

## Limited Review Report

Review Report to  
The Board of Directors  
SPML Infra Limited  
(formerly Subhash Projects and Marketing Limited)

1. We have reviewed the accompanying statement of unaudited financial results of SPML Infra Limited (formerly Subhash Projects and Marketing Limited) ('the Company') for the quarter ended September 30, 2010 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and the Statement of Assets and Liabilities for the corresponding period ended September 30, 2009 which have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is drawn to the following:
  - (a) Non provision of tax liability of Rs 7,158.78 lacs as on September 30, 2010 (including Rs 667.20 lacs for the quarter) arising on account of the amendment to Section 80LA of the Income Tax Act, 1961 in the Finance Act, 2009. The Company has filed a writ with the Hon'ble High Court at Calcutta which has been admitted as well, challenging the validity of the above retrospective amendment, which as per legal opinion obtained, is ultra vires



to the main section of the above Act. Till the matter is decided by the Hon'ble High Court, the liability, if any, in this regard is unascertainable. We are unable to comment on the impact of the above non-provision of tax on the Company's profit for the quarter.

- (b) Consequent to (a) above, Minimum Alternate Tax entitlement benefit of Rs 1449.76 lacs (including Rs. 278.76 lacs for the quarter) has also not been considered as credit in the accounts.
- (c) Accounting of Share of loss from joint ventures amounting to Rs. 236.70 lacs on the basis of unaudited financial results as certified by the management. Adjustment, if any, on this account is presently not ascertainable.
- (d) SPML CISV JV, a Joint Venture entity (JV) has foreclosed the underlying project but the company is certain to recover its investment of Rs. 592.21 lacs in the said JV as on September 30, 2010 (Rs. 435.80 lacs as on June 30, 2010), based on the quantum of extra claim, likely to be raised on the customer by the JV Company. However, we are unable to offer our comment as regards the realization of the said investment and its consequent impact on the profit for the quarter.
- (e) Value Added Tax (VAT) balances are under reconciliation. Adjustment, if any, in these accounts are presently not ascertainable.
- (f) Liquidated damages amounting to Rs. 151.87 lacs pertaining P certain old projects against which financial closure have already taken place, have not been provided for as the management considers the same as good of recovery. Had the above provision been made, the profit for the quarter ended September 30, 2010 would stand at Rs. 1,097.13 lacs instead of reported figure of Rs. 1249 lacs.

The audit report for the year ended March 31, 2010 was modified for the items (a) and (c) a h ; while the limited review report for the quarter ended June 30, 2010 was modified for the items (a) to (d) above.



4. Based on our review conducted as above, subject to the effects of our observations in para 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

*S. J. Batliboi*  
For S. J. BATLIBOI & CO.

Firm registration number: 301003E  
Chartered Accountants

*R. K. Agrawal*



per R. K. Agrawal  
Partner

Membership No.: 16667

Place: Kolkata

Date: November 11, 2010

For SUNIL KUMAR GUPTA & CO.

Firm registration number: 003645N  
Chartered Accountants

*S. K. Gupta*



per S. K. Gupta  
Partner

Membership No.: 82486

Place: Delhi

Date: November 11, 2010