE 5: RIGHT OF USE ASSETS

₹ In Lakhs

Particulars	Computer Softwares
<b>GROSS BLOCK</b>	
<b>As at March 31, 2020</b>	373.23
Additions	-
Deductions	18.05
<b>As at March 31, 2021</b>	355.18
Additions	-
Deductions	-
<b>As at March 31, 2022</b>	355.18
<b>ACCUMULATED AMORTISATION</b>	
<b>As at March 31, 2020</b>	120.97
Charge for the year	166.05
<b>Deductions</b>	-
<b>As at March 31, 2021</b>	287.02

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Particulars	Computer Softwares
Charge for the year	61.68
<b>Deductions</b>	(0.92)
<b>As at March 31, 2022</b>	<b>349.62</b>
<b>NET BLOCK</b>	
<b>As at March 31, 2021</b>	<b>68.16</b>
<b>As at March 31, 2022</b>	<b>5.56</b>

## NOTE 6: INTANGIBLE ASSETS

₹ In Lakhs

Particulars	Rights under service concession arrangement	Computer Softwares	Goodwill on Consolidation	TOTAL
<b>GROSS BLOCK</b>				
<b>As at March 31, 2020</b>	<b>9.76</b>	<b>415.78</b>	<b>1,547.41</b>	<b>1,972.94</b>
Additions	-	0.14	3.45	3.59
Deductions	-	-	-	-
<b>As at March 31, 2021</b>	<b>9.76</b>	<b>415.92</b>	<b>1,550.86</b>	<b>1,976.53</b>
Additions	-	26.24	1,906.87	1,933.11
Deductions	-	-	-	-
<b>As at March 31, 2022</b>	<b>9.76</b>	<b>442.15</b>	<b>3,457.73</b>	<b>3,909.64</b>
<b>ACCUMULATED AMORTISATION</b>				
<b>As at March 31, 2020</b>	<b>9.76</b>	<b>395.26</b>	-	<b>405.03</b>
Charge for the year	-	0.09	-	0.09
Deductions	-	-	-	-
<b>As at March 31, 2021</b>	<b>9.76</b>	<b>395.36</b>	-	<b>405.12</b>
Charge for the year	-	4.99	-	4.99
Deductions	-	-	-	-
<b>As at March 31, 2022</b>	<b>9.76</b>	<b>400.34</b>	-	<b>410.10</b>
<b>NET BLOCK</b>				
<b>As at March 31, 2021</b>	-	<b>20.56</b>	<b>1,550.86</b>	<b>1,571.42</b>
<b>As at March 31, 2022</b>	-	<b>41.81</b>	<b>3,457.73</b>	<b>3,499.54</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 7: NON- CURRENT INVESTMENTS

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at March 31, 2022	As at March 31, 2021
	2022	2021			
<b>(A) In Quoted Equity Instruments at FVOCI</b>					
Indian Arcylics Limited	100	100	10	-	-
Best & Crompton Engineering Limited	200	200	10	-	-
<b>Net Quoted Investments</b>				<b>-</b>	<b>-</b>
<b>(B) In Unquoted Equity Instruments (Fully paid up) at FVOCI</b>					
Bharat Hydro Power Corporation Limited	60,500,578	60,500,578	10	1,030.00	1,030.00
Arihant Leasing & Holding Limited	24,000	24,000	10	-	-
Petrochem Industries Limited	500	500	10	-	-
SPML India Limited	10,000	10,000	10	-	-
Hindustan Engineering & Industries Limited (Bonus Shares)	4	4	10	-	-
Jarora Nayagaon Toll Road Company Pvt. Ltd.	24,423,700	24,423,700	10	-	-
(The said shares are pledged with OBC against loan taken by the Investee Company)					
Om Metals- SPML Infra Projects Pvt. Ltd.	4,999	4,999	10	0.50	0.50
				<b>1,030.50</b>	<b>1,030.50</b>
<b>(C) In Debt Instruments (Fully Paid up) (at Amortised Cost)</b>					
Escorts Tractors Limited	25	25	1	0.01	0.01
Hindustan Engineering & Industries Limited	110	110	1	-	-
				<b>0.01</b>	<b>0.01</b>
<b>(D) In Associate Companies (at Deemed Cost)</b>					
Sanmati Infra Developers Private Limited	500,000	500,000	10	50.00	50.00
Less: Share in losses of the Associate Company				(50.00)	(50.00)
				-	-
SPML Bhiwandi Water Supply Management Ltd.	224,700	224,700	1	-	-
Less: Share in losses of the Associate Company				-	-
				-	-
SPML Bhiwandi Water Supply Management Ltd.	250,000	250,000	1	-	-



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

₹ In Lakhs

Particulars	No. of Shares/ Units/ Debentures As at March 31,		Face Value per Share/ Unit/ Debenture ₹	As at March 31, 2022	As at March 31, 2021
	2022	2021			
Less : Share in losses of the Associate Company				-	-
Delhi Waste Management Ltd.	778,000	778,000	10	1,075.40	1,651.82
Less : Share in losses of the Associate Company				(634.01)	(708.54)
				<b>441.39</b>	<b>943.28</b>
Subhash Kabini Power Corporation Limited (ceased to be an associate w.e.f. March 25, 2022)*	13,172,000	13,172,000	10	1,289.54	1,289.54
Less : Share in losses of the Associate Company				(314.88)	(184.02)
				<b>974.66</b>	<b>1,105.52</b>
Neogal Power Company Private Limited (ceased to be an associate w.e.f. March 31, 2022)	1,136,774	1,136,774	1	0.00	0.00
Add : Share in Profit of the Associate Company				-0.00	3.11
				-	<b>3.11</b>
Awa Power Company Private Limited (ceased to be an associate w.e.f. March 31, 2022)	2,639,605	2,639,605	1	0.01	0.01
Add : Share in Profit of the Associate Company				-	-
				<b>0.01</b>	<b>0.01</b>
IQU Power Company Private Limited (ceased to be an associate w.e.f. March 31, 2022)	2,580,500	2,580,500	1	-	-
Add : Share in Profit of the Associate Company				-	-
				-	-
Binwa Power Company Private Limited	2,948,340	2,948,340	1	-	-
Add : Share in Profit of the Associate Company				-	-
				-	-
SPML Energy Limited	99,550,000	99,550,000	1	466.94	466.94
Add : Share in Profit of the Associate Company				280.93	258.04
				<b>747.87</b>	<b>724.98</b>
Bhilwara Jaipur Toll Road Private	3,520,302	3,520,302	10	3,408.96	3,408.96
Less : Share in losses of the Associate Company				(721.27)	(722.10)
(of the above 12,49,336 equity shares are pledged with ICICI Bank and PNB against loans obtained by the said investee company)				2,687.69	2,686.86
<b>Total</b>				<b>4,851.63</b>	<b>5,463.77</b>
<b>(E) In Joint Ventures (at Deemed Cost)</b>					
Gurha Thermal Power Co Ltd	25,000	25,000	10	-	-
MVV Water Utility Pvt Ltd	364,693	364,693	10	81.88	108.35

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Add : Share in Profit of the Joint Venture				6.72	(25.05)
				<b>88.60</b>	<b>83.30</b>
Malviya Nagar Water Services Pvt .Ltd	2,205,000	2,205,000	10	220.50	220.50
Add : Share in Profit of the Joint Venture				(123.33)	(220.50)
				<b>97.17</b>	-
Aurangabad City Water Utility Company Ltd.	19,405	19,405	1	2.00	2.00
Less : Share in Loss of the Joint Venture				(2.00)	(2.00)
				-	-
HYDRO Comp Enterprises (India) Limited	2,296,265	2,296,265	1	22.96	22.96
Less : Share in Loss of the Joint Venture				(22.96)	(22.96)
				-	-
<b>Total</b>				<b>185.77</b>	<b>83.30</b>
<b>(F) In Debt Instruments (FVTPL)</b>					
Sanmati Infra Developers Private Limited	450,000	450,000	10	-	-
				-	-
<b>(G) In Others</b>					
SPM Holdings Pte Limited*				392.28	392.28
<b>(H) In Others (at FVTPL)</b>					
National Saving Certificate Mutual Fund	50,000	50,000	10	0.52	0.52
				31.31	14.38
				<b>31.83</b>	<b>14.90</b>
<b>Total</b>				<b>6,492.01</b>	<b>6,984.74</b>

**Note:**

All the above investments are stated at values net of impairment loss

## NOTE 7: NON- CURRENT INVESTMENTS (CONTD..)

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Aggregate value of investments</b>		
Quoted (net of Impairment loss)	-	-
Unquoted (net of Impairment loss)	6,492.01	6,984.74
Market value of quoted investment	-	-
Aggregate amount of impairment in value of investments	2,816.92	2,816.92

\* The Investments in these companies include the impact of IND AS adjustments on account of fair valuation of Corporate Guarantees extended by the Company (SPML Infra Limited) against the financial assistance availed by them.

Particulars	As at March 31, 2022	As at March 31, 2021
SPM Holdings Pte Limited	392.28	392.28
Subhash Kabini Power Corporation Limited	-	79.28
Bhilwara Jaipur Toll Road Private Limited	554.06	554.06
<b>Total</b>	<b>946.34</b>	<b>1,025.62</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## Notes:

**7.1** 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 December 23, 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 March 31, 2022. Accordingly, as a matter of prudence, the Company has impaired its equity investment of Rs. 337.92 Lakhs in Luni to the extent of 100%. Further, the recoverability of the Company's remaining direct exposure in Luni as at March 31, 2022 is Rs. NIL by way of equity, Rs. NIL by way of loan and Rs. 58.78 Lakhs by way of trade receivables(net of ECL) (P.Y. Rs. 337.92 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 is in process now and the consequent impairment, if any, will be dealt with appropriately in the subsequent financial results.

## 7.2 On Pledge of Investments as held by SPML Infra Ltd. in Associate Companies:

Investments of SPML Infra Ltd. i.e.29,48,340 Equity Shares in Binwa Power Company Private Limited; 2,92,500 Equity Shares in Delhi Waste Management Limited; 2,24,700 Equity Shares in SPML Bhiwandi Water Supply Infra Limited; 2,50,000 Equity Shares in SPML Bhiwandi Water Supply Management Limited has been pledged as on the Balance Sheet date in favour of the SBICAP Trustee/ S4A Lenders for securing the due repayment of the Debts as restructured under the "SPML S4A Scheme" as approved by the Overseeing Committee (governed under RBI) with the super majority of the Lenders Banks.

**7.3** Madurai Municipal Waste Processing Co. Private. Limited and SPMLIL-Amrutha Constructions Pvt Ltd ceased to be Subsidiaries and became Associates w.e.f. closing hours of March 31,2022.

## NOTE 8: TRADE RECEIVABLES (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Receivables- Others	30,001.11	26,011.06	44,865.84	44,299.56
Trade Receivables- Related parties	143.78	23.16	2,767.51	2,868.31
Trade Receivables - which have significant increase in credit risk	-	-	-	-
Trade Receivables - Credit Impaired	5,800.71	5,800.71	-	-
Less: Allowance for Expected Credit Loss	(19,817.14)	(19,518.48)	(1,105.31)	(1,105.31)
Unbilled Revenue	-	-	75,516.78	75,667.07
<b>Total</b>	<b>16,128.46</b>	<b>12,316.46</b>	<b>1,22,044.82</b>	<b>1,21,729.63</b>

## Break- up for Security details:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivables</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	30,144.89	26,034.22	123,150.13	122,834.94
Considered doubtful	5,800.71	5,800.71	-	-
	<b>35,945.60</b>	<b>31,834.93</b>	<b>123,150.13</b>	<b>122,834.94</b>
<b>Allowance for Expected Credit Loss</b>				
on unsecured, considered good	(14,016.43)	(13,717.76)	(1,105.31)	(1,105.31)
on considered doubtful	(5,800.71)	(5,800.71)	-	-
	<b>(19,817.14)</b>	<b>(19,518.48)</b>	<b>(1,105.31)</b>	<b>(1,105.31)</b>
<b>Total</b>	<b>16,128.46</b>	<b>12,316.46</b>	<b>122,044.82</b>	<b>121,729.63</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Ageing of trade receivables and credit risk arising there from is as below:

**As at March 31, 2021**

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables – considered good</b>	-	618.14	546.94	126.33	1,310.14	14,492.10	17,093.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	4,557.96	4,557.96
Disputed Trade Receivables – considered good	-	-	-	12,350.07	-	1,943.92	14,293.99
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	618.14	546.94	12,476.40	1,310.14	20,993.98	35,945.60
Less: Allowance for Expected Credit Losses considered Credit Impaired	-	-	-	-	-	-	19,817.15
<b>Non Current Trade Receivable</b>	-	<b>618.14</b>	<b>546.94</b>	<b>12,476.40</b>	<b>1,310.14</b>	<b>20,993.98</b>	<b>16,128.46</b>
Undisputed Trade Receivables – considered good	10.94	8,244.31	1,463.20	4,112.51	551.22	17,739.01	32,121.18
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	1.58	823.39	-	18.14	1.28	-	844.39
Disputed Trade Receivables – considered good	-	168.86	48.55	1,328.01	528.58	11,488.47	13,562.48
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	<b>75,516.78</b>	-	-	-	-	-	<b>75,516.78</b>
<b>Current Trade Receivable</b>	<b>75,529.29</b>	<b>9,236.56</b>	<b>1,511.75</b>	<b>5,458.66</b>	<b>1,081.08</b>	<b>29,227.48</b>	<b>122,044.82</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

As at March 31, 2021

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables – considered good</b>	-	319.57	13.36	240.33	151.52	11,139.01	11,863.79
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	4,557.96	4,557.96
Disputed Trade Receivables – considered good	-	-	13,795.52	-	-	1,617.67	15,413.19
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	319.57	13,808.88	240.33	151.52	17,314.64	31,834.94
Less: Allowance for Expected Credit Losses considered Credit Impaired	-	-	-	-	-	-	19,518.48
<b>Non Current Trade Receivable</b>	-	<b>319.57</b>	<b>13,808.88</b>	<b>240.33</b>	<b>151.52</b>	<b>17,314.64</b>	<b>12,316.46</b>
Undisputed Trade Receivables – considered good	-	3,530.61	349.53	1,223.76	3,098.44	23,520.62	31,722.96
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	1,460.83	4.91	298.70	651.20	11,923.96	14,339.60
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	<b>75,667.07</b>	-	-	-	-	-	<b>75,667.07</b>
<b>Current Trade Receivable</b>	<b>75,667.07</b>	<b>4,991.44</b>	<b>354.44</b>	<b>1,522.46</b>	<b>3,749.64</b>	<b>35,444.58</b>	<b>121,729.63</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 9: LOANS (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advance for Share Application Money to others	-	45.00	-	-
Security Deposits	1,236.65	960.32	437.91	467.68
Loans to related parties (Refer Note 36)	5,783.82	7,827.75	(8.62)	26.39
Loans to others	3,879.18	614.12	252.13	-
<b>Total</b>	<b>10,899.65</b>	<b>9,447.19</b>	<b>681.42</b>	<b>494.07</b>

### Break-up:

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-	-	-
Loans considered good - Unsecured	4,551.97	3,315.80	681.42	494.07
Loans which have significant increase in credit risk	8,937.06	6,947.72	-	-
Loans credit Impaired	-	-	-	-
	<b>13,489.03</b>	<b>10,263.52</b>	<b>681.42</b>	<b>494.07</b>
Less:- Allowance for Expected Credit Loss	2,589.38	816.33	-	-
<b>Total</b>	<b>10,899.65</b>	<b>9,447.19</b>	<b>681.42</b>	<b>494.07</b>

Loans and receivables are non- derivative financial assets which generate a fixed or variable interest income of the Company. The Carrying value may be affected by changes in the credit risk of the counterparties.

8.1. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## NOTE 10: OTHER FINANCIAL ASSETS (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than 12 months (Refer note 14)	765.02	1,395.83	-	-
Interest Accrued on Fixed deposit/ Loan	741.07	305.66	10.07	1,411.81
Receivable against Sale of Investments/ Fixed Assets	-	-	1,113.27	-
Retention from Customers	-	-	23,027.15	22,463.94
<b>TOTAL</b>	<b>1,506.09</b>	<b>1,701.49</b>	<b>24,150.49</b>	<b>23,875.75</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## 11: TAX ASSETS AND TAX LIABILITIES

### 11.1: TAX ASSETS

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advance income-tax (net of provision for taxation)	4,393.69	4,833.87	181.36	432.58
<b>Total</b>	<b>4,393.69</b>	<b>4,833.87</b>	<b>181.36</b>	<b>432.58</b>

### 11.2: TAX LIABILITIES

₹ In Lakhs

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Provision for income-tax (net of advance tax)	0.24	0.24
<b>Total</b>	<b>0.24</b>	<b>0.24</b>

## NOTE 12: OTHER ASSETS

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Capital advances	1,033.85	3,324.31	-	-
Advances recoverable in cash or kind	-	-	9,210.35	5,930.88
Mat Credit Entitlement	-	-	9.90	9.90
Prepaid expenses	-	-	131.82	79.85
Balances with statutory / government authorities	-	-	9,429.53	11,848.21
Interest accrued on arbitration awards	28,319.20	26,044.30	-	-
Other non current assets	2,587.47	2,608.76	19.31	19.31
<b>TOTAL</b>	<b>31,940.52</b>	<b>31,977.37</b>	<b>18,800.91</b>	<b>17,888.15</b>

## NOTE 13: INVENTORIES

(VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ In Lakhs

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Material at sites	8,832.66	6,941.53
Work in progress	83.04	83.04
Stores and spares	107.37	99.03
<b>Total</b>	<b>9,023.07</b>	<b>7,123.60</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 14: CASH AND BANK BALANCES (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	1,737.16	3,468.33
Deposits with original maturity of less than 3 months	-	-	2,313.78	478.19
Cash on hand	-	-	17.73	18.96
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>4,068.67</b>	<b>3,965.48</b>
<b>Other bank balances</b>				
Balances with banks:				
Deposits with original maturity for more than 12 months *	765.02	1,395.83	-	-
Deposits with original maturity for more than 3 months but less than 12 months *	-	-	195.29	1,970.74
<b>(B)</b>	<b>765.02</b>	<b>1,395.83</b>	<b>195.29</b>	<b>1,970.74</b>
Amount disclosed under non-current assets (Refer Note 10)	(765.02)	(1,395.83)	-	-
<b>Total (A+B)</b>	<b>-</b>	<b>-</b>	<b>4,263.96</b>	<b>5,936.22</b>

\* Receipts lying with banks as security against Letters of Credits, Guarantees and Demand Loan Facilities issued by them and with clients.

## NOTE 15: SHARE CAPITAL

₹ In Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
<b>Authorized capital</b>				
Equity shares Rs. 2/- each	200,000,000	4,000.00	200,000,000	4,000.00
Preference shares Rs.100/- each	1,000,000	1,000.00	1,000,000	1,000.00
Add : Increase during the year	6,500,000	6,500.00	-	-
	<b>20,75,00,000</b>	<b>11,500.00</b>	<b>20,10,00,000</b>	<b>5,000.00</b>
<b>Issued, subscribed and paid-up capital</b>				
Equity shares ` 2 each	36,650,276	733.01	36,650,276	733.01
Add : Forfeited shares (amount originally paid up)		86.44		86.44
Add : Addition during the year	2,775,000	55.50	-	-
	<b>39,425,276.00</b>	<b>874.95</b>	<b>36,650,276.00</b>	<b>819.45</b>
<b>0% Compulsorily Convertible Preference shares</b>	3,404,930	3,404.93	-	-
<b>Add : Increase during the year</b>	<b>3,404,930.00</b>	<b>3,404.93</b>	<b>-</b>	<b>-</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

### i. Equity Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
At the beginning of the year	36,650,276	733.01	36,650,276	733.01
Addition during the year	2,775,000	55.50	-	-
<b>Outstanding at the end of the year</b>	<b>39,425,276</b>	<b>788.51</b>	<b>36,650,276</b>	<b>733.01</b>

### (ii) 0% Compulsorily Convertible Preference Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
At the beginning of the year	-	-	-	-
Addition during the year	3,404,930	3,404.93	-	-
<b>Outstanding at the end of the year</b>	<b>3,404,930</b>	<b>3,404.93</b>	-	-

b. During the year ended March 31, 2022, the Company has allotted, by way of a preferential allotment, 27,75,000 equity shares of Rs.2/- each fully paid-up, at an issue price of Rs. 50/- each (including a premium of Rs. 48/- per equity share) aggregating to Rs.1,387.50 Lakhs, to Promoter and Promoter Group, on conversion of their existing unsecured loans to the Company. Further, the Company has also allotted, by way of a preferential allotment, 34,04,930 0% Compulsorily Convertible Preference Shares ('CCPS') having a face value of Rs.100/- each, at par, aggregating to Rs. 3,404.93 Lakhs, to the aforesaid Promoter and Promoter Group, on conversion of their existing unsecured loans to the Company. Each CCPS is convertible into 2 equity shares of face value of Rs.2/- each at the conversion price of Rs.50/- including premium of Rs.48/- per share, in one or more tranches.

## b. (i) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2/- per share. Each holder of equity shares is entitled one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. (ii) Details of shareholders holding more than 5% equity shares of the Company

Each CCPS shall be compulsorily convertible into one equity share at any time within 18 months from the date of allotment. CCPS shall have priority with respect to repayment of capital over equity shares of the company. The holders of CCPS would not participate in the surplus assets and profits on winding up which may remain after the entire capital has been repaid.

## d. (i) Details of Shareholders holding more than 5% shares in the Company is as below:

₹ In Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Client Rosehill Limited	5,493,876	13.93	5,493,876	14.99
Zoom Industrial Services Limited	4,126,000	10.47	2,500,000	6.82
SPML India Limited	2,990,380	7.58	2,119,055	5.78
Canara Bank	-	-	2,014,450	5.50

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

**d. (ii) Details of shareholders holding more than 5% shares of 0% Comulsorily Convertible Preference Shares in the Company is as below:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Zoom Industrial Services Limited	1,674,300	49.17	-	-
SPML India Limited	432,330	12.70	-	-
Niral Enterprises Pvt. Ltd.	1,298,300	38.13	-	-

**e. Details of promoters' shareholding percentage in the Company is as below:**

Particulars	As at March 31, 2022		% Change during the year	As at March 31, 2021	
	No. of Shares	% Holding		No. of Shares	% Holding
Subhash Chand Sethi	15,23,280	3.86	(0.29)	15,23,280	4.16
Sushil Kumar Sethi	13,34,660	3.39	0.50	10,56,985	2.88
Deepak Sethi	5,82,250	1.48	(0.11)	5,82,250	1.59
Punam Chand Sethi	4,94,625	1.25	(0.10)	4,94,625	1.35
Punam Chand Sethi	3,72,735	0.95	(0.07)	3,72,735	1.02
Suman Sethi	1,83,735	0.47	(0.04)	1,83,735	0.50
Shilpa Sethi	1,81,515	0.46	(0.03)	1,81,515	0.50
Zoom Industrial Services Ltd	41,26,000	10.47	3.64	25,00,000	6.82
20th Century Engineering Limited	10,00,000	2.54	(0.19)	10,00,000	2.73
Spm Engineers Limited	5,00,000	1.27	(0.10)	5,00,000	1.36
Arihant Leasing And Holding Limited	4,36,020	1.11	(0.08)	4,36,020	1.19
Spml India Limited	29,90,380	7.58	1.80	21,19,055	5.78

**f.** "f. In pursuance of the implementation of "SPML S4A Scheme", the Promoters of the Company had diluted their shareholding in the Company to the extent of "Principle of Proportionate loss sharing by Lenders (S4A Lenders)" in favour of the Lender Banks to entitle them to hold 21.44 % stake in the Company. As on balance sheet dated March 31, 2022 Lenders are holding 2.93% shareholding in the Company.

**g.** In terms of the "SPML S4A Scheme" as approved by the Overseeing Committee (constituted under the aegis of Reserve Bank of India) the entire debt of the Company as bifurcated into Part A Debt and Part B Debt together with all interest thereon is also inter-alia secured by pledge of the Shares of the Company held by Promoters in favour of SBICAP Trustee Ltd. for the benefit of the Secured Parties. The Promoters & the Promoter Group of the Company as on the balance sheet dated March 31, 2022 had pledged 25.57% of the Shares as held by them in the Company in favour of the Security Trustee.

**h. Shares allotted as fully paid-up pursuant to conversion of Loans into shares without payment received in cash during the period of 5 years immediately preceding March 31, 2022:**

₹ In Lakhs

Particulars	Equity shares		0% Compulsorily Convertible Preference shares	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs.2/- par value per share issued during the year	2,775,000.00	55.50	-	-
0% Compulsorily Convertible Preference shares of Rs.100/- par value per share issued during the year	-	-	3,404,930.00	3,404.93

No bonus shares or shares bought back over the last five years immediately preceding the reporting date.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 16: OTHER EQUITY

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
A. Capital reserve	1,345.07	952.89
B. Capital reserve on consolidation	1,342.38	757.70
C. Securities premium account	17,001.78	15,669.78
D. General reserve	5,929.05	5,929.05
E. Other Comprehensive Income	(260.84)	(239.64)
F. Retained Earnings (movements given below)	2,348.14	2,315.95
<b>Total</b>	<b>27,705.58</b>	<b>25,385.73</b>

### Movement in Retained Earnings

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening Balance	2,315.95	14,033.16
Add: Profit for the year	32.19	(11,720.70)
Add: De-Console Profit/(Loss)	0.00	3.50
<b>Closing Balance</b>	<b>2,348.14</b>	<b>2,315.95</b>

## NOTE 17: BORROWINGS

₹ In Lakhs

Particulars	Non-current	
	As at	As at
	March 31, 2022	March 31, 2021
<b>Secured</b>		
<b>Term loans</b>		
from banks (Refer note 17.1)	1,010.18	1,512.75
from financial institutions (Refer note 17.2)	-	-
<b>0.01% Optionally Convertible Debentures</b>		
Issued to banks (Refer note 17.7)	52,858.17	52,858.17
Issued to financial institutions (Refer Note 17.7 (d))	1,677.00	1,677.00
<b>Deferred payment credits</b>		
from others (Refer note 17.3)	-	47.35
<b>Unsecured</b>		
<b>Term loans</b>		
from related parties (Refer Note 17.6)	5,521.70	7,952.33
from Body Corporate (Refer Note 17.5)	5,292.39	985.89
<b>Total</b>	<b>66,359.44</b>	<b>65,033.49</b>
<b>Current maturities of Long term Borrowings</b>	2,935.90	2,993.22
Less: Amount clubbed under "Other Current Financial Liabilities" (Refer Note 22)	(2,935.90)	(2,993.22)
<b>Total</b>	<b>66,359.44</b>	<b>65,033.49</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 17: BORROWINGS (CONTD.)

### 17.1 Security and repayment terms in respect of term loans from banks

Nature of securities	Outstanding (₹ in Lakhs)		Nos. of installments outstanding as on March 31,2022 (remaining)		Rate of interest
	As at March 31, 2022	As at March 31, 2021	Quarterly	Monthly	
The loan is secured by first Pari- Passu and exclusive charge by way of Equitable mortgage of the entire project assets (both movable and immovable) of Luni Power Company Private Limited ,both present and future, first Pari- passu and exclusive charge by way of hypothecation of the entire Project movable assets of the Company, both Present and future, equitable mortgage of land measuring 1.01 hectares, assignment of all project revenue and receivables exclusively to the Bank ,assignment of development rights over 4.06 hectares of forest/ government land, deposit of ₹ 40 Lakhs, 36.23% of shares of Luni Power Company Private Limited held by Subhash Kabini Power Corporation Limited, corporate guarantee by Subhash Kabini Corporation Private Limited and personal guarantee by the promotor director of the Luni Power Company Private Limited.	1,119.87	1,119.87	-	-	BPLR + 4.75 %
Term loan of Rs. Nil (P.Y. Rs. 7.36 Lakhs) from Yes Bank carried interest @ 11.75 % p.a. (YBL +1.50% p.a.) and was repayable in 5 quarterly instalments of Rs. 7.75 Lakhs each along with interest thereon starting from February 2019 and ending by February 2020. The said loan was secured by way of Subservient charge on all movable fixed assets and current assets (both present and future) of the Company. Further, loan was backed by the personal guarantee of the Chairman of the Company and pledge of shares of the Company by the promoters/ associates.					
Corporate Loan of Rs. 2787.87 Lakhs (P.Y. Rs. 2,898.08 Lakhs) from Consortium Member-Banks carries interest @ 12.65% p.a. and are repayable in uneven quarterly instalments along with interest thereon by FY 2022-2023. The said loans are secured on pari-passu basis by (i) Extension on all the current and non-current assets of the Company (both present and future) (ii) Exclusive mortgage on two Immovable Properties situated at Sarita Vihar, New Delhi owned by relatives of the Promoters (iii) Negative lien on one property at New Delhi owned by one of the associates (iv) Pledged shares of the Company held by Promoters/Associates. In addition, these loans are also secured by Personal Guarantee of relatives of promoter and others to the extent of the value of the their mortgaged properties as well as Personal Guarantees of the Promoters of the Company.	2,787.87	2,905.44	47	-	-
The said loan is secured against Motor Vehicle of SPML Infrastructure Limited	14.02	30.47	-	-	-
The said loan taken by Bhagalpur Electricity Distribution Company Private Limited are taken at 14.5% rate of interest and repayable after a period of 10 years.	18.67	18.67	-	-	-
	<b>3,940.43</b>	<b>4,074.45</b>	<b>47.00</b>	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## 17.2 Security and repayment terms in respect of term loans from financial Institutions

Term Loan of Rs. 332.34 (P.Y.Rs. 335.41 Lakhs) from a Financial Institution carries interest @ 13.55% p.a. (IBR +2.80% p.a.) and is repayable in twelve equated quarterly instalments by April 2021. The said loan is secured against an exclusive charge on (i) the Immovable Property situated at Faridabad owned by one of group entities (ii) Immovable Property of the Company situated in Gangapur, Sawai Madhopur in Rajasthan (iii) Pledge of shares of the Company held by Promoters/Group entities giving coverage of 1x of Loan amount. Further, the Loan is also backed by Personal Guarantees of Promoters, in addition to Corporate Guarantee & PDCs given by one of the group entities i.e SPML Industries Limited.

**17.3** Deferred payment credits from financial companies was secured against hypothecation of vehicle purchased against such loans which were repayable in 48 equated monthly installments carrying compounding interest rate of 10.81% p.a. However the balance as on 31.03.2022 is Rs.42.56 Lakhs.

**17.4** As at the year ended March 31, 2022, the Company has defaulted in repayment of dues upto 90 days amounting to Rs. Nil (P.Y. Rs.14,906.67 Lakhs) and dues exceeding 90 days amounting to Rs. 1,07,214.30 Lakhs ( P.Y. Rs. 58,939.70 Lakhs) in respect of Banks. The Company has also defaulted in repayment of dues upto 90 days amounting to Rs. Nil (P.Y. Rs. 137.59 Lakhs) and dues exceeding 90 days amounting to Rs. 332.34 Lakhs ( P.Y. Rs. 392.30 Lakhs) in respect of financial institution.

## 17.5 Loan from Body Corporate:

Rs. 5292.39 Lakhs (P.Y. Rs. 985.89 Lakhs) Loans from body corporates are repayable within a maximum period of 10 years.

## 17.6 Loan from Related Parties:

Rs.5,521.70 Lakhs (P.Y. Rs.7,952.33 Lakhs) is repayable after one year and carries interest rate @ 8.60% p.a. to 18% p.a. However, the Company has made the default in making the payment of interest to all the related parties and body corporates requesting them the financial position and the ongoing resolution plan with the Lenders. Most of the related parties and body corporates Lenders have considered the Company's request for waiver of interest during the current year and requested the Company to make the treatment as per the resolution plan.

## 17.7 Security and repayment terms in respect of Optionally Convertible Debentures (OCDs)

The Ultimate Holding Company had allotted Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (OCDs) of the Rs.1,000/- each under eight series to the Lender Banks in proportion to their participation in the S4A restructuring scheme against conversion of part of their dues. The said eight series of OCDs are secured by way of:

- a. The OCDs issued under Series A, B, C, & H are secured by way of first ranking charge in favour of Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) on Hypothecation of Stocks and Book Debts of the Ultimate Holding Company, both present and future and all other current assets and non-current receivable, Plant and Machinery, Furniture and Fixture and office equipment. In addition to above these loans are secured by the Personal Guarantee of two Promoter Directors and others of the Ultimate Holding Company and Corporate Guarantee of one of the associates of the Company, except for OCDs issued to ICICI Bank under Series B & under Series C to Yes Bank which are also secured by extension of exclusive securities with them. Over and above Lien of Fixed Deposit having issue value of Rs.38 Lakhs has been issued in favour of Lead Bank.
- b. OCDs issued under Series E are secured by way of first ranking charge in favour of the Security Trustee (appointed for the benefit of the Secured Parties/debenture holders on pari-passu basis) (i) on all the current assets of the Ultimate Holding Company (both present and future) ,(ii) Exclusive charge on two Immovable Properties situated at Sarita Vihar, New Delhi, (iii) Pledge of Shares of the Company held by Promoters/Associates (iv) Negative lien on one property at New Delhi owned by one of the Associates. In addition, these OCDs are also secured by Personal Guarantee of two property owners to the extent of the value of the properties as well as Personal Guarantee of Promoters.
- c. OCDs issued under Series F are secured by way of exclusive charge in favour of IFCI Limited on (i) the Immovable properties owned by one of group entities situated in Faridabad (ii) Immovable properties owned by the company situated in Sawai Madhopur, Rajasthan (iii) Pledge of shares of the Company held by Promoters/Group entities giving coverage of 1x of loan amount. Further, the loan is also backed by Personal Guarantee of Main Promoters, Corporate Guarantee and PDSs given by one of the group entities of the Company. "

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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- d. OCDs issued under Series G are secured by way of exclusive charge in favour of ICICI Bank Ltd. on the Immovable Property of the Ultimate Holding company situated in Gurugram.
- e. OCD carry Coupon Rate of 0.01% p.a. to be paid in the first instance from 1st November, 2017 to 31st March, 2018 and thereafter at the end of each financial quarter commencing from last coupon payment date and ending on the next coupon payment date. OCDs carrying Yield-to-Maturity (YTM) of 8.15% p.a. are redeemable after a moratorium period of five years from the date of issue starting from quarter ending December, 2022 and ending on quarter ending September, 2027.

## **17.8 Restructuring of entire Debts as availed from the Banks/Financial Institutions under Scheme for Sustainable Structuring of Stressed Assets (“SPML S4A Scheme”):**

The Ultimate Holding Company's debt has been restructured under the Scheme for Sustainable Structuring of Stressed Assets (“SPML S4A Scheme”) as approved by the Overseeing Committee (constituted under the aegis of the RBI) on 6th October, 2017. Pursuant to the approval of the Company's business re-organisation plan by S4A, a frame work agreement had also been executed on November 01, 2017 among the Company and lenders. In terms of the S4A the Company's debt portfolio was reorganised/reallocated. Consequentially, 54,53,517 Optionally Convertible Debentures (OCDs) of Rs.1,000 each (carrying coupon rate @0.01 % p.a. with an YTM @8.15% p.a.) were issued in favour of the lender Banks based on their subscription to the OCDs out of which 46,750 OCDs were redeemed during the period. The security details are given here under.

## **17.9 Note for Right of Re-compensation:**

The Ultimate Holding Company acknowledges that the S4A Lenders reserves a right of recompense (“RoR”) for Concessional Interest Rates. The recompense payable by the company after the final redemption date depends on various factors such as improved performance of the Company, Cash Inflow & other conditions.

**17.10** The Holding Company has been facing financial crisis since last few financial years and with effect from the financial year 2019-20, the Holding Company is in default relating to payment of its dues to the financial creditors (mainly to banks/ financial institutions, hereinafter referred to as “Lenders”) and accordingly, the borrowing facilities of the Holding Company with the Lenders are irregular as on March 31, 2022. The Holding Company is in the process of formulating a resolution plan with Lenders, which is at an advanced stage of discussions after protracted negotiations and completion of various processes (‘resolution plan’). The resolution plan has been assigned “RP4” rating by two independent rating agencies which is required for resolution under RBI's Prudential Framework for Resolution of Stressed Assets RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated June 07, 2019. Further, the Holding Company is having recourse to arbitral award monies (approximately Rs.272 crores) by virtue of various arbitration awards in its favour and which have been considered as a part of the resolution plan. Also, the process of infusion of fresh funds into the Holding Company, required for the debt resolution, has been initiated.

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

**17.11** The operations of the Holding company have suffered in the last few years mainly due to general economic slowdown as well as various actions and inactions by various Government bodies / authorities, including factors beyond the control of the Holding Company or its management. The major clients / customers of the Holding Company are government bodies wherein the monies of the Holding company are stuck since long and for which the claims of the Holding Company are pending. The situation has been further aggravated with the non-release of sanctioned working capital credit facilities including Bank Guarantee limits, alongwith levy of excess margin & charges by some of the Lenders as against the agreed terms of sanction by them. Due to the mismatch in the cash flows, the Holding Company has not been able to service its debts or meet the payment obligations to the Lenders. Hence, the accounts of the Holding Company with the Banks have been classified as irregular and sub – standard. Consequently, w.e.f. November 01, 2019, majority of the Lenders ceased charging interest on loans to the Holding Company, in their books of account, as per RBI's prudential norms. In the on-going resolution with the Lenders, the Holding Company has proposed issuance of a separate instrument towards the unpaid interest upto the cut-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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off date (October 31, 2019 has been proposed as the cut-off date for the implementation of the resolution plan), which is under active consideration. Hence the Holding company is not recognizing any interest liability on the fund based borrowing facilities from the Lenders in the books of accounts as on March 31, 2022. Accordingly, based on the expectation of imminent approval and implementation of the resolution plan, interest expense of Rs.19,795.66 Lakhs on the said borrowings have not been recognized for the year ended March 31, 2022 (Rs. 8,592.57 Lakhs for the year ended March 31, 2021). Effect of the resolution plan would be provided in the financial statements of the Holding Company as and when the plan is finally approved and implemented by the lenders. Further, on the aforesaid grounds, in respect of other borrowings including those from certain related parties (i.e. borrowing other than from 'Lenders'), the Holding company had written back Rs. 463.74 Lakhs representing liability towards interest expense upto March 31, 2021 and has also not recognized interest expense of Rs. 714.06 Lakhs for the year ended March 31, 2022.

**17.12** The Company is in the process of debt resolution with lenders because of mismatch of the overall cash flow of the Company. Subsequently Company's accounts with all the banks have been identified as Non Performing Assets. The Company has provided stock statements to the banks wherein current assets viz. Inventory and Trade Receivables have been considered on which bank has provided the facilities to the Company as per their terms of sanction. Accordingly, there are deviations in the stock statement against reported figures in these accounts on account of non consideration of various current assets for aligning it with the terms of sanction.

**17.13** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## NOTE 18 : TRADE PAYABLES (AT AMORTISED COST)

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Trade Payables:</b>				
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,036.15	5,242.15	41,277.50	38,572.94
Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	-	-	1,003.95	58.22
<b>Total</b>	<b>7,036.15</b>	<b>5,242.15</b>	<b>42,281.45</b>	<b>38,631.16</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Ageing schedule of trade payable is as below:

## As at March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Dues- MSME</b>		-	-	-	-	-
Undisputed Dues- Others		2,108.87	617.58	905.72	3,127.00	6,759.18
Disputed Dues - MSME		-	-	-	-	-
Disputed Dues - Others		-	63.50	175.55	37.93	276.98
<b>Non-current Trade Payables</b>		-	<b>2,108.87</b>	<b>681.08</b>	<b>1,081.27</b>	<b>7,036.15</b>
Undisputed dues- MSME	-	824.19	53.96	43.83	81.97	31,722.96
Undisputed dues- Others	11,069.81	13,060.09	798.40	1,957.63	13,651.66	40,537.59
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	<b>182.49</b>	<b>89.22</b>	<b>468.19</b>	<b>739.91</b>
<b>Current Trade Payables</b>	<b>11,069.81</b>	<b>13,884.28</b>	<b>1,034.85</b>	<b>2,090.68</b>	<b>14,201.83</b>	<b>42,281.45</b>

## As at March 31, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Dues- MSME</b>	-	-	-	-	-	-
Undisputed Dues- Others	-	97.17	227.24	1,884.27	2,756.49	4,965.17
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	114.01	152.75	1.96	8.26	276.98
<b>Non-current Trade Payables</b>	-	<b>211.18</b>	<b>379.99</b>	<b>1,886.23</b>	<b>2,764.74</b>	<b>5,242.15</b>
Undisputed dues- MSME	-	51.37	1.55	1.02	4.28	58.21
Undisputed dues- Others	2,848.89	15,317.19	5,220.82	1,132.87	12,410.08	36,929.85
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	<b>131.98</b>	<b>112.29</b>	<b>448.70</b>	<b>950.12</b>	<b>1,643.09</b>
<b>Current Trade Payables</b>	<b>2,848.89</b>	<b>15,500.53</b>	<b>5,334.66</b>	<b>1,582.59</b>	<b>13,364.48</b>	<b>38,631.16</b>

## NOTE 19: PROVISION

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Provision for employee benefits</b>				
Gratuity (refer note 34)	312.63	307.70	105.42	121.35
Compensated absences	-	-	48.25	47.45
<b>Total</b>	<b>312.63</b>	<b>307.70</b>	<b>153.67</b>	<b>168.80</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 20: BORROWINGS

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>From banks</b>		
<b>Secured</b>		
From banks-Rupee loans payable on demand	88,619.40	89,703.16
Cash Credit facilities (Refer Note 20.1)	15,807.03	16,098.99
Working Capital Demand Loan	2,935.90	2,993.22
<b>Unsecured</b>		
from bodies corporate (Refer Note 20.2)	7,422.98	10,455.11
<b>Total</b>	<b>114,785.31</b>	<b>119,250.48</b>

**20.1.** Cash Credit, Demand loan and working capital facilities in Indian rupees are secured by hypothecation of stocks and book debts of the Company, both present and future, hypothecation of certain specific plant and machinery, furniture/fixtures and office equipments and also the lien on fixed deposit having value of Rs. 38 Lakhs in favour of One member bank as a pari passu charge with other consortium banks. These loans are additionally secured by the guarantees of three promoter directors of the Company and corporate guarantee of SPM Engineers Limited (related party). The demand loans and cash credit and working capital facilities carry interest @ 12.65% to 15.75% p.a.

**20.2.** 20.2. Loans from bodies corporate carries interest @ 12% p.a to 18% p.a.

## NOTE 21: OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advance from Customers	6,553.53	4,518.40	4,907.76	6,282.27
Financial Guarantee Obligation	328.48	427.40	-	-
Interest Accrued on mobilization advance	-	-	1,075.83	1,319.26
Interest accrued and due on borrowings	-	-	503.03	456.92
Interest accrued and not due on borrowings	-	-	32.07	76.86
<b>Total</b>	<b>6,882.01</b>	<b>4,945.80</b>	<b>6,518.69</b>	<b>8,135.31</b>

\* There is no amount due and outstanding which is to be transferred to investor education & protection fund.

## NOTE 22: OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Statutory Dues payable	1,251.69	1,440.84
Other Liabilities	1,619.34	1,084.06
<b>Total</b>	<b>2,871.03</b>	<b>2,524.90</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 23: DEFERRED TAX ASSETS / (LIABILITIES)

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities</b>		
Fair Valuation of Land	1.19	1.19
Arising out of temporary difference in property, plant and equipment	57.28	57.28
Impact of Fair valuation of Investments	384.81	384.81
Provision as per Expected Credit Loss Model	883.62	883.62
Arising due to Other temporary differences	326.27	326.27
<b>Gross Deferred tax liabilities</b>	<b>1,653.17</b>	<b>1,653.17</b>
<b>Deferred tax assets</b>		
Arising out of temporary difference in property, plant and equipment	3,937.53	3,937.53
Impact of Fair valuation of Investments	736.15	736.15
Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	5,368.35	5,368.35
Provision as per Expected Credit Loss Model	1,207.59	1,207.59
Arising due to Other temporary differences	398.57	398.57
	<b>11,648.19</b>	<b>11,648.19</b>
<b>Gross Deferred tax assets</b>	<b>10,462.65</b>	<b>9,995.02</b>

### Income tax expense in the Statement of profit and loss

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax charge	340.80	5.83
Adjustments in respect of current income tax of previous year	4.85	0.12
<b>Total</b>	<b>345.65</b>	<b>5.95</b>

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	(80.16)	(12,173.44)
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608 %)	(27.74)	(4,212.98)
Effect of Profit chargeable at different rate and disallowances under IT Act	183.59	3,923.07
Effect of tax on Elimination due to consolidation	51.52	51.52
Effect of Other income not chargeable to Income tax	196.36	196.36
Effect of share of Associates and Minority interest	-4.41	106.38
Others	(58.52)	(58.52)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>340.80</b>	<b>5.83</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 24: REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Operating Revenue</b>		
- Construction/EPC Contracts	86,234.33	64,256.42
- Operation and Maintenance	5,859.33	1,384.54
<b>Other operating revenue</b>		
- Interest Income as per Arbitration Awards	3,083.62	2,644.38
<b>Total</b>	<b>95,177.28</b>	<b>68,285.34</b>

**24.1** The Company recognises revenue from contracts with customers (long-term construction contracts), which are mainly with Government parties, for construction / project activities over a period of time. During the year under report, substantial part of the Company's business has been carried out in India. Hence no dis-aggregation of revenue has been presented.

### 24.2 Contract balances

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Contract assets	98,543.93	98,131.01
Contract liabilities	11,461.29	10,800.67

The credit period towards trade receivables generally ranges between 30 to 60 days. Further the customer retains certain amounts as per the contractual terms which usually fall due on the completion of contract. These retentions are made to protect the customer from the Company failing to adequately complete all or some of its obligations under the contract.

Contract assets are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has not met requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Contract liabilities include advances received from customers towards mobilisation of resources, purchase of materials and machineries.

Increase in the trade receivables, contract assets and contract liabilities as at March 31, 2022 from April 01, 2021 is on account of changes in operations of the Company. Impairment loss recognized on trade receivables have been disclosed in Note 8 No Impairment loss has been recognised on contract assets since the management is of the opinion that the contract assets are fully recoverables.

### Changes in contract assets are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>98,131.01</b>	<b>104,106.81</b>
Add: Revenue recognised during the year	14,218.58	25,639.92
Less: Amount received against contracts and invoicing of unbilled revenue during the year	(13,805.66)	(31,615.72)
Less: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018	-	-
<b>Balance at the end of the year</b>	<b>98,543.93</b>	<b>98,131.01</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

Changes in contract liabilities are as follows:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>10,800.67</b>	<b>23,929.23</b>
Add: Amount Received against contract work commenced during the year	4,132.59	8,352.60
Less: Revenue recognised during the year out of opening balance	(3,471.97)	(21,481.16)
<b>Balance at the end of the year</b>	<b>11,461.29</b>	<b>10,800.67</b>

## NOTE 25: OTHER INCOME

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest income on</b>		
Loans given	500.33	553.65
Bank deposits	122.03	238.83
Income tax refund	92.95	179.60
Others	98.92	120.69
<b>Other Non Operating Income</b>		
Sundry balances/liabilities no longer required written back (Refer Note 41)	1,764.50	4,400.42
Expected Credit Loss Reversals on Trade Receivables	-	-
Miscellaneous Income	354.92	884.22
<b>Total</b>	<b>2,933.65</b>	<b>6,377.41</b>

## NOTE 26: MATERIALS CONSUMED AND OTHER CONSTRUCTION EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Construction materials and stores and spare consumed</b>		
Inventory at the beginning of the year	7,040.56	6,190.69
Add: Purchases	23,485.61	17,601.88
	30,526.17	23,792.57
Less: Inventory at the end of the year	8,940.02	7,040.56
	<b>21,586.15</b>	<b>16,752.01</b>

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Construction Expenses</b>		
Stores and Spares Consumed	-	7.40
Subcontractor charges	60,055.37	36,932.19
Drawing and designing charges	3.72	0.89
Equipment hire and running charges	165.61	378.38
Others	2,165.68	1,260.48
	<b>62,390.38</b>	<b>38,579.34</b>
<b>Total</b>	<b>83,976.53</b>	<b>55,331.35</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 27: EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and Bonus	2,613.32	2,405.97
Contribution to Provident and Others Funds	65.71	74.65
Gratuity expense (Refer Note 34)	67.87	75.28
Staff Welfare Expenses	74.00	66.35
<b>Total</b>	<b>2,820.90</b>	<b>2,622.25</b>

## NOTE 28: DEPRECIATION /AMORTISATION

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Tangible assets	334.38	389.76
Depreciation on ROU Asset	61.68	166.05
Amortisation of Intangible Assets	4.99	0.09
<b>TOTAL</b>	<b>401.06</b>	<b>555.90</b>

## NOTE 29: FINANCE COSTS

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest	3,284.76	6,673.75
Finance Cost on Lease	2.96	21.36
Other borrowing costs	0.02	0.02
<b>Total</b>	<b>3,287.74</b>	<b>6,695.13</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 30: OTHER EXPENSES

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	240.25	171.64
Rates and taxes	103.99	52.02
Repairs and maintenance:		
Building	12.97	16.48
Plant and machinery	33.39	30.89
Others	14.18	25.61
Insurance	235.70	333.84
Advertisement expenses	0.44	0.24
Professional charges and consultancy fees	1,244.77	1,115.69
Vehicle running charges	151.73	93.40
Travelling and conveyance	155.33	58.71
Communication expenses	32.01	25.27
Power and fuel	76.66	77.19
Charity and donations	1.03	0.31
Auditor's remuneration	44.03	42.42
Bad debts / sundry balances written off	71.22	11,240.75
Expected Credit Loss on Loans to a joint venture and to associates	1,773.05	526.34
Impairment of equity investments in certain associates	576.42	1,384.52
Expected Credit Loss on Trade Receivables	2,599.26	5,693.64
Miscellaneous expenses	451.25	354.10
<b>Total</b>	<b>7,817.68</b>	<b>21,243.06</b>

## NOTE 31: BASIS FOR CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER:

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity holders of the parent for basic earnings	32.19	(11,720.71)
Weighted average number of equity shares for basic EPS	37,306,773	36,650,276
Nominal value of equity per share (Rs.)	2	2
<b>Earnings per Share - Basic &amp; Diluted (Rs.)</b>	<b>0.09</b>	<b>(31.98)</b>

## NOTE 32: COMMITMENTS AND CONTINGENCIES

### a. Commitments

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on Capital Account (net of capital advance of Rs. 104.81 Lakhs (31 March 2021: Rs. 125.32 Lakhs))	104.81	125.32

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## b. Contingent liabilities

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debt		
(a) Demand for license fees raised by Mines and Minerals Department, Government of Bihar	-	83.41
(b) Legal suits filed against the Company by third parties towards claims disputed by the Company relating to supply of goods and services	670.21	102.00
(c) Legal suits filed against the Company by ex-employees towards claims disputed by the Company relating to non payment of their dues	0.26	4.36
	<b>670.47</b>	<b>189.77</b>
Claims towards liquidated damages not acknowledged as debts by the Group (Against the above, debts of the like amount are withheld by the customer. However, the Group expects no liability to accrue on account of these claims.)	19,953.36	14,462.92
Outstanding Bank guarantees and letters of credit	-	-
<b>Disputed demands</b>		
(a) Excise/ Service Tax	23.13	23.13
(b) Sales Tax / VAT	3,932.29	3,932.29
<b>Total</b>	<b>24,579.25</b>	<b>18,608.11</b>

## c. Guarantees Given

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Corporate Financial Guarantees given to banks for financial assistance extended to various companies within the group	4,318.92	27,586.52
Performance Guarantees given on behalf of various companies within the group	191.00	216.00
<b>Total</b>	<b>4,509.92</b>	<b>27,802.52</b>

## NOTE 33: LEASES

### Company as a Lessee

Disclosure in accordance to Ind AS 116 is as below:

#### Lease Assets and Lease Liabilities

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>		
Right of Use Assets (Refer Note 5)	5.56	68.16
<b>Liabilities</b>		
Lease Liabilities		
- Current	2.43	-
- Non Current	2.77	74.48

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## Expenses Debited to Statement of Profit & Loss Account

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation and Amortisation	61.69	166.05
Finance Cost	2.96	21.36
Short Term Lease Payments	211.32	171.59

## Carrying amounts of Right of Use Assets recognised and the movement during the year:

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	<b>68.15</b>	<b>252.26</b>
Addition/(Deduction) during the year	(0.92)	(18.05)
Depreciation Expense	(61.68)	(166.05)
<b>Closing Balance</b>	<b>5.56</b>	<b>68.16</b>

## Carrying amounts of lease liabilities and the movements during the year:

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	<b>74.48</b>	<b>263.10</b>
Addition/(Deduction) during the year	-	(19.94)
Interest expense during the year	2.96	21.36
Payments	72.24	190.04
<b>Closing Balances</b>	<b>5.20</b>	<b>74.48</b>
- Current	2.43	74.48
- Non Current	2.77	0.00

## The effective interest rate for lease liabilities is 12.65%, with maturity between April 2021 & September 2024

₹ In Lakhs

Maturity analysis of lease liabilities are as follows:	As at March 31, 2022	As at March 31, 2021
1 Year	2.43	74.48
2 to 5 Years	2.77	-



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## NOTE 34: EMPLOYEE BENEFIT OBLIGATION

### (a) Defined Benefit Plan

The following tables summaries the components of net benefit expenses recognized in the Consolidated Statement of Profit & Loss and OCI amounts recognized in the balance sheet:

₹ In Lakhs

Particulars	Gratuity Unfunded	
	As at March 31, 2022	As at March 31, 2021
<b>Changes in the present value of defined benefit obligation</b>		
<b>Present value of defined benefit obligation as at year beginning</b>	418.68	493.97
Current Service Cost	38.99	36.55
Interest Cost	28.89	33.85
Adjustment for deconsol of subsidiaries	-	(10.36)
Benefits Paid	(110.08)	(92.38)
Remeasurements (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(1.12)	4.88
Actuarial (gains)/losses arising from changes in experience adjustments	31.91	(47.82)
<b>Present value of defined benefit obligation as at year end</b>	<b>407.27</b>	<b>418.68</b>

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Plan Assets at the beginning of the year</b>	-	-
Expected return on Plan assets	-	-
Contribution by Employer	-	-
Actual benefits paid	-	-
Actuarial Gains/ (losses)	-	-
<b>Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Amounts Recognised in the Balance Sheet</b>		
Present value of defined benefit obligation at the year end	407.27	418.68
Fair Value of the Plan Assets at the year end	-	-
<b>Liability/(Asset) Recognised in the Balance Sheet</b>	<b>407.27</b>	<b>418.68</b>

₹ In Lakhs

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>Expense recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	38.99	36.55
Net Interest Cost/(Income)	28.89	33.85
<b>Net Cost Recognised in the Statement of Profit and Loss</b>	<b>67.88</b>	<b>70.39</b>
<b>Expense recognised in the Other Comprehensive Income:</b>		
Remeasurements (gains)/losses	30.79	(42.94)
<b>Net Cost Recognised in Other Comprehensive Income</b>	<b>30.79</b>	<b>(42.94)</b>

## (i) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

Significant Actuarial Assumptions	As at	As at
	March 31, 2022	March 31, 2021
Discount rate	7.10%	6.90%
Mortality Rate	100%	100%
Withdrawal Rate	Varying between 8% per annum and 1% per annum depending on duration and age of employees	Varying between 8% per annum and 1% per annum depending on duration and age of employees
Salary Growth Rate (%)	5-10%	5-10%
Experience Adjustments on Plan Liabilities	Not Available	Not Available

## (ii) A quantitative sensitivity analysis for significant assumption is as shown below

₹ In Lakhs

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
Assumptions	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	381.98	436.08	393.20	448.13

₹ In Lakhs

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
Assumptions	Withdrawal rate		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	410.08	403.99	421.23	416.03

₹ In Lakhs

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
Assumptions	Future Salary		Future Salary	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	432.58	384.91	444.28	396.42

## (iii) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk:** The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Group is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

**Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**(iv) Maturity profile of the defined benefit obligation**

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted Average duration of the defined benefit obligation	60 years	60 years
Expected benefit payments for the year ending ( ` in lakhs)		
Not Later than 1 year	0.01	-
Later than 1 year and not later than 5 years	0.04	0.01
More than 5 years	2.99	0.40

**(b) Contribution to defined Contribution Plans recognised as expense are as under**

₹ In Lakhs

Particulars	2021-22	2020-21
Contribution to Provident and other funds	65.71	74.65

**NOTE 35: BASED ON THE INFORMATION/DOCUMENTS AVAILABLE WITH THE GROUP, INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE AS UNDER:**

₹ In Lakhs

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at March 31, 2022	As at March 31, 2021
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
- Principal	883.07	31.80
- Interest	120.88	26.42
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
- Principal	-	-
- Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Amount of interest accrued for the year and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act,2006	-	-

**NOTE 36: DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO IND AS 24****(a) List of Related Parties**

<b>I. Associates Companies</b>	Sanmati Infra Developers (P) Ltd. (ceased w.e.f. 03th August, 2021)	
	Bhilwara Jaipur Toll Road Private Limited	
	SPMLIL-Amrutha Constructions Pvt Ltd (associates w.e.f. March 31,2022)	
	SPML Bhiwandi Water Supply Infra Limited	
	SPML Bhiwandi Water Supply Management Limited	
	Awa Power Company Private Limited (ceased to be an associate.w.e.f. 31st March, 2022)	
	Binwa Power Corporation Private Ltd	
	Delhi Waste Management Ltd	
	IQU Power Company Private Ltd (ceased to be an associate.w.e.f. 31st March, 2022)	
	Neogal Power Company Private Ltd (ceased to be an associate.w.e.f. 31st March, 2022)	
	Subhash Kabini Power Corporation Limited(ceased to be an associate.w.e.f. 25th March, 2022)	
	Madurai Municipal Waste Processing Co. Private. Limited (w.e.f. 31st March, 2022)	
	SPML Energy Limited	
<b>II. Joint Ventures</b>	Malviya Nagar Water Services Pvt .Ltd	
	Hydro Comp Enterprises (India) Limited	
	Aurangabad City Water Utility Co. Limited	
	MVV Water Utility Private Limited	
	Gurha Thermal Power Co Ltd	
<b>III. Key Management Personnel (KMP)</b>	<b>Names of related parties</b>	<b>Nature of relationship</b>
	Mr. Subhash Chand Sethi	Chairman
	Mr. Sushil Kumar Sethi	Vice Chairman & Non-Executive Director
	Mr. Dinesh Kumar Goyal	Independent Director (Resigned w.e.f. 01.07.2021)
	Mr. Prem Singh Rana	Independent Director
	Mr. Charan Singh	Independent Director (Appointed w.e.f 07.07.2021)
	Mr. Tirudaimarudhur Srivastan Sivashankar	Independent Director (Appointed w.e.f 08.06.2021)
	Mr. Pavitra Joshi Singh	Independent Director
	Mr. Abhinandan Sethi	Chief Operating Officer
	Mr. Manoj Kumar Digga	Chief Financial Officer
	Ms. Swati Agarwal	Company Secretary

**IV. Relatives of Key Management Personnel**

<b>Names of related parties</b>	<b>Nature of relationship</b>
Mr. Anil Kumar Sethi	Brother of Chairman & Director
Mr. Harshavardhan Sethi	Son of Chairman
Mrs. Maina Devi Sethi	Mother of Chairman & Director
Mrs. Noopur Jain	Daughter of Director
Mrs. Suman Sethi	Wife of Chairman
Mr. Abhinandan Sethi	Son of Chairman
Mrs. Sandhya Rani Sethi	Wife of Director
Mr. Rishabh Sethi	Son of Director
Mrs. Shilpa Sethi	Daughter in law of Chairman
Dr. Ankit Jain	Son-in-law of Director
Mrs. Priyanshi Sethi	Daughter in law of Chairman
Mrs. Aanchal Sethi	Daughter in law of Managing Director

**V. Entities over which Key Management Personnel & their relatives have significant influence**

Arihant Leasing & Holding Company Limited
Add Energy Management Co. Private Limited
Bharat Hydro Power Corporation Limited
International Construction Limited
Latur Water Supply Management Company Limited
Niral Enterprises Private Limited
Om Metal-SPML Infra Project Private Limited
PT Sanmati Natural Resources
PT Bina Insan Sukses Mandiri
PT Vardhaman Mining Services
PT Vardhaman Logistics
Rabaan (S) Pte Limited
SJA Developers Private Limited
SPM Holding Pte. Limited
Sanmati Corporate Investments Private Limited
VidyaEdutech Private Limited
SPM Engineers Limited
SPML India Limited
Sethi Infratech Private Limited
Subhash Systems Private Limited
SPML Industries Limited
Zoom Industrial Services Limited
20th Century Engineering Limited
Peacock Pearl Business Solution Private Limited
Om Metals Infraprojects Limited
Urban Infrastructure Trustees Limited
Rishabh Homes Private Limited
Acropolis Properties Private Limited
Amrutha Constructions Private Limited
JWIL Infra Limited
Aleron Tradelinks (India) Pvt Ltd

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

## (b) Aggregated Related party disclosures as at and for the year ended March 31, 2022

₹ In Lakhs

Company Name	Year	Transactions during the year											Balance Outstanding at the Year end at March, 31			
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ transfer of Investments	Shares Issued	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given	
<b>Associates Companies</b>																
Sammati Infra Developers Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	(0.04)	-	-	-	-	(87.14)	-	-	-
SPML Bhiwandi Water Supply Infra Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	215.99	-	-	-
	2020-21	-	-	-	-	-	-	(0.65)	-	-	-	-	-	(93.78)	-	-
SPML Bhiwandi Water Supply Management Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	12.43	-	-	-
	2020-21	-	-	-	-	-	-	(0.65)	-	-	-	-	(72.07)	-	-	-
Awa Power Company Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	(165.86)	-	-	-	-	-	-	-	-	-	-
Binwa Power Corporation Private Ltd.	2021-22	-	-	-	-	-	-	-	-	-	-	-	1,021.67	-	-	-
	2020-21	-	-	-	-	(8.18)	-	-	-	-	-	-	(99.90)	-	-	-
Delhi Waste Management Ltd.	2021-22	-	-	-	-	-	-	6.63	-	-	-	-	-	168.35	-	-
	2020-21	-	-	(403.20)	-	-	(82.28)	(7.93)	-	-	-	-	-	(3,618.97)	-	-
IQU Power Company Private Ltd.	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	(95.13)	-	-	-	-	-	-	(1,164.39)	-	-	-
Neogal Power Company Private Ltd.	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	(76.95)	-	-	-	-	-	-	-	-	-	-
SPML Energy Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	99.90	-	-	-
	2020-21	-	-	-	-	(24.07)	-	(0.26)	-	-	-	-	(293.96)	-	-	-
Subhash Kabini Power Corporation Limited	2021-22	-	-	-	-	-	17.49	-	-	-	-	-	2,204.35	-	-	-
	2020-21	-	-	(10.78)	-	(17.02)	-	(0.03)	-	-	-	-	-	(106.92)	(47.31)	-
Bhiwara Jaipur Toll Road Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	1,673.96	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,002.02)	-
<b>Joint Ventures</b>																
Malviya Nagar Water Services Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	(450.16)	-	-	-
Gurha Thermal Power Company Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	48.30	-	-	-
	2020-21	-	-	-	-	(114.78)	-	(0.01)	-	-	-	-	(1,401.22)	-	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

CONTD...

₹ In Lakhs

Company Name	Year	Transactions during the year										Balance Outstanding at the Year end at March, 31				
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/Advance Taken	Loan/Advance Given/ Repaid/ Share Application Money	Sale/transfer of Investments	Shares Issued	Rent Paid/Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given	
MVV Water Utility Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	191.00
	2020-21	-	-	-	-	-	(28.95)	(0.40)	-	-	-	(526.95)	-	-	-	(216.00)
Aurangabad City Water Utility Company Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	(227.40)	-	-	-	-
Hydro Comp Enterprises (India) Limited	2021-22	-	-	-	-	-	-	-	-	-	-	275.02	-	-	-	-
	2020-21	-	-	-	-	-	-	(0.40)	-	-	-	(1.04)	-	-	-	-
<b>Key Management Personnel (KMP)</b>																
Mr. Subhash Chand Sethi	2021-22	-	-	-	-	-	-	-	-	-	-	100.39	-	-	9.94	-
	2020-21	-	-	-	-	-	-	-	-	-	(82.78)	-	-	(0.52)	-	-
Mr. Sushil Kumar Sethi	2021-22	-	-	-	-	-	-	-	-	-	-	138.84	-	-	26.33	-
	2020-21	-	-	-	-	-	-	-	-	-	(82.78)	-	-	(168.35)	-	-
Mr. Abhinandan Sethi	2021-22	-	-	-	-	-	-	-	-	-	-	104.02	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	(62.08)	-	-	(12.66)	-	-
Mr. Dinesh Kumar Goyal	2021-22	-	-	-	-	-	-	-	-	-	-	1.40	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	(3.20)	-	-	-	-	-
Mr. Prem Singh Rana	2021-22	-	-	-	-	-	-	-	-	-	-	5.10	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	(3.20)	-	-	-	-	-
Mr. Charan Singh	2021-22	-	-	-	-	-	-	-	-	-	-	3.30	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Tirudaimarudhur Srivastan Sivashankar	2021-22	-	-	-	-	-	-	-	-	-	-	3.80	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Pavitra Joshi Singh	2021-22	-	-	-	-	-	-	-	-	-	-	4.20	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	(1.60)	-	-	-	-	-
Mr. Laxmi Narayan Mandhana	2021-22	-	-	-	-	-	-	-	-	-	-	(18.68)	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	85.86	-	-	-	-
Mr. Manoj Digga	2021-22	-	-	-	-	-	-	-	-	-	-	(58.88)	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	7.79	-	-	-	-
Mrs. Swati Agarwal	2021-22	-	-	-	-	-	-	-	-	-	-	(2.90)	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Preeti Devi Sethi	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	55.92	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	(26.33)	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

CONTD...

Company Name	Year	Transactions during the year										Balance Outstanding at the year end at March, 31		
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/Advance Taken	Loan/Advance Given/ Repaid/ Share Application Money	Sale/transfer of Investments	Shares Issued	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance
<b>Entities over which Key Management Personnel &amp; their relatives have significant influence</b>														
Add Energy Management Co. Private Limited	2021-22	-	823.39	-	-	-	1,344.60	-	-	-	-	-	-	-
	2020-21	-	-	(6.39)	-	-	(401.02)	(11.95)	-	-	-	(133.96)	(402.78)	
Add Industrial Park (TN) Limited	2021-22	-	-	-	-	-	-	360.00	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	
Add Realty Ltd.	2021-22	-	-	-	-	-	100.00	-	-	-	-	-	19.70	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	
Add Technologies (India) Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	(27.42)	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	
Arihant Leasing & Holding Company Limited	2021-22	-	-	-	-	-	-	-	-	(6.00)	-	-	(55.92)	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	
Bharat Hydro Power Corporation Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	
	2020-21	-	-	-	-	(15.50)	-	-	-	-	-	(189.26)	-	
International Construction Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	(1,046.20)	-	
Niral Enterprises Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	1,298.30	293.96	
	2020-21	-	-	-	-	-	-	(114.25)	-	-	-	-	(1,298.30)	
Peacock Pearl Business Solution Private Limited	2021-22	-	-	-	-	-	210.00	-	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	(0.13)	-	
Pondicherry Sez Company Private Limited	2021-22	-	-	81.14	-	-	-	-	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	(110.80)	-	-	-	-	(794.71)	
Sanmati Power Company Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	189.26	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	(251.25)	-	
Sethi Infotech Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	
SPM Engineers Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	
SPML India Limited	2021-22	-	-	110.42	-	-	-	-	-	-	-	867.99	-	
	2020-21	-	-	-	-	-	-	-	-	-	-	-	(822.03)	
SPML Industries Limited	2021-22	-	-	-	-	-	3,150.98	-	-	-	-	-	-	
	2020-21	-	-	(85.14)	-	-	-	(1,366.37)	-	-	-	-	-	
Subhash Systems Private Limited	2021-22	-	-	(23.68)	-	-	-	-	-	-	-	-	-	
	2020-21	-	-	-	-	-	-	(380.00)	-	-	-	-	-	



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

CONTD...

Company Name	Year	Transactions during the year											Balance Outstanding at the Year end at March, 31		
		Sale of Goods & Services	Purchase of Goods & Services	Interest Paid	Donation Paid	Interest Received	Loan/ Advance Taken	Loan/ Advance Given/ Repaid/ Share Application Money	Sale/ transfer of Investments	Shares Issued	Rent Paid/ Accrued	Managerial Remuneration/ Salary/Sitting Fees	Debit Balance	Credit Balance	Guarantee Given
Zoom Industrial Services Limited	2021-22	-	-	-	-	-	-	-	-	2,487.30	-	-	-	0.27	-
	2020-21	-	-	-	-	(1,746.37)	-	-	-	-	-	-	-	(1,766.77)	-
20th Century Engineering Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	(0.02)	-	-	-	-	-	-	(0.22)	-	-
JWIL Infra Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	(5.73)	-	-
Aleron Tradelinks (India) Pvt Ltd	2021-22	-	-	-	-	-	-	-	-	-	-	-	1,151.13	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	(1,151.13)	-	-
Amrutha Constructions Private Limited	2021-22	-	-	-	-	1,741.54	-	-	-	-	-	-	142.00	-	-
	2020-21	(6,590.66)	-	-	-	(16.12)	-	-	-	-	-	-	(3,066.42)	-	-
Om Metals Infraprojects Limited	2021-22	-	-	-	-	-	127.93	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Urban Infrastructure Trustees Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acropolis Properties Private Limited	2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	(1.08)	-	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

₹ In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Short-term employee benefits	305.98	288.02
- Post employment benefits	9.88	28.08
<b>Total</b>	<b>315.86</b>	<b>316.10</b>

**Note:**

\*Unsecured Loans taken from Bharat Hydro Power Company Limited and SPM Engineers Limited in earlier years have been settled during the year 2017-18 through sale of investments in equity shares held by the company in group companies.

**Terms and conditions of transactions with related parties.**

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

## NOTE 37.1: CATEGORIZATION OF FINANCIAL INSTRUMENTS

₹ In Lakhs

Particulars	Carrying value/ Fair value	
	As at March 31, 2022	As at March 31, 2021
<b>(i) Financial Assets</b>		
<b>a) Measured at FVOCI</b>		
- Investments in Equity Instruments	1,030.50	1,030.50
<b>b) Measured at FVTPL</b>		
- Investments in Equity and Debt Instruments	31.83	14.90
<b>c) Measured at Amortised Cost*</b>		
- Investments in Joint Ventures and Associates	5,429.67	5,939.33
- Loans	11,581.07	9,941.26
- Trade Receivables	138,173.27	134,046.08
- Other Financial Assets	25,656.58	25,577.24
- Cash and Cash Equivalents	4,068.67	3,965.48
- Other Bank Balances	195.29	1,970.74
<b>(ii) Financial Liabilities</b>		
<b>a) Measured at Amortised Cost*</b>		
- Borrowings (Secured and Unsecured)	181,144.75	184,283.97
- Trade Payables	49,317.60	43,873.31
- Other Financial Liabilities	13,400.70	13,081.11

\*\*Carrying Value of assets / liabilities carried at amortized cost are reasonable approximation of its fair values.

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature."

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

## NOTE 37.2 FAIR VALUE HIERARCHY

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### a) Financial assets and liabilities measured at fair value at March 31, 2022

₹ In Lakhs				
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
Investments in Equity and Debt Instruments	-	-	31.83	<b>31.83</b>
<b>Investment at FVOCI</b>				
Investment in Equity Instruments	-	-	1,030.50	<b>1,030.50</b>

### Financial assets and liabilities measured at fair value at March 31, 2021

₹ In Lakhs				
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
Investments in Equity and Debt Instruments	-	-	14.90	<b>14.90</b>
<b>Investment at FVOCI</b>				
Investment in Equity Instruments	-	-	1,030.50	<b>1,030.50</b>

### (b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another.

## NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

## A. Credit Risk

“Credit risk is the risk that a counterparty fails to discharge its obligation to the Group.

The Group’s exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

### a) Credit Risk Management

#### 1. Credit Risk Rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A. Low Credit Risk
- B. Moderate Credit risk
- C. High credit risk

The Group provides for Expected Credit Loss based on the following:

Asset Group	Description	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate Credit Risk	Trade receivables, loans and other financial assets	12 month expected credit loss/life time expected credit loss
High Credit Risk	Trade receivables, loans and other financial assets	Life time expected credit loss

\*Based on business environment in which the Group operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

Credit Rating	Particulars	₹ In Lakhs	
		As at March 31, 2022	As at March 31, 2021
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	13,385.39	16,034.25
High Credit Risk	Loans and Trade Receivables	1,72,781.49	1,66,451.28

### b) Credit Risk Exposure

Provision for Expected Credit Loss

The Group provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

## March 31, 2022

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Investments	6,492.00	-	6,492.00
Trade Receivables	157,990.42	19,817.14	1,38,173.28
Loans	11,581.07	-	11,581.07
Cash and cash Equivalents	4,068.67	-	4,068.67
Other Bank Balances	195.29	-	195.29
Other Financial Assets	25,656.58	-	25,656.58

## March 31, 2021

₹ In Lakhs

Particulars	Estimated Gross Carrying amount at default	Expected Credit Loss	Carrying amount net of Impairment Provision
Investments	6,984.73	-	6,984.73
Trade Receivables	1,53,564.57	19,518.48	134,046.08
Loans	9,941.26	-	9,941.26
Cash and cash Equivalents	3,965.48	-	3,965.48
Other Bank Balances	1,970.74	-	1,970.74
Other Financial Assets	25,577.24	-	25,577.24

The Company's allowance for Expected Credit Loss on Trade Receivables is created using Provision Matrix Approach.

₹ In Lakhs

Reconciliation of Loss Allowance	Trade Receivables
<b>As on March 31, 2020</b>	<b>18,938.26</b>
Allowance for Expected Credit Loss	580.23
<b>As on March 31, 2021</b>	<b>19,518.48</b>
Allowance for Expected Credit Loss	298.66
<b>As on March 31, 2022</b>	<b>19,817.14</b>

## B. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

### Maturities of Financial Liabilities

The table below analyse the Group's Financial Liabilities into relevant maturity groupings based on their contractual maturities

## March 31, 2022

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	114,785.31	1,010.18	65,349.26	181,144.75
Trade Payable	42,281.45	7,036.15	-	49,317.60
Other Financial Liabilities	6,518.69	6,882.01	-	13,400.70

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

March 31, 2021

₹ In Lakhs

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	119,250.48	1,560.10	63,473.39	<b>184,283.97</b>
Trade Payable	38,631.16	5,242.15	-	<b>43,873.31</b>
Other Financial Liabilities	8,135.31	4,945.80	-	<b>13,081.11</b>

## C. Market Risk

### a. Interest Rate Risk

The Group has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Group to interest rate risk.

#### Interest Rate Risk Exposure

₹ In Lakhs

Particulars	March 31, 2022	March 31, 2021
Variable Rate Borrowing	108,372.51	110,355.47
Fixed Rate Borrowing	72,772.24	73,928.50

#### Interest rate sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ In Lakhs

Particulars	March 31, 2022	March 31, 2021
<b>Interest Sensitivity*</b>		
Interest Rates increase by 100 basis points	**	**
Interest Rates decrease by 100 basis points	**	**

\*Holding all other variables constant

\*\*Refer Note 54.

### b. Price Risk

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

#### Sensitivity Analysis

₹ In Lakhs

Particulars	March 31, 2022	March 31, 2021
<b>Price Sensitivity*</b>		
Price increase by 5%- FVOCI	-	23.81
Price decrease by 5%- FVOCI	-	(23.81)

\*Holding all other variables constant

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

## NOTE 39: CAPITAL MANAGEMENT:

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Group's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the net debt to equity ratio. The Group is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Group:

₹ In Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Borrowings	181,647.78	184,740.89
Trade payables	49,317.60	43,873.31
Less: cash and cash equivalents	4,068.67	3,965.48
<b>Net debt (i)</b>	<b>226,896.72</b>	<b>224,648.73</b>
Total capital	31,985.46	26,205.18
<b>Capital and net debt (ii)</b>	<b>258,882.18</b>	<b>250,853.90</b>
Gearing ratio (i) / (ii)	88%	90%

## NOTE 40: GROUP INFORMATION:

₹ In Lakhs

Name	Country of incorporation and operation	As at	As at
		March 31, 2022	March 31, 2021
		% of Holding	% of Holding
<b>SUBSIDIARIES</b>			
Allahabad Waste Processing Company Limited	India	95.02	95.02
Bhagalpur Electricity Distribution Co. Pvt Ltd	India	99.99	99.99
Madurai Municipal Waste Processing Company Private Limited	India	-	92.33
Doon Valley Waste Management Private Ltd.	India	87.49	87.49
SPML Infrastructure Limited	India	99.99	99.99
Mathura Nagar Waste Processing Limited	India	90.25	90.25
SPMLIL-Amrutha Constructions Private Limited	India	-	50.99
SPML Utilities Limited	India	100.00	100.00
Sanmati Infra Developers (p) Ltd.	India	74.99	25.00
Pondicherry Special Economic Zone Company Limited	India	99.95	-
<b>ASSOCIATES</b>			
Madurai Municipal Waste Processing Company Private Limited	India	44.83	-
SPMLIL-Amrutha Constructions Private Limited	India	36.00	-
Awa Power Company Private Limited	India	-	7.20
Binwa Power Company Private Limited	India	49.27	49.27
Bhilwara Jaipur Toll Road Private Limited	India	51.00	51.00
Delhi Waste Management Limited	India	49.39	49.39
IQU Power Company Private Limited	India	-	7.20
Neogal Power Company Private Limited	India	-	2.97
SPML Energy Limited	India	27.31	27.31
Sanmati Infra Developers (p) Ltd.	India	-	25.00
Subhash Kabini Power Corporation Limited	India	-	30.11

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2021

SPML Bhiwandi Water Supply Infra Limited	India	44.94	44.94
SPML Bhiwandi Water Supply Management Limited	India	49.94	49.94
<b>JOINT VENTURES</b>			
Aurangabad City Water Utility Co. Ltd	India	40.01	40.01
Gurha Thermal Power	India	50.00	50.00
Hydro Comp Enterprises India Private Limited	India	50.00	50.00
Malviya Nagar Water Services Private Limited	India	26.00	26.00
MVV Water Utility Private Limited	India	48.08	48.08

**NOTE 41:** Other Income includes Rs. 727.96 lakhs (Rs. 2,118.18 lakhs during the year ended March 31,2021) in respect of Parent Company (i) consisting of certain credit balances of operational creditors, barred by the laws of limitation and not yet claimed by them and (ii) Works Contract Tax liability no longer payable.

**NOTE 42:** Interest on YTM basis amounting to Rs.6,027.24 Lakhs (Rs.5,560.59 Lakhs as on March 31,2021) for the year ended March 31, 2022 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.Howevwer, the current resolution plan entails revision in the terms of these OCDs.

**NOTE 43:** 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 March 31, 2022 of Rs. 8,066.17 Lakhs (Rs.8,017.29 Lakhs as on March 31,2021) and Rs.1,042.44 Lakhs (Rs.1,120.38 Lakhs as on 31st March 2021) respectively, related to the aforesaid projects / contracts.

**NOTE 44:** The Parent Company has certain trade and other receivables of Rs.42,573.94 Lakhs as at March 31,2022 (Rs.39,839.82 Lakhs as on March 31, 2021) backed by arbitration awards pronounced in its favour over the years. Further, the Parent Company has recognised interest income of Rs.2,734.13 Lakhs during the year ended March 31, 2022 (Rs. 2,644.38 Lakhs during the year ended March 31,2021) 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.

**NOTE 45:** The Parent Company made all the efforts to obtain the requisite financial statements / financial information / financial results of 1(one) subsidiaries, 1(one) Associate and 3(three) Joint Venture Companies, for the quarter and year ended 31st March, 2022. However, in their absence, the consolidated financial results for the quarter and year ended 31st March, 2022 have been prepared without considering the financial impact of such financial statements / financial information/ financial results or after considering the financial statements etc. in respect of such entities which were available for a certain period for the FY 2021-22, as the case may be. 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, 2022.

**NOTE 46:** Trade receivables aggregating Rs.15,506.40 Lakhs (March 31, 2021 Rs.9,754.31 Lakhs) are under arbitration proceedings. The management is confident that based on the facts of the respective cases; there is no uncertainty as regards their realisation.

**NOTE 47:** Disclosure in relation to Corporate Social Responsibility (CSR) of the Parent Company:

- i. Amount required to be spent by the company during the year: NIL
- ii. Amount of expenditure incurred: Not Applicable
- iii. Shortfall at the end of the year: Not Applicable
- iv. Total of previous years shortfall: Rs. 210.71 lacs
- v. Reason for shortfall: The default made by the Company with the Lenders on account of financial constraint beyond the control of the Company.



However Company shall explore the opportunity to spend during the current financial year.

- vi. Nature of CSR activities:: None
- vii. Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR Expenditure as per relevant Accounting Standard: NIL
- viii. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: There is no provision during the current financial year.

**NOTE 48:** The outbreak of COVID-19 pandemic had disrupted regular business operations of the Group during the year due to the lock down restrictions and other emergency measures imposed by the Central and State Governments from time to time, because of interruption in the project activities, supply chain disruption, human resource availability constraints etc. The business operations recommenced on a lower scale post lockdowns, as compared to pre-pandemic levels and there are no significant continuing impact on the operations of the Company as at March 31, 2022. The management has evaluated the possible impact of known events, upto the date of approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at March 31, 2022 and has concluded that no material adjustments are required currently at this stage, except for matters as mentioned in Note no. 55 herein below. The Management continues to monitor the current developments and possible effects of COVID-19 pandemic on it's operations and financial results.

**NOTE 49:** Other Expenses includes Rs. 1,989.34 Lakhs for the year ended March 31, 2022 (Rs. 2,499.20 Lakhs for the year ended March 31, 2021) relating to impairment of certain equity investments and expected credit losses on certain loans advanced by the Company and Rs. 630.88 Lakhs (Rs. 1,175.81 Lakhs for the year ended March 31, 2021) relating to provision made by the Parent company towards certain vendor advances on a conservative basis, as these are old balances and the management feels that the realisability of the same has further been impacted during to the ongoing COVID-19 situation.

**NOTE 50: The ratios as per the latest amendment to Schedule III are as below:**

₹ In Lakhs

Ratios	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for Variance(If change is more than 25%)
(1) Current ratio (times) (Current assets/Current liabilities)	1.08	1.05	2.3%	
(2) Debt equity ratio (times) (Total Debt/Shareholder's Equity)	5.66	7.03	(19%)	
(3) Debt service coverage ratio (times)  (Earnings available for Debt Service/ Debt Service)  Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.  Debt service = Interest & Lease Payments + Principal Repayments	0.02	0.03	(35%)	The variance arising mainly on account of increase in earning of Debt Service.
(4) Return on Equity (%)  (Net profit after tax (PAT)/Average Equity)  "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.	0.11%	(36%)	100.3%	The variance arising mainly on account of increase in Net Profit after Tax.
(5) Inventory turnover ratio (times)	11.79	10.19	15.6%	

Ratios	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for Variance(If change is more than 25%)
(Sales/Average inventory)				
[Sales:Revenue from operations]				
(6) Trade receivable turnover Ratio (times)	0.70	0.47	48.3%	Variance is on account of increase in turnover
(Sales /Average trade receivables)				
[Sales:Revenue from operations]				
(7) Trade payables turnover ratio (times)	2.27	1.30	75.1%	Variance is because the Company has opted for longer credit period to balance the working capital position.
(Net Credit Purchases/Average Trade Payables)				
Net credit purchases consist of gross credit purchases minus purchase return				
(8) Net capital turnover ratio (times)	7.59	7.85	(3%)	Variance is because of Increase in turnover
(Sales/Average working capital)				
(Working capital: Current assets - Current liabilities)				
[Sales:Revenue from operations]				
(9) Net profit ratio (%)	0.03%	(17%)	100.2%	Variance is mainly arising due to increase in sales and company's effort of taking various steps for reduction of cost
(Net profit after tax/Sales)				
[Sales:Revenue from operations]				
(10) Return on Capital Employed (%)	1.51%	2.59%	(42%)	Variance in mainly arising due to decrease in EBIT
(EBIT/Capital employed)				
[Capital Employed: Tangible Net Worth + Total Debt + Deferred Tax Liability				
Tangible Net Worth: Total Assets- Intangible Assets -Total Liability				
[EBIT: Profit before taxes +/-) Exceptional items +Finance Cost]				
(11) Return on investment	-	-	-	Company has not earned any return on in investments held for long term strategic purpose

#### NOTE 51: SEGMENT REPORTING

The Group is operating in a multiple segments viz. Construction, Hydro Power Generation and Waste Management in accordance with IND AS -108 notified pursuant to Companies (Indian Accounting Standards) Rules, 2015, (as amended). However, there are no reportable segment other than Construction as none of them meet the quantitative threshold criteria as prescribed in the said IND AS. The Group is primarily operating in India which is considered as single geographical segment.

**NOTE 52:** Previous periods's figures have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year.

**NOTE 53: ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT 2013**

Name	Net Assets, ie, Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs
<b>Parent</b>								
SPML Infra Ltd.	103.69%	33,164.97	3100.12%	998.06	99.95%	(21.19)	8887.51%	976.87
<b>Subsidiaries</b>								
Allahabad Waste Processing Company Limited	3.04%	973.88	3.09%	0.99	-	-	9.04%	0.99
Bhagalpur Electricity Distribution Co. Pvt Ltd	(9.6%)	(3,086.04)	(610.5%)	(196.53)	-	-	(1788.1%)	(196.53)
Doon Valley Waste Management Private Ltd	(0.6%)	(195.58)	(22.6%)	(7.26)	-	-	(66.1%)	(7.26)
Luni Power Company Private Limited	4.09%	1,306.84	-	-	-	-	-	-
Madurai Municipal Waste Processing Company Private Limited	0.21%	66.43	(1806.0%)	(581.44)	-	-	(5289.9%)	(581.44)
Mathura Nagar Waste Processing Limited	1.15%	368.56	(16.6%)	(5.33)	-	-	(48.5%)	(5.33)
Sanmati Infra Developers (p) Ltd.	(5.5%)	(1,760.28)	(66.0%)	(21.26)	-	-	(193.4%)	(21.26)
Pondicherry Special Economic Zone Company Limited	4.49%	1,437.57	31.52%	10.15	-	-	92.3%	10.15
SPML Infrastructure Limited	4.02%	1,287.18	(1925.0%)	(619.74)	0.05%	(0.01)	(5638.5%)	(619.75)
SPMLIL-Amrutha Constructions Pvt Ltd	0.22%	70.65	12.20%	3.93	-	-	35.7%	3.93
SPML Utilities Limited	2.21%	707.95	(1.1%)	(0.34)	-	-	(3.1%)	(0.34)
<b>Joint Ventures</b>								
Aurangabad City Water Utility Co. Ltd	-	-	-	-	-	-	-	-
Gurha Thermal Power Pvt Ltd	-	-	-	-	-	-	-	-
Hydro Comp Enterprises India Private Limited	-	-	-	-	-	-	-	-
Malviya Nagar Water Services Private Limited	-	-	303.0%	97.55	-	-	8.87	97.55
MVV Water Utility Private Limited	-	-	16.5%	5.30	-	-	48.20%	5.30
<b>Associates</b>								
Awa Power Company Private Limited	-	-	(0.0%)	(0.01)	-	-	(0.1%)	(0.01)
Binwa Power Company Private Limited	-	-	-	-	-	-	-	-
Bhilwara Jaipur Toll Road Private Limited	-	-	2.6%	0.83	-	-	7.55%	0.83

Name	Net Assets, ie, Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs	As % of consolidated profit or loss	₹ In Lakhs
	Delhi Waste Management Limited	-	-	75.3%	24.23	-	-	220.44%
IQU Power Company Private Limited	-	-	-	-	-	-	0.00%	-
Neogal Power Company Private Limited	-	-	(9.7%)	(3.11)	-	-	(28.3%)	(3.11)
SPML Energy Limited	-	-	71.1%	22.89	-	-	208.3%	22.89
Subhash Kabini Power Corporation Limited	-	-	(406.5%)	(130.86)	-	-	(1190.5%)	(130.86)
Sanmati Infra Developers (p) Ltd.	-	-	-	-	-	-	-	-
SPML Bhiwandi Water Supply Infra Limited	-	-	(2.6%)	(0.84)	-	-	(7.7%)	(0.84)
SPML Bhiwandi Water Supply Management Limited	-	-	-	-	-	-	-	-
Intra-group eliminations	(7.4%)	(2,356.67)	1351.18%	435.00	-	-	3957.65%	435.00
<b>TOTAL</b>	<b>100%</b>	<b>31,985.46</b>	<b>100%</b>	<b>32.19</b>	<b>100%</b>	<b>(21.20)</b>	<b>100%</b>	<b>10.99</b>

Signatories to Note nos. 1 to 53

As per our report of even date

**For Maheshwari & Associates**

Chartered Accountants

ICAI Firm Registration No. 311008E

**CA Bijay Murmuria**

Partner

Membership No - 055788

Place: Kolkata

Date: 28th May 2022

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

**Subhash Chand Sethi**

Chairman

DIN: 00464390

**Manoj Kumar Digga**

Chief Financial Officer

**Sushil Kr. Sethi**

Director

DIN: 00062927

**Swati Agarwal**

Company Secretary

## ANNEXURE - A

**DETAILS OF THE DIRECTORS SEEKING RE APPOINTMENT AT THIS ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name</b>	<b>Mr. Sushil Kumar Sethi</b>
<b>DIN</b>	00464390
<b>Date of Birth &amp; Age</b>	22.07.1958 (63 yrs.)
<b>Date of First Appointment on the Board of the Company</b>	27.08.1981
<b>Qualification</b>	Graduate
<b>Brief Resume and Expertise in specific functional area</b>	He has experience of more than four decade in execution of EPC contracts relating to water supply, power and infrastructure development projects.
<b>Terms and Conditions of appointment/Reappointment</b>	Mr. Sushil Kumar Sethi is retiring by rotation and seeking appointment
<b>Relationship with other Directors/ KMP of the company</b>	He is the brother of Mr. Subhash Chand Sethi Chairman & Whole Time Director of the Company
<b>Directorship held in other Listed Companies</b>	1. SPML India Ltd.
<b>Membership/Chairmanship of Committees of Other Board</b>	Nil
<b>Shareholding</b>	1,334,660 equity shares comprising 3.39% of the total Share Capital of the Company
<b>Remuneration last Drawn</b>	Nil
<b>Number of Board meeting attended during the year</b>	9 (Nine)

# SHAREHOLDERS PARTICULAR FOR ELECTRONIC MANDATE CLEARING SERVICES(ECS)

To  
(In case of Physical Holding)  
MaheshwariDatamatics Private Limited  
A/c: SPML Infra Limited  
23, R N Mukherjee Road,  
5th Floor, Kolkata- 700 001

(In Case of Electronic Holding)  
The Depository Participant

Dear Sir,

### Sub: FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

I wish to participate in the Electronic Clearing Services (ECS) and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

1. For Shares held in physical form Folio No.:
2. For shares held in electronic form

*(Shareholders holding shares in electronic form i.e. in DEMAT mode, should forward this form to their respective Depository Participant).*

DP ID:.....

Client ID:.....

3. Shareholder's Name: Shri/Smt/Kum/M/s: .....

4. Shareholder's Address:.....

5. Particulars of Bank:

\* Bank Name:.....

\*Branch & Address:.....

\*Mention the 9 digit-code number of the bank and: .....  
branch appearing on the MICR cheque issued by the bank

(Please attach the photocopy of a cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number)

\* Account Type (Please Tick): Savings  Current  Cash Credit

\* Account Number:.....  
(as appearing on the cheque book)

6. Date from which the mandate should be effective:.....

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company / Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place:  
Date:

Signature of the First Shareholder



# CORPORATE INFORMATION

## Board of Directors

**Mr. Subhash Chand Sethi**

*Chairman & Whole Time Director*

**Mr. Sushil Kumar Sethi**

*Vice Chairman & Non-Executive Director*

**Mr. Prem Singh Rana**

*Independent Director*

**Mr. Charan Singh**

*Independent Director*

**Mr. Tirudaimarudhur Srivastan Sivashankar**

*Independent Director*

**Mrs. Pavitra Joshi Singh**

*Independent Director*

## Key Managerial Personnel:

**Mr. Manoj Kumar Digga**

*Chief Financial Officer*

**Mrs. Swati Agarwal**

*Company Secretary*

## Registered Office:

F-27/2, Okhla Industrial Area,

Phase-II, New Delhi-110020

Tel: +91-11-26387091

CIN: L40106DL1981PLC012228

## Head Office:

22, Camac Street, Block-A,

3rd Floor, Kolkata-700016

Tel: +91-33-40091200

## Regional Office:

Bangalore B wing (South Block),

5th floor, Cristu Complex,

No-41/7, Lavelle Road,

Bangalore-560001

Tel: +91-80-48524898

## Bankers/ Financial Institutions

State Bank of India

Canara Bank

ICICI Bank Ltd.

Punjab National Bank

Bank of Baroda

Union Bank of India

## Auditors

Maheshwari & Associates

Chartered Accountants (FRN No.311008E)

Geetanjali Apartments,

Flat No. 6A, 8B, Middleton Street,

Kolkata-700071

## Registrar & Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.,

23, R. N. Mukherjee Road,

5th Floor, Kolkata- 700001





## **SPML Infra Limited**

Registered Office: F-27/2, Okhla Industrial Area,  
Phase II, New Delhi - 110020  
Tel.: +91-11-26387091

Head Office: 22, Camac Street, Block A  
3rd Floor, Kolkata - 700016  
Tel.: +91-33-40091200  
info@spml.co.in, www.spml.co.in

**Offices in Ahmedabad, Bengaluru,  
Chennai, Mumbai**